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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in First Pacific Company Limited, you should at once hand this circular and the accompanying Form of Proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**FIRST PACIFIC COMPANY LIMITED**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

**(Stock Code: 00142)**

**NOTICE OF ANNUAL GENERAL MEETING  
PROPOSALS FOR RE-ELECTION OF THE RETIRING DIRECTORS,  
AMENDMENTS TO THE BYE-LAWS, ADOPTION OF AN OFFICIAL CHINESE  
NAME, ADOPTION OF A NEW SHARE OPTION SCHEME,  
INCREASE IN AUTHORISED SHARE CAPITAL AND  
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**

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Notice convening the 2012 annual general meeting of First Pacific Company Limited to be held at The Tian & Di Room, 7th Floor, The Landmark Mandarin Oriental Hong Kong, 15 Queen's Road Central, The Landmark, Central, Hong Kong at 3:00 p.m. on Thursday, 31 May 2012 is set out on pages 46 to 51 of this circular.

Whether or not you are able to attend the annual general meeting, please complete and return the enclosed Form of Proxy to the principal office of First Pacific Company Limited (Attention: Corporate Secretarial Department) at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjourned meeting thereof (as the case may be). Completion and delivery of the Form of Proxy will not preclude you from attending and voting in person at the annual general meeting or any adjourned meeting should you so wish.

27 April 2012

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b>	
INTRODUCTION .....	5
ADOPTION OF THE AUDITED ACCOUNTS AND THE REPORTS OF THE DIRECTORS AND INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2011 .....	6
DECLARATION OF FINAL DIVIDEND .....	6
CLOSURE OF REGISTER OF MEMBERS .....	6
RE-APPOINTMENT OF AUDITORS .....	7
RE-ELECTION OF THE RETIRING DIRECTORS .....	7
AMENDMENTS TO THE BYE-LAWS .....	8
ADOPTION OF AN OFFICIAL CHINESE NAME .....	10
ADOPTION OF A NEW SHARE OPTION SCHEME .....	10
INCREASE IN AUTHORISED SHARE CAPITAL .....	13
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES .....	14
PROCEDURES TO DEMAND A POLL AT THE ANNUAL GENERAL MEETING .....	15
RESPONSIBILITY STATEMENT .....	15
RECOMMENDATION .....	16
<b>APPENDIX I – BIOGRAPHICAL DETAILS OF THE RETIRING DIRECTORS     PROPOSED TO BE RE-ELECTED</b> .....	17
<b>APPENDIX II – PROPOSED AMENDMENTS TO THE     BYE-LAWS</b> .....	20
<b>APPENDIX III – EXPLANATORY STATEMENT OF     THE REPURCHASE PROPOSAL</b> .....	32
<b>APPENDIX IV – SUMMARY OF THE PRINCIPAL TERMS     OF THE SHARE OPTION SCHEME</b> .....	36
<b>NOTICE OF ANNUAL GENERAL MEETING</b> .....	46

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## DEFINITIONS

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*In this circular and the appendices to it, the following expressions have the following meanings unless the context requires otherwise:*

“2011 AGM”	the annual general meeting of the Company convened and held on 1 June 2011;
“2012 AGM” or “AGM”	the annual general meeting of the Company to be convened by the Notice and held on 31 May 2012;
“Adoption Date”	the date on which the Share Option Scheme is adopted, which is expected to be the date of the AGM, at which a resolution to approve the Share Option Scheme will be proposed;
“Audit Committee”	the Company’s Audit Committee comprising of Mr. Graham L. Pickles (Committee Chairman), Prof. Edward K.Y. Chen, Mr. Jun Tang, independent non-executive directors of the Company, together with Mr. Benny S. Santoso, non-executive director of the Company;
“Board”	the board of Directors of the Company;
“Bye-laws”	the Bye-laws of the Company, as amended from time to time;
“Code”	the Code on Corporate Governance Practices adopted by the Company on 14 March 2005, and revised on 25 March 2009 and 20 March 2012 respectively, based on the provisions of Appendix 14 of the Listing Rules;
“Company” or “First Pacific”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
“Computershare”	the Company’s Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, located at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Date of Grant”	in respect of an Option under the Share Option Scheme and an Eligible Person means the date on which that Option is granted to that Eligible Person, which date shall conclusively be determined as the date of the letter of offer in respect thereof referred to in sub-paragraph 2(B) of Appendix IV;
“Director” or “Directors”	a director or directors of the Company, from time to time;

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## DEFINITIONS

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“Eligible Person”	any director, executive director, non-executive director, independent non-executive director, officer and/or employee of the Group or any member of it, whether in the full time or part time employment of the Group or any member of it, and any consultant, adviser, supplier, customer or sub-contractor of the Group or any member of it, and any other person whomsoever is determined by the Board as having contributed to the development, growth or benefit of the Group or any member of it or as having spent any material time in or about the promotion of the Group or its business or otherwise as being likely to act for the benefit of the Group or any member of it; and, provided always, that an Eligible Person can be an individual or any other person;
“Exercise Price”	in respect of an Option under the Share Option Scheme means the price per Share at which a Grantee may subscribe for Shares on the exercise of that Option, calculated in accordance with paragraph 3 of Appendix IV;
“Existing Share Option Scheme”	the share option scheme of the Company adopted in general meeting on 24 May 2004;
“Expiry Date”	in respect of an Option means the date of expiry of that Option as specified in the offer letter in respect thereof, which date shall not be later than the day last preceding the tenth anniversary of the Date of Grant in respect of such Option;
“First Pacific Group” or “Group”	First Pacific and its subsidiaries;
“Grantee”	any Eligible Person who is granted (and does not reject) an Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person or persons who, in accordance with the applicable laws of succession is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised) in consequence of the death of such Grantee;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date” or “LPD”	24 April 2012, being the latest practicable date for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Macau”	the Macau Special Administrative Region of the PRC;

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## DEFINITIONS

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“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company on 14 March 2005 and revised on 25 March 2009 and 20 March 2012 respectively, based on the provisions of Appendix 10 of the Listing Rules;
“Nomination Committee”	the Company’s Nomination Committee comprising of Prof. Edward K.Y. Chen (Committee Chairman), Mr. Anthoni Salim (Non-executive Chairman), together with Mr Graham L. Pickles, Mr. Jun Tang and Dr. Christine K.W. Loh, independent non-executive directors of the Company;
“Notice”	notice of the 2012 AGM as set out on pages 46 to 51 of this circular;
“Option” or “Options”	options to subscribe for Shares granted pursuant to the Existing Share Option Scheme or the Share Option Scheme as the case may be;
“PRC”	the Peoples’ Republic of China;
“Proposals”	the renewal of the general mandate enabling the Directors to allot and issue Shares, the renewal of the Repurchase Mandate, the renewal of a general mandate enabling the Directors to allot and issue Shares repurchased by the Company pursuant to the Repurchase Mandate, the re-election of the retiring Directors, the amendments to the Bye-laws, the adoption of an official Chinese name, the adoption of a new share option scheme and the increase in authorised share capital, in each case as contemplated by this circular;
“Repurchase Mandate”	the general mandate enabling the Company to repurchase its own Shares;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	the holders of the Shares from time to time;
“Share Option Scheme”	the new Share Option Scheme that will be proposed to be adopted at the AGM;
“Share Repurchase Program”	a share repurchase program announced by the Company on 1 June 2010 for the repurchase of up to US\$130 million (equivalent to approximately HK\$1 billion) in value of the Shares from the open market, by way of “on market repurchase” over a 24-month period until 31 May 2012;

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of US\$0.01 each of the Company and any shares resulting from any subsequent consolidation, sub-division or reclassification of those ordinary shares;
“Sterling pounds”	Sterling pounds, the lawful currency of the United Kingdom;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholders”	First Pacific Investments Limited, First Pacific Investments (B.V.I.) Limited and Mega Ring Investments Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“USA”	the United States of America; and
“US dollars” or “US\$”	United States dollars, the lawful currency of the USA.

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## LETTER FROM THE BOARD

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### FIRST PACIFIC COMPANY LIMITED

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

**(Stock Code: 00142)**

*Non-executive Chairman:*

Anthoni Salim

*Executive Directors:*

Manuel V. Pangilinan *(Managing Director and CEO)*

Edward A. Tortorici

Robert C. Nicholson

*Non-executive Directors:*

Tedy Djuhar

Benny S. Santoso

Napoleon L. Nazareno

*Independent Non-executive Directors:*

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Graham L. Pickles

Jun Tang

Dr. Christine K.W. Loh, *JP, OBE,*

*Chevalier de l'Ordre National du Merite*

*Principal Office:*

24th Floor

Two Exchange Square

8 Connaught Place

Central, Hong Kong

*Registered Office:*

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

27 April 2012

*To the Shareholders of First Pacific Company Limited*

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING  
PROPOSALS FOR RE-ELECTION OF THE RETIRING DIRECTORS,  
AMENDMENTS TO THE BYE-LAWS, ADOPTION OF AN OFFICIAL CHINESE  
NAME, ADOPTION OF A NEW SHARE OPTION SCHEME,  
INCREASE IN AUTHORISED SHARE CAPITAL AND  
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**

**INTRODUCTION**

The purpose of this circular is to provide you with information in connection with the convening of the 2012 AGM and an explanation in connection with the matters to be dealt with at the 2012 AGM. In accordance with good corporate governance practices and the Listing Rules, the chairman of the 2012 AGM will direct that each of the resolutions set out in the Notice be voted on by poll.

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## LETTER FROM THE BOARD

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The Notice convening the 2012 AGM is set out on pages 46 to 51 of this circular.

A Form of Proxy for use at the 2012 AGM is enclosed with this circular. Whether or not you are able to attend the 2012 AGM, you are requested to complete and return the Form of Proxy in accordance with the instructions printed thereon to the principal office of the Company in Hong Kong not less than 48 hours before the time appointed for the holding of the 2012 AGM. Completion and delivery of a Form of Proxy will not preclude you from attending and voting in person at the 2012 AGM, should you so wish.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions to be proposed at the AGM. The Board confirms that to the best of its knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there was no voting trust or other agreement or other arrangement or understanding (other than an outright sale) entered into by or binding upon any Shareholder and there was no obligation or entitlement of any Shareholder whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his Shares to a third party, either generally or on a case-by-case basis.

### **ADOPTION OF THE AUDITED ACCOUNTS AND THE REPORTS OF THE DIRECTORS AND INDEPENDENT AUDITORS FOR THE YEAR ENDED 31 DECEMBER 2011**

A copy of the 2011 Annual Report of the Company, incorporating the audited consolidated accounts of the Company for the year ended 31 December 2011 and the Directors' and Independent Auditors' reports thereon, and information concerning each of the retiring Directors who will be put forward for re-election at the 2012 AGM, has been despatched to all Shareholders together with this circular. The audited consolidated accounts of the Company for the year ended 31 December 2011 have been reviewed by the Audit Committee and approved by the Board for adoption at the 2012 AGM.

### **DECLARATION OF FINAL DIVIDEND**

On 20 March 2012, the Directors announced the audited results of the Company for the year ended 31 December 2011. As mentioned in that announcement, the Board recommended a final dividend of HK13.00 cents (US1.67 cents) per Share in respect of the financial year ended 31 December 2011. Subject to approval by Shareholders at the 2012 AGM, the final dividend will be paid in cash in a currency to be determined based on the registered address of each Shareholder on the Company's Register of Members as follows: Hong Kong dollars for Shareholders with registered addresses in Hong Kong, Macau and PRC, Sterling pounds for Shareholders with registered addresses in the United Kingdom and US dollars for Shareholders with registered addresses in all other countries. It is expected that the dividend warrants will be dispatched to Shareholders on or about Thursday, 21 June 2012.

### **CLOSURE OF REGISTER OF MEMBERS**

#### **1. Annual General Meeting**

The Company's Register of Members will be closed from Tuesday, 29 May 2012 to Thursday, 31 May 2012, both dates inclusive, during which period no transfer of shares will be registered. In order



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## LETTER FROM THE BOARD

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to qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Registrar, Computershare, no later than 4:30 p.m. on Monday, 28 May 2012.

### **2. Proposed Final Dividend**

Upon approval of the proposed final dividend at the AGM, the Company's Register of Members will be closed from Thursday, 7 June 2012 to Friday, 8 June 2012, both dates inclusive, during which period no transfer of shares will be registered. The ex-dividend date will be Tuesday, 5 June 2012. In order to qualify for the proposed final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Registrar, Computershare, no later than 4:30 p.m. on Wednesday, 6 June 2012. The final dividend will be paid to Shareholders whose names appear on the Register of Members on Friday, 8 June 2012 and the payment date will be on or about Thursday, 21 June 2012.

### **RE-APPOINTMENT OF AUDITORS**

The Audit Committee has recommended to the Board (which in turn endorsed the view), that subject to the approval of Shareholders at the 2012 AGM, Ernst & Young be re-appointed as the auditors of the Company for the ensuing year.

### **RE-ELECTION OF THE RETIRING DIRECTORS**

Mr. Anthoni Salim (Non-executive Chairman), being the Director who has been longest in office since his re-election at the 2009 annual general meeting held on 3 June 2009, is due to retire as a Director at the 2012 AGM. Separately, Mr. Tedy Djuhar (Non-executive Director) and Mr. Ibrahim Risjad (Non-executive Director), being the Directors who were re-elected as Directors of the Company for a fixed term of approximately one year at the 2011 AGM, are also due to retire at the 2012 AGM.

At the Company's Nomination Committee meeting held on 8 December 2011, the Nomination Committee approved the nomination of Mr. Anthoni Salim for re-election for a fixed term of approximately three years, commencing on the date of the 2012 AGM and expiring at the conclusion of the annual general meeting of the Company to be held in the third year following the year of his re-election (being 2015). On the expiration of the term, Mr. Anthoni Salim shall be deemed a retiring Director and shall be eligible for re-election. The Nomination Committee also approved the nomination of Mr. Tedy Djuhar for re-election for a fixed term of approximately one year, commencing on the date of the 2012 AGM and expiring at the conclusion of the annual general meeting of the Company to be held one year following the year of his re-election (being 2013).

It was noted that the late Mr. Ibrahim Risjad passed away on 16 February 2012 and hence, the re-election procedure would not be applicable in his case.

The proposed re-election for each of Mr. Anthoni Salim and Mr. Tedy Djuhar on the terms specified above will be considered by separate resolutions at the 2012 AGM.

The biographical details of each of the two retiring Directors, as required by Rule 13.51(2) of the Listing Rules, are set out in Appendix I of this circular to enable Shareholders to make an informed decision on their re-election. Save as otherwise disclosed in this circular, there is no information to be

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## LETTER FROM THE BOARD

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disclosed pursuant to any of the requirements under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor are there any other matters that need to be brought to the attention of Shareholders in respect of the two retiring Directors who will stand for re-election at the 2012 AGM.

### AMENDMENTS TO THE BYE-LAWS

A special resolution will be proposed at the 2012 AGM to approve certain amendments to the Bye-laws as set out in resolution 12 of the Notice. The proposed amendments will principally reflect the recent changes brought about by the Companies Amendment (No.2) Act 2011 of Bermuda coming into force, amendments to the Listing Rules and certain technical improvements. The proposed amendments will, among other things, include addressing the following:-

- (a) to reflect the new Chinese Company name which will be adopted subject to approval by Shareholders at the 2012 AGM;
- (b) to permit the Company to deem consent on the part of a Shareholder to a corporate communication being made available to him solely on the Company's website or the Stock Exchange's website if the procedures set out in the Listing Rules and the Bye-laws are complied with;
- (c) to allow the Company to provide financial assistance for purchase or acquisition of its own Shares subject to compliance with the applicable laws, rules and regulations;
- (d) to allow transfer of Shares by means other than instrument of transfer if it is permitted by and is in accordance with the rules of the stock exchange in respect of which the Shares are listed;
- (e) to allow the Company from time to time by special resolution, subject to any confirmation or consent required by applicable law, to reduce its authorised or issued share capital, or save for the use of share premium as permitted by the Companies Act 1981 (as amended) of Bermuda any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by the applicable laws, rules and regulations;
- (f) to revise the provision in relation to resident representative ordinarily resident in Bermuda in accordance with the Companies Act 1981 (as amended) of Bermuda;
- (g) to specify that an annual general meeting shall be called by written notice of not less than 21 clear days and not less than 20 clear business days and any special general meeting called for the passing of a special resolution shall be called by written notice of not less than 21 clear days and not less than 10 clear business days. All other special general meetings called for the passing of an ordinary resolution shall be called by written notice of not less than 14 clear days and not less than 10 clear business days;

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## LETTER FROM THE BOARD

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- (h) to align with the requirements of the Listing Rules that matters in which a substantial shareholder or a Director has a conflict of interest which is considered to be material by the Board should be dealt with by a physical Board meeting rather than a written resolution;
- (i) to remove the exemption for voting by a Director on a Board resolution in which such a Director has an aggregate beneficial interest of not more than 5%;
- (j) to specify that all resolutions at general meetings of the Company shall, where required by the Listing Rules, be decided by poll;
- (k) to require shareholder approval at a general meeting of any proposal to appoint an auditor and to remove an auditor before the end of its term of office;
- (l) to allow a notice of a meeting of the Board to be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or via electronic mail or by telephone or in such other manner as the Board may from time to time determine whenever it shall be required so to do by any Director;
- (m) the Directors (in addition to the Shareholders in general meeting) shall also have power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next following general meeting of Shareholders after his appointment and be subject to re-election at such meeting;
- (n) to align with the requirements of the Listing Rules in which the Company would be subject to restrictions on its purchase for redemption of redeemable shares;
- (o) to ensure that adequate voting rights would, in appropriate circumstances, be secured to preference shareholders;
- (p) to require that appropriate descriptions of the voting rights attached to the shares must appear in the designation of such shares;
- (q) to specify that fully-paid shares should not be subject to any restriction on the right of transfer (except as permitted by the Stock Exchange);
- (r) to specify that voting rights attached to a share would not be frozen or impaired as a result of failure to disclose interests in a resolution;
- (s) to allow the use of the two-way proxy form;
- (t) to revise the relevant provisions so that a director may be removed by an ordinary resolution, rather than by a special resolution as is currently the case; and
- (u) certain minor technical amendments to address certain formatting, referencing and typographical issues which do not affect the substance of the relevant provisions.

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## LETTER FROM THE BOARD

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The legal adviser to the Company as to Hong Kong law has confirmed that the proposed amendments to the Bye-laws comply with the requirements of the Listing Rules. The legal adviser to the Company as to Bermuda law has confirmed that the proposed amendments to the Bye-laws do not violate the applicable laws of Bermuda. The Company confirms that there is nothing unusual about the proposed amendments for a Bermuda company listed on the Stock Exchange.

Shareholders are advised that the Bye-laws are available in English as well as a Chinese translation version, which is for reference only. In case of any inconsistency, the English version shall prevail.

The Bye-laws will be available for inspection at the Company's principal place of business in Hong Kong at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong from 9:00 a.m. to 5:00 p.m. Monday to Friday (excluding public holidays) from the date hereof up to and including 31 May 2012.

### **ADOPTION OF AN OFFICIAL CHINESE NAME**

The Board proposes to formally adopt “第一太平有限公司” as the official Chinese name of the Company. The adoption of the Chinese name is subject to (i) the passing of a special resolution by the Shareholders at the 2012 AGM; and (ii) the approval by the Registrar of Companies in Bermuda.

Assuming these conditions are fulfilled, the proposed name change will take effect from the date on which the Registrar of Companies in Bermuda enters the Company's new name on the register. Further announcement will be made by the Company regarding the effective date of the name change. The Company will carry out all necessary filing procedures with the Registrar of Companies in Bermuda and also notify the Registrar of Companies in Hong Kong under Part XI of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong.

The Chinese stock short name of the Company, namely “第一太平”, will remain unchanged.

The adoption of Chinese name will not affect any rights of the Shareholders. All existing share certificates in issue bearing the existing name of the Company are valid for trading, settlement and registration purposes.

### **ADOPTION OF A NEW SHARE OPTION SCHEME**

An ordinary resolution will be proposed at the 2012 AGM for the adoption of a new Share Option Scheme of the Company. The new Share Option Scheme is an incentive scheme and is established to provide Eligible Persons with the opportunity to acquire proprietary interests in the Company and to enable the Group to, (i) recognise and acknowledge the contributions that Eligible Persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other Eligible Persons; (iii) motivate the Eligible Persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to Eligible Persons.

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## LETTER FROM THE BOARD

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The Share Option Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date. On and after the tenth anniversary of the Adoption Date, no further Options shall be granted. Any Options which are granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with the terms of their issue.

The Share Option Scheme does not specify a minimum period for which an Option must be held nor a performance target which must be achieved before an Option can be exercised. However, the rules of the Share Option Scheme provide that the Board may determine, in its absolute discretion, such term(s) on the grant of an Option. The basis for the determination of the Exercise Price is also specified precisely in the rules of the Share Option Scheme. When granting Options and determining the terms of grant, the Board customarily imposes a multi year vesting period and takes into account target levels of future share price performance. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Eligible Persons to acquire proprietary interests in the Company.

The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to Shareholders. However, Shareholders should note that, in compliance with the Listing Rules, estimated valuations of Options granted during any financial period will be provided based on the Black-Scholes option pricing model, binomial option pricing model or a comparable generally accepted methodology in the Company's interim and final statements of its financial results.

The adoption of the Share Option Scheme is conditional upon:-

- (1) the Shareholders passing an ordinary resolution at the AGM to approve the adoption of the Share Option Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options to be granted under the Share Option Scheme.

If condition (2) is not satisfied on or before the date falling three (3) months after the Adoption Date (or such later date as the Board may decide), the Share Option Scheme shall forthwith determine, and any Option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such grant shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any such Option.

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## LETTER FROM THE BOARD

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The Company currently has no Option schemes in force other than the Existing Share Option Scheme. Particulars of the Existing Share Option Scheme as at the Latest Practicable Date are as follows:

GRANTEE	DATE OF GRANT	EXERCISE PRICE (HK\$)	NUMBER OF OPTIONS OUTSTANDING
Manuel V. Pangilinan	5 September 2007	5.0569	25,465,245
Edward A. Tortorici	5 September 2007	5.0569	6,483,256
Robert C. Nicholson	1 June 2004	1.6698	3,000,000
Robert C. Nicholson	5 September 2007	5.0569	16,337,388
Benny S. Santoso	1 June 2004	1.6698	2,993,431
Benny S. Santoso	5 September 2007	5.0569	3,330,719
Napoleon L. Nazareno	11 December 2009	5.0569	3,330,000
Graham L. Pickles	5 September 2007	5.0569	3,330,719
Prof. Edward K.Y. Chen	1 June 2004	1.6698	412,394
Prof. Edward K.Y. Chen	5 September 2007	5.0569	3,330,719
Jun Tang	11 December 2009	5.0569	3,330,000
Dr. Christine K.W. Loh	30 August 2011	7.44	3,330,000
Senior Executives	1 June 2004	1.6698	7,482,843
	7 June 2006	3.1072	743,113
	5 September 2007	5.0569	41,300,938
	18 June 2010	5.31	5,400,000

As at the Latest Practicable Date, 129,600,765 Options in respect of the Shares in the Company remain outstanding as granted pursuant to the Existing Share Option Scheme. The Existing Share Option Scheme of the Company adopted in general meeting on 24 May 2004 shall remain on foot and all Options granted under the Existing Share Option Scheme will continue to be administered under the terms of the Existing Share Option Scheme and their respective terms of issue. No further Options will be granted pursuant to the Existing Share Option Scheme before it expires or is terminated.

The total number of Shares which may be issued upon exercise of all Options to be granted under the new Share Option Scheme (together with any other scheme(s) of the Company), shall not exceed 10% of the Shares in issue as at the date of passing of the relevant resolution at the AGM. Under the terms of the Share Option Scheme and Rule 17.03 of the Listing Rules, the 10% limit may be renewed in the future, subject to prior Shareholders' approval, but in any event shall not exceed 10% of the issued share capital of the Company as at the date of the Shareholders' approval of any such renewal. Options previously granted under the Existing Share Option Scheme or any other scheme(s) of the Company (including those outstanding, cancelled or lapsed in accordance with the relevant scheme rules and exercised Options) will not be counted for the purpose of calculating the 10% limit. Based on the 3,841,817,542 Shares in issue (after deduction of 2,786,000 Shares which have been repurchased but pending cancellation) as at the Latest Practicable Date and assuming that there is no change in the issued share capital of the Company before the AGM, the maximum number of Shares that can be issued upon exercise of Options that may be granted after the date of the AGM under the proposed Share Option Scheme (together with any other share option scheme(s)) is 384,181,754 Shares.

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## LETTER FROM THE BOARD

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None of the Directors is a trustee of the new Share Option Scheme or has a direct or indirect interest in the trustee.

An application will be made to the Listing Committee of the Stock Exchange for approval of the listing of and permission to deal in the Shares that may be issued pursuant to the exercise of Options that may be granted under the Share Option Scheme. An announcement will be published by the Company in compliance with the Listing Rules in respect of the outcome of the proposed resolution to approve the Share Option Scheme as soon as practicable after (which is expected to be the business day immediately following) the AGM.

A summary of the principal terms of the proposed Share Option Scheme is set out in Appendix IV below. A copy of the rules of the new Share Option Scheme is available for inspection at the Company's principal place of business in Hong Kong at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong from 9:00 a.m. to 5:00 p.m. Monday to Friday (excluding public holidays) from the date hereof up to and including 31 May 2012.

### **INCREASE IN AUTHORISED SHARE CAPITAL**

As at the Latest Practicable Date, the authorised share capital of the Company was US\$50,000,000.00 divided into 5,000,000,000 Shares of which 3,841,817,542 Shares were in issue. As at the Latest Practicable Date, the outstanding options carrying rights to subscribe for an aggregate of 129,600,765 Shares were granted by the Company.

The authorised share capital of the Company has not been increased since June 2003. The Board proposes to increase the authorised share capital of the Company from US\$50,000,000.00 to US\$60,000,000.00 by the creation of an additional 1,000,000,000 Shares of US\$0.01 each. The proposed increase in authorised share capital of the Company is subject to the approval of the Shareholders by way of an ordinary resolution at the AGM.

Immediately after the completion of increase in authorised share capital of the Company and assuming no new Shares are issued or no Shares are repurchased during the period from the Latest Practicable Date up to the AGM, the authorised share capital of the Company will be US\$60,000,000.00 divided into 6,000,000,000 Shares, with 3,841,817,542 Shares in issue and 2,158,182,458 Shares remaining unissued (of which up to 129,600,765 Shares may be subscribed for under Options granted and remain outstanding).

The Board has no present intention of issuing any part of the proposed increased authorised share capital, but considers that the increase of authorised share capital shall provide the Company a flexibility for future investment opportunities. The Board believes that the increase in the authorised share capital of the Company is in the interests of the Company and the Shareholders as a whole. The proposed increase in the authorised share capital of the Company will take effect upon the relevant resolution approving the same is passed by the Shareholders at the AGM.

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## LETTER FROM THE BOARD

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### GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

In order to keep in line with current corporate practices, resolutions will be proposed at the 2012 AGM seeking Shareholders' approval for, inter alia, the renewal of a general mandate enabling the Directors to allot and issue Shares; the renewal of the Repurchase Mandate and the renewal of a general mandate enabling the Directors to allot and issue Shares repurchased by the Company pursuant to the Repurchase Mandate during the period from the passing of the relevant resolutions at the 2012 AGM until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required either by law or by the Company's Bye-laws to be held; and (iii) the date upon which the authority set out in the resolutions are revoked or varied by way of ordinary resolution of the Shareholders in general meeting.

At the 2011 AGM, Shareholders passed an ordinary resolution granting to the Directors a general mandate to allot and issue Shares up to a limit equal to 10% of the aggregate nominal amount of the issued share capital of the Company as at 1 June 2011. Your Directors believe that it would be in the best interests of the Company to renew this mandate, as the general mandate will expire at the conclusion of the 2012 AGM.

At the 2011 AGM, Shareholders also passed an ordinary resolution granting to the Directors a general mandate to exercise the powers of the Company to repurchase its own Shares up to a limit of 10% in aggregate of the Company's issued share capital as at 1 June 2011. A further ordinary resolution was passed by Shareholders granting to the Directors a general mandate to allot and issue Shares repurchased by the Company pursuant to the general mandate to repurchase shares. Your Directors believe that it would be in the best interests of the Company to renew these mandates as they will expire at the conclusion of the 2012 AGM.

On 1 June 2010, the Company announced a two-year Share Repurchase Program to repurchase up to US\$130 million in value of the Shares by way of "on-market" repurchases. On 20 March 2012, the Company announced that it would renew its commitment to shareholder value by building on the existing two-year Share Repurchase Program with an ongoing commitment of allocating 10% of its recurring profit to share repurchases in each financial year, which is conditional on the state of financial markets, economic conditions affecting Group companies, and on potential opportunities for mergers and acquisitions.

Since the Company's announcement of the Share Repurchase Program on 1 June 2010, the Company has spent approximately US\$115 million (HK\$897 million) to repurchase 123,820,000 Shares of the Company, representing approximately 3.2% of the Company's issued share capital (after deduction of 2,786,000 Shares which have been repurchased but pending cancellation) as at the Latest Practicable Date.

The main features of the Listing Rules regarding share repurchases on the Stock Exchange, and further details in relation to the proposed share repurchase resolution are contained in the explanatory statement set out in Appendix III of this circular so as to enable Shareholders to make an informed decision on whether to vote for or against the proposed ordinary resolution to approve the granting of a general mandate to the Directors to exercise the powers of the Company to repurchase its own Shares at the 2012 AGM.



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## LETTER FROM THE BOARD

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### PROCEDURES TO DEMAND A POLL AT THE ANNUAL GENERAL MEETING

Consistent with the Listing Rule requirements and good corporate governance practices, the chairman of the 2012 AGM will demand a poll for each of the resolutions set out in the Notice.

In accordance with Bye-law 79, every resolution put to the vote at a Shareholders' meeting shall be decided on a show of hands unless before or on the declaration of the results of the show of hands, a poll is demanded by:

- (i) the chairman; or
- (ii) at least three (3) members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) any member or members present in person or by proxy and representing not less than one-tenth (1/10th) of the total voting rights of all members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10th) of the total sum paid up on all the Shares conferring that right.

In accordance with Bye-law 80, if a poll is demanded in the manner aforesaid, it shall be taken in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded, as the chairman directs. The results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors confirm, having made all reasonable enquiries that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

Your Directors are of the opinion that the Proposals are in the best interests of the Company and its Shareholders and recommend you to vote in favor of all the resolutions to be proposed at the 2012 AGM to be held on 31 May 2012. The Directors have indicated that the votes attaching to the Shares owned by them and their respective associates (as defined in the Listing Rules) will, where entitled, be cast in favor of all the resolutions to be proposed at the 2012 AGM.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**First Pacific Company Limited**  
**Manuel V. Pangilinan**  
*Managing Director and CEO*

*The following are the particulars of the two retiring Directors proposed to be re-elected at the 2012 AGM:*

**1. Mr. Anthoni Salim (“Mr. Salim”)**

*Non-Executive Chairman*

Age 63, born in Indonesia. Mr. Salim graduated from Ewell County Technical College in Surrey, England. He is the President and CEO of the Salim Group, President Director and CEO of PT Indofood Sukses Makmur Tbk. and PT Indofood CBP Sukses Makmur Tbk., and holds positions as Commissioner and Director in various companies.

Mr. Salim serves on the Boards of Advisors of several multinational companies. He was a member of the GE International Advisory Board, and is currently a member of the Advisory Board of ALLIANZ Group, an insurance company based in Germany, and a member of Food & Agribusiness Advisory Board of Rabobank Asia. He joined the Asia Business Council in September 2004.

Mr. Salim is the son of Mr. Soedono Salim. He has served as a Director of First Pacific since 1981 and assumed the role of Chairman in June 2003.

As at the Latest Practicable Date, Mr. Salim was interested, or was deemed to be interested in the following long positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange:

- i. 790,229,364 ordinary shares<sup>(c)</sup> of the Company held through First Pacific Investments Limited (“FPIL-Liberia”), a Liberian company which is owned as to 56.8% by Mr. Salim. Out of the 56.8% interest in FPIL-Liberia, 10.0% is held by Mr. Salim directly, and 46.8% by Salerni International Limited (a company in which Mr. Salim directly holds 100% of the issued share capital) (“Salerni”). The remaining 43.2% interest in FPIL-Liberia is owned as to 30.0% by Mr. Sutanto Djuhar (a former Director of the Company), 10.0% by Mr. Tedy Djuhar (a Non-executive Director of the Company) and 3.2% by a company that was controlled by the late Mr. Ibrahim Risjad (a former Non-executive Director of the Company).
- ii. 632,226,599 ordinary shares<sup>(c)</sup> of the Company held through First Pacific Investments (B.V.I.) Limited, a BVI company which is owned 100% indirectly by Mr. Salim, which indirect interest is held through Salerni;
- iii. 284,491,191 ordinary shares<sup>(c)</sup> of the Company held through Mega Ring Investments Limited, a BVI company which is owned 100% indirectly by Mr. Salim, which indirect interest is held through Salerni;

- iv. 1,329,770 ordinary shares<sup>(P)</sup> (0.02%) in PT Indofood Sukses Makmur Tbk (Indofood) and an indirect interest of 4,396,103,450 Indofood shares (50.07%) through the Company's group companies;
- v. a direct interest of 2,007,788 shares<sup>(C)</sup> (0.14%) in Indofood Agri Resources Ltd. (IndoAgri) through his controlled corporations other than the Company and an indirect interest of 998,200,000 IndoAgri shares (69.38%) through the Company's group companies; and
- vi. a direct interest of 20,483,364 shares<sup>(C)</sup> (0.13%) in PT Salim Ivomas Pratama Tbk (SIMP) through his controlled corporations other than the Company and an indirect interest of 12,448,625,000 SIMP shares (78.71%) through the Company's group companies.

Mr. Salim has not entered into any service contract with the Company. In addition to any remuneration otherwise payable under the Company's Bye-laws, as a Non-executive Director, Mr. Salim is entitled to receive the sum of US\$5,000 for each meeting of the Board of Directors or Board Committees (which he attends in person or by telephone conference call) or general meetings (which he attends in person), as shall be determined from time to time by the Board, details as set out in Note 34(A) to the consolidated financial statements headed "Directors' Remuneration" on page 153 in First Pacific's 2011 Annual Report.

Save as disclosed herein, Mr. Salim has no financial or family relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

Furthermore, Mr. Salim did not have any matter that was required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or that need to be brought to the attention of the Shareholders as at the Latest Practicable Date.

## **2. Mr. Tedy Djuhar ("Mr. Djuhar")**

### *Non-executive Director*

Age 60, born in Indonesia. Mr. Djuhar received a Bachelor of Economics degree from the University of New England in Australia. Mr. Djuhar is Vice Commissioner of PT Indocement Tunggal Prakarsa Tbk., Director of Pacific Industries and Development Limited, and Director of a number of other Indonesian companies. He joined First Pacific's Board in 1981.

Mr. Djuhar is the son of Mr. Sutanto Djuhar, former Non-executive Director of the Company who continues to hold shares in the Company through First Pacific Investments Limited (as described below).

As at the Latest Practicable Date, Mr. Djuhar was interested, or was deemed to be interested in the following long positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange:

- i. 790,229,364 ordinary shares<sup>(C)</sup> of the Company held through First Pacific Investments Limited (“FPIL-Liberia”), a Liberian company which is owned as to 56.8% by Mr. Salim. Out of the 56.8% interest in FPIL-Liberia, 10.0% is held by Mr. Salim directly, and 46.8% by Salerni International Limited (a company in which Mr. Salim directly holds 100% of the issued share capital) (“Salerni”). The remaining 43.2% interest in FPIL-Liberia is owned as to 30.0% by Mr. Sutanto Djuhar (a former Director of the Company), 10.0% by Mr. Djuhar (a Non-executive Director of the Company) and 3.2% by a company that was controlled by the late Mr. Ibrahim Risjad (a former Non-executive Director of the Company).
- ii. 15,520,335 ordinary shares<sup>(C)</sup> (0.18%) in Indofood.

Mr. Djuhar has not entered into any service contract with the Company. In addition to any remuneration otherwise payable under the Company’s Bye-laws, as a Non-executive Director, Mr. Djuhar is entitled to receive the sum of US\$5,000 for each meeting of the Board of Directors or Board Committees (which he attends in person or by telephone conference call) or general meetings (which he attends in person), as shall be determined from time to time by the Board, details as set out in Note 34(A) to the consolidated financial statements headed “Directors’ Remuneration” on page 153 in First Pacific’s 2011 Annual Report.

Save as disclosed herein, Mr. Djuhar has no financial or family relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

Furthermore, Mr. Djuhar did not have any matter that was required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or that need to be brought to the attention of the Shareholders as at the Latest Practicable Date.

*Note: (P) = Personal Interest; (C) = Corporate Interest*

This appendix contains the proposed amendments to the Bye-laws.

**1. Bye-law 1 be amended by:**

1.1 adding the words (第一太平有限公司) at the end of the definition of “the Company” or “this Company”;

1.2 deleting the definition of “writing” or “printing” in its entirety and replacing by the following:

“writing” or “printing” shall include writing, printing, lithography, photography, typewriting and every other mode of representing words or figures in a legible and non-transitory form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the member’s election comply with all applicable Statutes, rules and regulations;

1.3 adding the following new definitions immediately after the existing definition of “Listing Rules”:

“**business day**” shall mean any day on which the Stock Exchange of Hong Kong Limited is open for the business of dealing in securities;

“**clear days**” shall mean, in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect and “**clear business days**” shall have the corresponding meaning in respect of business days;

“Takeovers Code” shall mean the Hong Kong Code on Takeovers and Mergers;

“Designated Stock Exchange” shall mean a stock exchange which is an appointed stock exchange for the purposes of the Act in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company.

**2. Bye-law 3 paragraph (A) be deleted in its entirety and replaced by the following:**

3. (A) The authorised share capital of the Company at the date of adoption of this bye-law is US\$60,000,000.00 divided into 6,000,000,000 ordinary shares of US 1 cent each.

**3. Bye-law 4 be deleted in its entirety and replaced by the following:**

4. (A) Without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred, qualified or other special rights, privileges or conditions or subject to such restrictions, whether as regards dividend, voting, return of share capital or otherwise, as the Company from time to time by Ordinary Resolution may determine (or, in the absence of any such determination, as the Directors may determine) and any preference share, subject to

the Companies Act and with the sanction of an Ordinary Resolution, may be issued on the terms that it is liable to be redeemed either at the option of the Company, or, if so authorised by the Memorandum of Association of the Company, at the option of the holder. Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all shareholders alike.

- (B) The Directors may issue warrants to subscribe for any class of shares or securities of the Company on such terms as they from time to time may determine. Where such warrant certificates are lost, no new warrant certificates shall be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed and have received an indemnity in satisfactory form with regard to the issue of any such new warrant certificates.
- (C) In the event of preference shares being issued the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares and preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending general meetings of the Company, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six (6) months in arrears.

**4. Bye-law 6 paragraph (A) be deleted in its entirety and replaced by the following:**

- 6. (A) Subject to the Statutes and, where applicable, to the rules of any Designated Stock Exchange and any other relevant regulatory authority, the Company may give financial assistance on such terms as the Directors think fit for the purpose of or in connection with a purchase made or to be made by any person (including without limitation, any trustee of any employee share scheme of the Company) of any shares in the Company.

**5. Adding the following new Bye-law 14 paragraph (C) immediately after the existing Bye-law 14 paragraph (B):**

- (C) The register and branch register of members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon during business hours by members of the public without charge at the Office or such other place at which the register is kept in accordance with the Act. The register including any overseas or local or other branch register of members may, after notice has been given by advertisement in an appointed newspaper and where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the board may determine and either generally or in respect of any class of shares.

**6. Bye-law 35 be deleted in its entirety and replaced by the following:**

35. (A) The Directors, in their absolute discretion, at any time and from time to time may transfer any share on the register to any branch register or any share on any branch register to the register or any other branch register.
- (B) Unless the Directors otherwise agree, no shares on the register may be transferred to any branch register nor may shares on any branch register be transferred to the register or any other branch register. All transfers and other documents of title must be lodged for registration, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the register, at the Office or at such other place in Bermuda as the Directors from time to time may determine.

**7. Bye-law 36 be deleted in its entirety and replaced by the following:**

36. Subject to the Companies Act, all transfers of shares may be effected in any manner permitted by and in accordance with the rules of any Designated Stock Exchange or by transfer in writing in the usual common form or in such other form as the Directors may accept and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Directors may approve from time to time.

**8. Bye-law 40 be deleted in its entirety and replaced by the following:**

40. Save as provided in these Bye-laws, there shall be no restriction on the transfer of fully-paid shares (except where required by law or the listing rules of the Designated Stock Exchange), but without limiting the generality of the foregoing, the Directors may also decline to recognise any instrument of transfer unless:
- (i) a fee in the maximum amount prescribed by applicable law or regulation of The Stock Exchange of Hong Kong Limited is paid to the Company in respect thereof;
  - (ii) the instrument of transfer is lodged at the relevant registration office or Office, as the case may be, and accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors reasonably may require to show the right of the transferor to make the transfer;
  - (iii) the instrument of transfer is in respect of only one class of share;
  - (iv) the shares concerned are free of any lien in favour of the Company;
  - (v) if necessary, the instrument of transfer is stamped properly; and
  - (vi) where applicable, the permission of the Bermuda Monetary Authority with respect thereto has been obtained.



**9. Bye-law 62 paragraph (A) sub-paragraph (ii) be deleted in its entirety and replaced by the following:**

- (ii) divide all or any of its shares into several classes of shares and attach thereto, respectively, preferred, deferred, qualified or other special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting the Directors may determine, provided always that where the Company issues shares which do not carry voting rights, the words “non-voting” shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words “restricted voting” or “limited voting”;

**10. Bye-law 62 paragraph (B) be deleted in its entirety and replaced by the following:**

- (B) The Company from time to time by Special Resolution may, subject to any confirmation or consent required by law, reduce its authorised or issued share capital, or, save for the use of share premium as permitted by the Act, any share premium account or other undistributable reserve in any manner authorised and subject to any conditions prescribed by the Statutes.

**11. Bye-law 72 paragraph (A) be deleted in its entirety and replaced by the following:**

- (A) An annual general meeting shall be called by notice in writing of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any special general meeting called for the passing of a Special Resolution shall be called by notice in writing of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other special general meetings of the Company shall be called by notice in writing of not less than fourteen (14) clear days and not less than ten (10) clear business days. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting and, in case of special business, the general nature of that business, and shall be given in manner hereinafter mentioned or in such other manner, if any, as may be prescribed by the Company in general meeting, to such persons as are, under these bye-laws, entitled to receive such notices from the Company, provided that subject to the provisions of the Companies Act and if permitted by the rules of the Designated Stock Exchange, a meeting of the Company notwithstanding that it is called by shorter notice than that specified in this bye-law shall be deemed to have been called duly if it is so agreed:
  - (i) in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote thereat; and
  - (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five (95) per cent in nominal value of the shares giving that right.

**12. Bye-law 79 be deleted in its entirety and replaced by the following:**

- 79 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of the show of hands) is demanded by:
- (i) the chairman; or
  - (ii) at least three (3) members present in person or by proxy for the time being entitled to vote at the meeting; or
  - (iii) any member or members present in person or by proxy and representing not less than one-tenth (1/10th) of the total voting rights of all the members having the right to vote at the meeting; or
  - (iv) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth (1/10th) of the total sum paid up on all the shares conferring that right.

Unless a poll is so required or be so demanded and the demand is not withdrawn, a declaration by the chairman that a resolution on a show of hands has been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

**13. Bye-law 80 be deleted in its entirety and replaced by the following:**

- 80 If a poll is required or demanded as aforesaid, it shall be taken (subject as provided in bye-law 81) in such manner (including the use of ballot or voting papers or tickets) and at such time and place, not being more than thirty (30) days from the date of the meeting or adjourned meeting at which the poll was demanded as the chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

**14. Adding the following new Bye-law 82B immediately after the existing Bye-law 82A:**

- 82B There is no power to freeze or otherwise impair any rights attaching to any share by reason only that the person(s) who are interested directly or indirectly in a resolution have failed to disclose their interests to the Company.

**15. Bye-law 84 be deleted in its entirety and replaced by the following:**

84. Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares or stipulated in the terms of issue of any shares, at any general meeting on a show of hands every member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorised under the Companies Act shall have one (1) vote, and on a poll every member present in person or by proxy or being a corporation is present by a duly authorised representative or by proxy shall have one (1) vote for every share of which he is the holder that is paid up fully or credited as fully paid up and shall have for every partly paid share of which he is the holder the fraction of one (1) vote equal to the proportion which the nominal amount paid up or credited as paid up thereon bears to the nominal value of the share (but no amount paid or credited as paid up on a share in advance of calls or instalments shall be treated for the purposes of this bye-law as paid up on the share). On a poll a member entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way. Notwithstanding anything contained in these bye-laws, where more than one (1) proxy is appointed by a member that is a Clearing House or its nominee(s), each such proxy shall have one (1) vote on a show of hands.

**16. Bye-law 88 be deleted in its entirety and replaced by the following:**

88. A member of unsound mind or in respect of whom an order has been issued by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy.

**17. Bye-law 93 be deleted in its entirety and replaced by the following:**

93. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Directors from time to time may approve provided that, in any event, such form shall include a provision whereby the shareholder, if he so elects, may indicate whether his proxy is directed to vote for or against the resolution in question (provided that this shall not preclude the use of two-way form).

**18. Bye-law 101 be deleted in its entirety and replaced by the following:**

101. A Director or an alternate Director need not have registered in his name any shares in the Company by way of qualification.

**19. Bye-law 107 paragraph (A) sub-paragraphs (vii) and (viii) be deleted in their entirety and replaced by the following:**

(vii) if, having been appointed to an office under bye-law 109, he is dismissed or removed therefrom under bye-law 110 by notice in writing served upon him and signed by all his co-Directors;

(viii) if he shall be removed from office by an Ordinary Resolution of the Company under bye-law 119.

**20. Bye-law 108 paragraph (A) sub-paragraph (ii) be deleted in its entirety and replaced by the following:**

(ii) Save as otherwise provided by the bye-laws, a Director shall not vote (nor be counted in the quorum) on any resolution of the board in respect of any contract, arrangement or proposal in which he or any of his associates is materially interested, but this prohibition shall not apply (to the extent permitted by the Listing Rules) to any of the following matters namely:-

(a) any contract or arrangement for the giving to such Director or any of his associates of any security or indemnity in respect of money lent by him or them or obligations incurred or undertaken by him or them at the request of or for the benefit of the Company and any of its subsidiaries;

(b) any contract or arrangement for the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or any of his associates has himself or themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

(c) any contract or arrangement by a Director or any of his associates to subscribe for shares, debentures or other securities of the Company issued or to be issued pursuant to any offer or invitation to members or debenture holders of the Company or any class thereof, and which does not provide in respect of any Directors or any of his associates as such any privilege or advantage not accorded to any other members or debenture holders of the Company or any class thereof or to the public or any sections thereof;

(d) any contract or arrangement concerning an offer of the shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or any of his associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

(e) any contract or arrangement in which the Director or any of his associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his or their interest in shares or debentures or other securities of the Company;

- (f) **【intentionally deleted】**;
- (g) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to Directors (and their associates) and employees of the Company or of any of the subsidiaries and does not provide in respect of any Director or any of his associates who may be employees of the Company as such any privilege or advantage not accorded to the employees to which such scheme or fund relates;
- (h) any proposal or arrangement concerning the adoption, modification or operation of any share scheme involving the issue or grant of shares or options over shares or other securities by the Company to, or for the benefit of the employees of the Company or of any of its subsidiaries, under which the Director or any of his associates who may be employees of the Company or any of the Company's subsidiaries may benefit.

**21. Bye-law 117 paragraph (A) be deleted in its entirety and replaced by the following:**

- (A) Subject to these bye-laws, either the members by Ordinary Resolution or the Directors may elect any person to be a Director, either to fill a casual vacancy or as an addition to the existing board, but so that the maximum number of Directors shall not at any time exceed the number specified in bye-law 98 and any person so appointed as a Director to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting and any person appointed as a Director as an addition to the existing board shall remain as a Director only until the next following annual general meeting of the Company, and shall then be eligible for re-election or such earlier time as he vacates his office pursuant to bye-law 107.

**22. Bye-law 119 be deleted in its entirety and replaced by the following:**

- 119. The members by Ordinary Resolution (but not otherwise) at a meeting called for the purpose of passing such Ordinary Resolution may remove any Director (including a managing or other executive director, but without prejudice to any claim for damages that thereby may arise) before the expiration of his period of office notwithstanding anything in these bye-laws or in any agreement between the Company and such Director provided that notice of any such meeting shall be served upon the Director concerned not less than twenty-one (21) days before the meeting and he shall be entitled to be heard at the meeting. Any vacancy created by the removal of a Director under this bye-law may be filled either at the same meeting, provided bye-law 117 has been complied with, or by the board in accordance with bye-law 99.

**23. Bye-law 121 be deleted in its entirety and replaced by the following:**

121. At any time a Director may, and on request of a Director the secretary shall summon a meeting of the board. Notice thereof shall be given to each Director either in writing or by telephone or by telex or telegram or electronic mail at the address from time to time notified to the Company by such Director and shall be deemed to be duly given to a Director if it is given to such Director in any of the foregoing manners or in such other manner as the board from time to time may determine.

**24. Bye-law 130 be deleted in its entirety and replaced by the following:**

130. A resolution in writing signed by each of the Directors for the time being in the relevant territories (or their respective alternates pursuant to bye-law 100(C)), provided such Directors (or their respective alternates) would constitute a quorum at any meeting of the board convened to consider the resolution, shall be as valid and effectual as if it has been passed at a meeting of the Directors duly convened and held and may consist of several documents in like form each signed by one or more of the Directors or alternate Directors. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the board has determined such conflict of interest to be material.

**25. Bye-law 134 be deleted in its entirety and replaced by the following:**

134. Where the Company appoints and maintains a resident representative ordinarily resident in Bermuda in accordance with the Act, the resident representative shall comply with the provisions of the Act.

The Company shall provide the resident representative with such information as the resident representative may require in order to be able to comply with the provisions of the Statutes. The resident representative shall be entitled to have notice of, attend and be heard at all meetings of the Directors or of any committee of such Directors or general meetings of the Company.

**26. Bye-law 139A be deleted in its entirety and replaced by the following:**

- 139A. Any Director or the secretary or other authorised officer of the Company shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies of extracts; and where any books, records, documents or accounts are elsewhere than at the registered office or the head office, the local manager or such other officer of the Company having the custody thereof shall be deemed to be the authorised officer of the Company as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any local board or committee that is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

**27. Bye-law 159 be deleted in its entirety and replaced by the following:**

159. (A) Subject to Section 88 of the Act, the Directors shall lay before the Company at each annual general meeting the audited profit and loss accounts, balance sheets, group accounts (if any) and reports of the Company in respect of the preceding financial year or other period for which audited accounts have been prepared.
- (B) Subject to paragraph (C) below, every balance sheet of the Company shall be signed pursuant to the provisions of the Companies Act, and a printed copy of every balance sheet (including every document required by law to be annexed thereto) and profit and loss account that is to be laid before the Company in general meeting, together with a printed copy of the Directors' report and a printed copy of the auditors' report, shall be sent to every member not less than twenty-one (21) days before the date of the meeting, to every member of, and every holder of debentures of, the Company and every person registered under bye-law 45 and every other person entitled to receive notices of general meetings of the Company, provided that this bye-law shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.
- (C) The Company may send summarized financial statements to members of the Company who have, in accordance with the Statutes and any applicable rules prescribed by The Stock Exchange of Hong Kong Limited, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by an auditor's report and notice informing the member how to notify the Company that he elects to receive the full financial statements. The summarized financial statements, notice and auditor's report must be sent to every member not less than twenty-one (21) days before the general meeting to those members that consented and elected to receive the summarized financial statements.
- (D) Subject to Section 88 of the Act, the Company shall send the full financial statements to a member within seven (7) days of receipt of the member's election to receive the full financial statements.
- (E) The requirement to send to a person referred to in bye-law 159(B) the documents referred to in that provision or a summary financial report in accordance with bye-law 159(C) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in bye-law 159(B) and, if applicable, a summary financial report complying with bye-law 159(C), on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

**28. Bye-law 160 be deleted in its entirety and replaced by the following:**

160. (A) Auditors shall be appointed and removed, and the terms and tenure of such appointment and their duties at all times regulated, in accordance with the provisions of the Companies Act and the rule of the Designated Stock Exchange.
- (B) The Company shall at each annual general meeting appoint one (1) or more firms of auditors to hold office until the conclusion of the next annual general meeting. The Directors must not remove the auditor before the end of the auditor's term of office without first obtaining the approval of Shareholders by Special Resolution in general meeting and shall by Ordinary Resolution at that meeting appoint another auditor in his stead for the remainder of his term. A Director, officer or employee of the Company or of any of its subsidiaries or a partner, officer or employee of any such Director, officer or employee shall not be capable of being appointed auditors of the Company. The Board may fill any casual vacancy in the office of auditors, but while any such vacancy continues the surviving or continuing auditors (if any) may act.

**29. Bye-law 163A(1) be deleted in its entirety and replaced by the following:**

- 163A(1) Except where otherwise expressly stated, any notice or document (including any "corporate communication" within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not to be given to, or issued under these bye-laws by, any person pursuant to these bye-laws shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication or, to the extent permitted by the Statutes and any applicable rules prescribed by The Stock Exchange of Hong Kong Limited from time to time and subject to this bye-law, contained in an electronic communication. A notice calling a meeting of the Directors need not be in writing.

**30. Bye-law 163A(2) be deleted in its entirety and replaced by the following:**

- 163A(2) A notice or document (including a share certificate) may be served on or delivered to any member of the Company either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered address as appearing in the register or by leaving it at that address addressed to the member or by any other means authorised in writing by the member concerned or by publishing it by way of advertisement in appointed newspapers (as defined in the Act) or at least one English language newspaper and one Chinese language newspaper circulating generally in the Hong Kong SAR and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the member by any of the means set out above other than by posting it on a website. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands



first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Statutes and any rules prescribed by The Stock Exchange of Hong Kong Limited from time to time, a notice or document may be served or delivered by the Company to any member by electronic means to such address as may from time to time be authorised by the member concerned or by publishing it on a computer network and notifying the member concerned, in such manner as he may from time to time authorise, that it has been so published.

**31. Bye-law 163A(3) be deleted in its entirety and replaced by the following:**

163A(3) Any such notice or document may be served or delivered by the Company by reference to the register as it stands at any time not more than fifteen (15) days before the date of service or delivery. No change in the register after that time shall invalidate that service or delivery. Where any notice or document is served or delivered to any person in respect of a share in accordance with these bye-laws, no person deriving any title or interest in that share shall be entitled to any further service or delivery of that notice or document.

**32. Bye-law 165 be deleted in its entirety and replaced by the following:**

165. Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address of a member shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company. A notice placed on the Company's website or the website of the Designated Stock Exchange is deemed given by the Company to a member on the day following that on which a notice of availability is deemed served on the member. Any notice or document served or delivered by the Company by any other means authorised in writing by the member concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose. Any notice or other document published by way of advertisement shall be deemed to have been served or delivered on the day it was so published.

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to accompany the Notice at which a resolution is to be proposed in relation to the repurchase by the Company of its own Shares.

## **1. REPURCHASE MANDATE**

The relevant sections of the Listing Rules which permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange, subject to certain restrictions, are summarised below:

### **(a) Shareholders' approval**

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction. The Listing Rules require an explanatory statement such as is contained herein to be sent to Shareholders in order to give Shareholders adequate information to enable them to decide whether to approve the grant of such a mandate.

### **(b) Source of funds**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's Memorandum of Association and Bye-laws and the laws of Bermuda.

### **(c) Maximum number of shares to be repurchased**

The Shares proposed to be repurchased by the Company must be fully paid up. A maximum of 10% of the issued and outstanding share capital at the date of passing the relevant resolution may be repurchased on the Stock Exchange. On the basis of the existing issued share capital of the Company of 3,841,817,542 Shares (after deduction of 2,786,000 Shares which have been repurchased but pending cancellation) as at the Latest Practicable Date, and assuming no further exercise of Options granted by the Company pursuant to the Company's share option scheme, and no further Shares are issued or repurchased by the Company prior to the 2012 AGM, not more than 384,181,754 Shares may be repurchased on the Stock Exchange pursuant to the Repurchase Mandate.

## **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders to seek a general authority from Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to enhancement of the net asset value of the Company and/or earnings per Share and will be made only when the Directors believe that such repurchases will benefit the Company and its Shareholders.

**3. FUNDING OF REPURCHASE**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's Memorandum of Association and Bye-laws and the laws of Bermuda.

The Directors intend to repurchase Shares of the Company in accordance with the Share Repurchase Program announced on 1 June 2010 and renewed on 20 March 2012, and they would exercise the power to repurchase in circumstances only where they consider that the repurchase would be in the best interests of the Company and in circumstances where they consider that the Shares can be repurchased on terms favorable to the Company. On the basis of the audited consolidated financial position of the Company as at 31 December 2011, being the date to which the latest published audited accounts of the Company were made up, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market price, it could have a material adverse impact on the working capital position and gearing position of the Company.

The Directors do not propose to exercise the Repurchase Mandate to such extent as, in the circumstances, would have a material adverse effect on the working capital requirements of the Company as compared with the position disclosed in the latest published audited accounts or the gearing levels that in the opinion of the Directors are from time to time appropriate for the Company.

**4. SHARE PRICE**

The Company has repurchased a total of 27,094,000 Shares on the Stock Exchange during the six months preceding the Latest Practicable Date, details of which are as follows:

<b>Date of Repurchase</b>	<b>Number of shares repurchased</b>	<b>Highest Price paid HK\$</b>	<b>Lowest Price paid HK\$</b>
15 December 2011	966,000	8.33	8.30
16 December 2011	1,000,000	8.30	8.23
19 December 2011	574,000	8.40	8.33
20 December 2011	1,272,000	8.10	7.94
22 December 2011	920,000	8.05	7.98
23 December 2011	104,000	8.17	8.06
28 December 2011	368,000	8.03	7.95
29 December 2011	796,000	7.97	7.76
30 December 2011	430,000	8.07	8.04
3 January 2012	774,000	7.85	7.74
13 January 2012	500,000	8.88	8.73
17 January 2012	300,000	9.02	8.85
18 January 2012	500,000	8.90	8.71
30 January 2012	600,000	9.08	9.02
31 January 2012	750,000	8.90	8.72
3 February 2012	780,000	9.10	8.98

<b>Date of Repurchase</b>	<b>Number of shares repurchased</b>	<b>Highest Price paid HK\$</b>	<b>Lowest Price paid HK\$</b>
7 February 2012	2,000,000	8.72	8.46
8 February 2012	1,540,000	8.66	8.59
9 February 2012	1,272,000	8.65	8.58
10 February 2012	1,000,000	8.58	8.48
13 February 2012	728,000	8.53	8.51
14 February 2012	780,000	8.50	8.41
15 February 2012	776,000	8.57	8.51
16 February 2012	900,000	8.48	8.42
17 February 2012	560,000	8.70	8.63
21 March 2012	454,000	9.00	8.85
22 March 2012	726,000	8.80	8.58
23 March 2012	450,000	8.70	8.63
26 March 2012	580,000	8.61	8.55
27 March 2012	198,000	8.75	8.74
29 March 2012	800,000	8.70	8.66
30 March 2012	480,000	8.68	8.61
5 April 2012	430,000	9.00	8.86
11 April 2012	380,000	8.84	8.80
12 April 2012	600,000	9.15	8.93
13 April 2012	450,000	9.08	9.01
16 April 2012	356,000	9.06	9.01
17 April 2012	500,000	8.97	8.92
18 April 2012	500,000	9.00	8.84
<b>TOTAL</b>	<b>27,094,000</b>		

The following table shows the highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the twelve months ended 31 March 2012 and from 1 April 2012 up to the Latest Practicable Date:

<b>Month</b>	<b>Highest traded price HK\$</b>	<b>Lowest traded price HK\$</b>
<b>2011</b>		
April	7.44	6.66
May	7.46	6.56
June	7.02	6.49
July	7.94	6.94
August	7.91	6.60
September	7.53	6.05
October	8.56	6.78
November	8.98	7.31
December	9.50	7.71
<b>2012</b>		
January	9.50	7.72
February	9.52	8.20
March	9.29	8.44
From 1 April 2012 to LPD	9.32	8.70

**5. DISCLOSURE OF INTERESTS**

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intend to sell Shares to the Company or its subsidiaries, in the event that the proposed Repurchase Mandate is approved by Shareholders.

No connected persons (as defined in the Listing Rules) have notified the Company that they have any present intention to sell any Shares, or have undertaken not to sell any Shares held by them to the Company, in the event that the Repurchase Mandate is approved by Shareholders.

**6. TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the Substantial Shareholders beneficially owned Shares representing a total of approximately 44.4% of the issued share capital of the Company. If the Directors were to exercise the Repurchase Mandate in full, such Shares owned by the Substantial Shareholders would represent approximately 49.4% of the then issued share capital of the Company. As a result, the Substantial Shareholders would become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any other consequences which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Repurchase Mandate.

At present, the Company has no intention to exercise the Repurchase Mandate in such a way and to such an extent that would cause a mandatory general offer obligation to arise for the Substantial Shareholders.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of listed Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

**7. DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

**1. PURPOSE AND DURATION OF THE SHARE OPTION SCHEME**

- (A) The new Share Option Scheme is an incentive scheme and is established to provide Eligible Persons with the opportunity to acquire proprietary interests in the Company and to enable the Group to, (i) recognise and acknowledge the contributions that Eligible Persons have (or may have) made or may make to the Group (whether directly or indirectly); (ii) attract and retain and appropriately remunerate the best possible quality of employees and other Eligible Persons; (iii) motivate the Eligible Persons to optimise their performance and efficiency for the benefit of the Group; (iv) enhance its business, employee and other relations; and/or (v) retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to Eligible Persons.
- (B) Subject to paragraph 11, the Share Option Scheme shall be valid and effective for the period of ten years commencing on the Adoption Date. On and after the tenth anniversary of the Adoption Date, no further Options shall be granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. Options which are granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of issue.

**2. OPTIONS**

- (A) The Board shall, in accordance with the provisions of the Share Option Scheme, be entitled, at any time following the Adoption Date and before the tenth anniversary of the Adoption Date, to offer to grant an Option to any Eligible Person whom the Board may, in its absolute discretion, select and subject to such conditions as it may think fit. Notwithstanding the foregoing the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to any single Eligible Person, whether or not already a Grantee, in any 12-month period shall be subject to a limit that it shall not exceed 1% of the Shares in issue at the relevant time (the “**Individual Limit**”). Any grant or further grant of Options to an Eligible Person (whether or not already a Grantee) which would result in the Shares issued and that may be issued upon exercise of all Options granted and to be granted (and any other Options granted or to be granted outside the terms of the Share Option Scheme, if any) to such Eligible Person (including those Shares issued or issuable in respect of exercised and/or outstanding Options) in the 12-month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to the prior approval of Shareholders, on which approval the Eligible Person and his or her associates abstain from voting. The Company shall send to the Shareholders the notice of the relevant meeting, together with details of the identity of the Eligible Person and the number and terms of the Options granted and proposed to be granted (and any other Options granted or to be granted outside the terms of the Share Option Scheme, if any). The number and terms of Options proposed to be granted to such Eligible Person shall be fixed before Shareholders’ approval is sought.

- (B) If in accordance with sub-paragraph (A) the Board determines to grant an Option to an Eligible Person, the Board shall forward to such Eligible Person a letter of offer, in such form as the Board may from time to time determine stating, amongst other things:–
- (i) the Eligible Person's name and address;
  - (ii) the Date of Grant (being the date of the letter of offer);
  - (iii) the number of Shares in respect of which the Option is granted;
  - (iv) the Exercise Price and the manner of payment of the Exercise Price for the Shares on, and in consequence of, the exercise of the Option;
  - (v) the Expiry Date;
  - (vi) the method of exercise of the Option which shall, unless the Board otherwise determines, be as set out in paragraph 4; and
  - (vii) any other terms and conditions relating to the Option (including, but not limited to, any minimum period(s) for which that Option must be held and any minimum performance target(s) that must be reached before the Option can be exercised in whole or in part and any terms as to early termination of an Option) which are not inconsistent with the Share Option Scheme.
- (C) An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect upon the Date of Grant unless the Grantee rejects the grant in writing within 14 days after the Date of Grant. Any Option so rejected shall be deemed null and void and never to have been granted.
- (D) The Options will not be listed or dealt in on the Stock Exchange.
- (E) An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt so to do (save that the Grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle the Company to cancel any outstanding Options or part thereof granted to such Grantee (including, but not limited to, the Option in question).
- (F) Any Options granted but not exercised may be cancelled if the Grantee thereof so agrees and (if the Board so resolves) new Options may be granted to that Grantee provided that such new Options are granted within the limits prescribed by paragraph 6 and are otherwise granted in accordance with the terms of the Share Option Scheme.

- (G) Each grant of Options to any director, chief executive or substantial shareholder of the Company, or any of his or her associates shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director in the circumstances where he or she or any of his or her associates is the proposed Grantee). Where any grant of Options to a substantial shareholder or an independent non-executive director of the Company, or to any of his or her respective associates would result in the Shares issued and issuable upon exercise of all Options already granted and to be granted (and any other Options granted or to be granted outside the terms of the Share Option Scheme, if any) to such person (including Options exercised, cancelled and outstanding) in the 12-month period up to and including the date of such grant:–
- (i) representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange) of the Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million (or such other amount as may from time to time be specified by the Stock Exchange),

such grant of Options shall be subject to prior approval by resolution of the Shareholders (voting by way of poll) on which all connected persons of the Company abstain from voting in favour; save that (for the avoidance of doubt), any connected person may, without affecting the validity of the relevant resolution, vote against the relevant resolution at the general meeting provided that its intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

### **3. EXERCISE PRICE**

The Exercise Price in relation to each Option shall be determined by the Board in its absolute discretion but in any event shall not be less than the highest of (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the Date of Grant; (ii) the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five days last preceding the Date of Grant on which days it has been possible to trade Shares on the Stock Exchange; and (iii) the nominal value of a Share on the Date of Grant.

### **4. EXERCISE OF OPTIONS**

- (A) An Option may, subject to the terms and conditions upon which such Option is granted, be exercised in whole or in part in the manner set out in this paragraph 4. An Option may be exercised during the option period only by the Grantee (or his or her legal personal representatives) giving notice in writing to the Company (in such form as the Company may require, either generally or on a case by case basis) stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Where the Option is exercised in part, it must be exercised for such number of Shares as represent the board lot for dealings in Shares traded on the Stock Exchange, or an integral multiple thereof.



Each such notice must be either (i) accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given; or (ii) given in conjunction with such alternative arrangement in respect of the timing for the remittance for the full amount of the Exercise Price as may be approved by the Board from time to time (provided that the Exercise Price must be paid in cash). Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the auditors' or independent financial adviser's certificate pursuant to paragraph 7, the Company shall allot and issue the relevant Shares to the Grantee (or his or her nominee or legal personal representatives) credited as fully paid and issue to the Grantee (or his or her nominee or legal personal representatives) certificates in respect of the Shares so allotted.

(B) Subject to the terms and conditions upon which such Option is granted, an Option may be exercised by the Grantee at any time during the option period, provided that:–

(i) in the event of:–

- (a) the Grantee ceasing to be an Eligible Person for any reason other than his or her death; or
- (b) the Grantee (being an employee of any member of the Group) ceasing to be an employee of any member of the Group, notwithstanding that he or she might otherwise constitute an Eligible Person in some other capacity,

the Option shall lapse upon the date of such cessation and shall not be exercisable thereafter, unless the Board determines otherwise (and whether such determination is made before or after the date of such cessation), in which event the Option shall be exercisable to the extent and within such period as the Board may determine. In the case of a cessation of employment, the date of cessation shall be the last actual working day on which the Grantee was physically at work as an employee of the relevant Group member, whether or not salary is paid in lieu of notice;

- (ii) if the Grantee dies before exercising the Option in full and, in the case of an employee of any member of the Group at the date of death, none of the events for termination of employment under paragraph 5(A)(iv) exists with respect to such Grantee (and subject always to the provisions of sub-paragraph 5(B)), the personal representative(s) of the Grantee shall be entitled, within a period of six months from the date of death, to exercise the Option up to the entitlement of such Grantee as at the date of death;
- (iii) if a general offer (other than one by way of scheme of arrangement) is made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, the Company shall forthwith give notice thereof to the Grantee and the Grantee shall be entitled to exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent specified by the Company pursuant to sub-paragraph (C)(ii) at any time within such period as shall be specified by the Company;

- (iv) if a general offer by way of scheme of arrangement is made to all the holders of Shares and has been approved at the requisite meetings in the manner prescribed by the Companies Act 1981 of Bermuda (as amended) and the Takeovers Code, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be specified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent specified by the Company pursuant to sub-paragraph (C)(ii);
  - (v) in the event a notice is given by the Company to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to the Grantee and the Grantee may at any time thereafter (but before such time as shall be specified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent specified by the Company pursuant to sub-paragraph (C)(ii), and the Company shall as soon as possible, and in any event no later than three days prior to the date for which the shareholders' meeting is convened, allot, issue and register in the name of the Grantee such number of fully paid Shares as fall to be issued on exercise of such Option; and
  - (vi) in the event of any scheme of arrangement between the Company and its members and/or creditors (other than a scheme of arrangement contemplated in sub-paragraph (B)(iv) above), the Company shall, having given notice of the meeting to its members and/or creditors to consider such scheme, forthwith give notice of the same to the Grantee, and the Grantee may at any time thereafter (but before such time as shall be specified by the Company) exercise the Option to its full extent or, if the Company shall give the relevant notification, to the extent specified by the Company pursuant to sub-paragraph (C)(ii).
- (C) For the purpose of this paragraph 4:–
- (i) any references to exercising an Option shall refer to exercising that Option up to the extent not already exercised;
  - (ii) pursuant to sub-paragraphs (B)(iii), (iv), (v) and (vi), the Company may, in its discretion, notwithstanding the terms of the relevant Option, at the same time as giving the notice provided for under each of those paragraphs, also give notification to a Grantee that his or her Option may be exercised at any time within such period as shall be specified by the Company and/or to the extent (not being less than the extent to which it could then be exercised in accordance with its terms) specified by the Company; and
  - (iii) if the Company gives the notification under sub-paragraph (C)(ii) that an Option can be exercised in part only, the balance of the Option shall, on the giving of such notification, lapse.

- (D) The exercise of any Option shall be subject to the Shareholders of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.
- (E) The Shares to be allotted and issued upon the exercise of an Option shall be subject to all the provisions of the Memorandum of Association and Bye-laws of the Company and Bermuda law for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date the name of the Grantee (or his or her nominee or legal personal representatives) is registered on the Register of Members of the Company. Prior to the Grantee (or the Grantee's nominee or legal personal representatives) being so registered, the Grantee (or the Grantee's nominee or legal personal representatives) shall not have any voting rights nor rights to participate in any dividends or distributions (including those arising on a liquidation of the Company) in respect of the Shares to be allotted and issued upon the exercise of the Option.
- (F) The Board shall have discretion as to the interpretation and application of the Share Option Scheme (including but not limited to discretion to grant waivers or extensions of any period specified in the Share Option Scheme or any letter of offer) to the extent such interpretation or application is not contrary to the explicit provisions of the Share Option Scheme or of Chapter 17 of the Listing Rules.

## **5. EXPIRY OF OPTION**

- (A) An Option shall lapse automatically (to the extent not already exercised) on the earliest of:–
  - (i) the Expiry Date;
  - (ii) the expiry of any of the periods referred to in sub-paragraph 4(B);
  - (iii) subject to sub-paragraph 4(B)(v), the date of commencement of the winding-up of the Company;
  - (iv) in the case of a Grantee (who is an employee of any member of the Group), the date on which:–
    - (a) he or she ceases to be an employee, following his or her resignation from the employment of any member of the Group; or
    - (b) his or her employment with any member of the Group is terminated on the grounds that he or she is summarily dismissed, is guilty of serious misconduct, is declared bankrupt or makes an arrangement or composition with his or her creditors generally, or is convicted of any criminal offence involving his or her integrity or honesty;

- (v) in the case of a Grantee (which is not an individual), the date on which it appears either to be unable to pay or to have no reasonable prospect of being able to pay its debts or becomes insolvent or makes any arrangement or composition with its creditors generally; or
- (vi) the date on which the Board exercises the Company's right to cancel the Option at any time after the Grantee commits a breach of sub-paragraph 2(E).

A resolution of the Board to the effect that the employment of a Grantee has terminated, or been terminated, on one or more of the grounds specified in paragraph 5(A)(iv)(b) shall be conclusive evidence thereof.

- (B) If the Grantee is an employee of any member of the Group then, notwithstanding any other term of the Share Option Scheme or of the grant of the relevant Option (but subject always to any waiver or extension granted by the Board), such Option shall lapse automatically (to the extent not already exercised) should he or she cease to be so employed for any reason whatsoever (including his or her death) during the 12-month period following the Date of Grant.

## 6. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (A) The overall limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and other share option schemes must not exceed 30% of the Shares in issue from time to time. In addition, the maximum number of Shares in respect of which Options may be granted under the Share Option Scheme and any other schemes of the Company shall not in aggregate exceed the limit of 10% of the issued share capital of the Company on the Adoption Date (the "**Scheme Mandate Limit**"). Options lapsed in accordance with paragraph 5 or rejected in accordance with sub-paragraph 2(C) shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- (B) The Scheme Mandate Limit referred to in sub-paragraph 6(A) may be renewed at any time subject to prior Shareholders' approval but in any event shall not exceed 10% of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme (including those outstanding, cancelled, lapsed or exercised) shall not be counted for the purpose of calculating the limit as renewed.
- (C) The Company may also, having first obtained separate Shareholders' approval, grant Options beyond the Scheme Mandate Limit to Eligible Persons specifically identified by the Company before the Shareholders' meeting at which the aforesaid approval is sought.

**7. CAPITAL RESTRUCTURING**

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of share capital of the Company, or otherwise howsoever (except on an issue of securities of the Company as consideration in a transaction which shall not be regarded as circumstances requiring alteration or adjustment) such corresponding alterations (if any) shall be made in:–

- (i) the number of Shares subject to any Option so far as such Option remains unexercised;
- (ii) the Exercise Price; and/or
- (iii) the method of exercise of the Option,

or any combination thereof, as the auditors of the Company or an independent financial adviser engaged by the Company for this purpose shall, at the request of the Company or any Grantee certify in writing either generally or as regards any particular Grantee to be in their opinion fair and reasonable. The auditors or the independent financial adviser (as the case may be) shall act as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final and binding on the Company and the Grantee. The costs of the auditors or the independent financial adviser (as the case may be) shall be borne by the Company.

**8. INCREASE IN SHARE CAPITAL**

Subject to sub-paragraph 4(D), the Board shall at all times set aside for the purposes of the Share Option Scheme, out of the authorised but unissued share capital of the Company, such number of Shares as the Board may from time to time determine to be sufficient to meet subsisting requirements for the exercise of Options.

**9. DISPUTES**

Any dispute arising under or in connection with the Share Option Scheme (whether as to the number of Shares the subject of an Option, the amount of the Exercise Price or otherwise) shall be referred to the decision of the auditors or an independent financial adviser who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and conclusive and binding on all persons who may be affected thereby. The costs of the auditors or the independent financial adviser (as the case may be) shall be borne by the Company.

**10. ALTERATION OF THE SCHEME**

(A) Subject to sub-paragraph (B), the Board may amend any of the provisions of the Share Option Scheme (including without limitation amendments in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions, imposed by the provisions of the Share Option Scheme, which are not required by the Listing Rules) at any time, but not so as to affect adversely any rights which have accrued to any Grantee at that date except with:

- (i) the consent in writing of all such Grantees; or
- (ii) (in the case of a proposed amendment affecting all Grantees) the sanction of a special resolution passed at a duly convened and held meeting of those Grantees holding Options unexercised at the time at which the resolution is carried by a majority consisting of not less than three fourths of the votes cast upon a show of hands or if a poll is duly demanded, by a majority consisting of not less than three fourths of the votes cast on a poll,

in either case, supported by consideration (if any), as may be necessary to give legal effect to the amendment.

(B) Any provisions of the Share Option Scheme which relate to the matters set out in rule 17.03 of the Listing Rules cannot be altered to the advantage of Grantees or prospective Grantees, and no changes to the authority of the Board in relation to any alteration of the terms of the Share Option Scheme shall be made, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of Options granted shall not be effective unless approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The Share Option Scheme so altered must comply with the Listing Rules.

(C) As regards any meeting of Grantees, as referred to in sub-paragraph (A) all the provisions of the Bye-laws for the time being of the Company as to general meetings of the Company shall apply mutatis mutandis as though the Options were a class of shares forming part of the share capital of the Company except that:-

- (i) not less than five days' notice of such meeting shall be given;
- (ii) a quorum at any such meeting shall be two Grantees present in person or by proxy and holding options entitling them to the issue of one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all Options then outstanding;
- (iii) every Grantee present in person or by proxy at any of such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Share to which he or she would be entitled upon exercise in full of his or her Options then outstanding;
- (iv) any Grantee present in person or by proxy may demand a poll; and

- (v) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than 7 or more than 14 days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those Grantees who are then present in person or by proxy shall form a quorum and at least 7 days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those Grantees who are then present in person or by proxy shall form a quorum.

## **11. TERMINATION**

The Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options shall be granted hereunder but the provisions of the Share Option Scheme shall in all other respects remain in force and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

## **12. COMPANY'S CASH ELECTION**

- (A) Notwithstanding any other provision of the Share Option Scheme, the Board shall be entitled at its discretion at any time and from time to time to cancel any Option, either in whole or in part, after notice of exercise thereof has been given by the Grantee, but before the Company has issued and allotted any Shares pursuant to the exercise of that Option, by giving notice in writing to the Grantee stating that such Option is thereby cancelled.
- (B) If any Option shall be cancelled pursuant to sub-paragraph (A), the Grantee shall, subject as hereinafter provided, be entitled to receive from the Company a refund of the aggregate Exercise Price paid on exercise of such Option together with an additional payment in cash to compensate him or her for such cancellation calculated in accordance with the formula below. Such refund and payment shall be made within 14 business days of the Company giving notice of such cancellation and once made the Grantee shall have no other claim against the Company in connection with any Option so cancelled. The amount of any additional payment shall be calculated by reference to the following formula:

$$(A \times B) - (A \times C)$$

where

- A is the number of Shares that would have been issued on exercise of the Option had it not been cancelled;
- B is the average closing price of the Shares as stated in the daily quotations sheets of the Stock Exchange for the 5 days last preceding the date on which the Company receives notice of exercise of the Option on which days it has been possible to trade Shares on the Stock Exchange; and
- C is the Exercise Price,

provided that if the calculation shall result in a negative figure it shall be deemed to be zero.

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## NOTICE OF ANNUAL GENERAL MEETING

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### FIRST PACIFIC COMPANY LIMITED

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of First Pacific Company Limited (the “Company”) will be held at The Tian & Di Room, 7th Floor, The Landmark Mandarin Oriental Hong Kong, 15 Queen’s Road Central, The Landmark, Central, Hong Kong on Thursday, 31 May 2012 at 3:00 p.m. (the “2012 AGM”) for the following purposes:

1. To receive and adopt the Audited Accounts and the Reports of the Directors and Independent Auditors for the year ended 31 December 2011.
2. To declare a final cash dividend of HK13.00 cents (US1.67 cents) per ordinary share for the year ended 31 December 2011.
3. To re-appoint Ernst & Young as Auditors of the Company and to authorise the board of directors of the Company (the “Board”) or its designated Board committee to fix their remuneration.
4. As ordinary business, to consider and, if thought fit, pass each of the following resolutions as an Ordinary Resolution of the Company:
  - (i) **THAT** Mr. Anthoni Salim be and he is hereby re-elected as a Non-executive Director of the Company for a fixed term of approximately three years, commencing on the date of the 2012 AGM and expiring at the conclusion of the annual general meeting of the Company to be held in the third year following the year of his re-election (being 2015); and
  - (ii) **THAT** Mr. Tedy Djuhar be and he is hereby re-elected as a Non-executive Director of the Company for a fixed term of approximately one year, commencing on the date of the 2012 AGM and expiring at the conclusion of the annual general meeting of the Company to be held one year following the year of his re-election (being 2013).
5. To authorise the Board or its designated Board committee to fix the remuneration of the Executive Directors pursuant to the Company’s Bye-laws, and to fix the remuneration of the Non-executive Directors (including the Independent Non-executive Directors) at the sum of US\$5,000 for each meeting of the Board or Board Committees (which he attends in person or by telephone conference call) or general meetings (which he attends in person), as shall be determined from time to time by the Board.



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## NOTICE OF ANNUAL GENERAL MEETING

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### ORDINARY RESOLUTIONS

6. As special business, to consider and, if thought fit, pass with or without modifications the following as an Ordinary Resolution:

“**THAT** the Board be and is hereby authorised to appoint additional directors as an addition to the Board, but so that the maximum number of directors so appointed by the Board shall not in any case exceed the maximum number of directors specified in the Company’s Bye-laws from time to time, and any person so appointed shall remain as a Director only until the next following annual general meeting of the Company and then shall be eligible for re-election at that meeting.”

7. As special business, to consider and, if thought fit, pass with or without modifications the following as an Ordinary Resolution:

“**THAT** the new share option scheme of the Company, the terms of which are contained in the document produced to the meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as a new share option scheme of the Company and the Directors of the Company be and are authorised to grant Options to subscribe for Shares thereunder, allot and issue Shares pursuant to the exercise of any Options which may be granted under the share option scheme, and exercise and perform the rights, powers and obligations of the Company thereunder and do all such things and take all such actions as the Directors of the Company may consider to be necessary or desirable in connection with the foregoing provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the new Share Option Scheme (together with any other scheme(s) of the Company), shall not exceed 10% of the Shares in issue as at the date of passing of this resolution unless the 10% limit is renewed, or as may be otherwise approved by Shareholders separately, in accordance with the rules of the Share Option Scheme and the Listing Rules.”

8. As special business, to consider and, if thought fit, pass with or without modifications the following as an Ordinary Resolution:

“**THAT** the increase of the authorised share capital of the Company from US\$50,000,000.00 divided into 5,000,000,000 Shares of US\$0.01 each to US\$60,000,000.00 divided into 6,000,000,000 Shares of US\$0.01 each by the creation of an additional 1,000,000,000 Shares of US\$0.01 each be and is hereby approved, and the new Shares shall rank pari passu with the existing Shares in all respects, and any Director be and is hereby authorised for and on behalf of the Company to execute and deliver all such documents, instruments and agreements and to do all such acts and things as the Director considers necessary or expedient which are incidental to, ancillary to or in connection with the implementation and completion of the increase in authorised share capital of the Company and the transactions contemplated thereunder.”

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## NOTICE OF ANNUAL GENERAL MEETING

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9. As special business, to consider and, if thought fit, pass with or without modifications the following as an Ordinary Resolution:

**“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional Shares in the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares of the Company) which would or might require the exercise of such power be and is hereby approved generally and unconditionally;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into Shares of the Company) which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise), by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into Shares of the Company, or (iii) the exercise of options granted under any share option scheme adopted by the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Bye-laws of the Company, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly, and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required either by law or by the Company’s Bye-laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Shareholders in general meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of Shares on the Register of Members of the Company on a fixed record date in proportion to their then holdings of shares (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong).”

10. As special business, to consider and, if thought fit, pass with or without modifications the following as an Ordinary Resolution:

**“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to repurchase issued Shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the Shares may be listed, and which is recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange, in accordance with all applicable laws, including the Hong Kong Code on Share Repurchases and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby approved generally and unconditionally;
- (b) the aggregate nominal amount of share capital which may be repurchased or agreed conditionally or unconditionally to be repurchased by the Directors of the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required either by law or by the Company’s Bye-laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Shareholders in general meeting.”

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## NOTICE OF ANNUAL GENERAL MEETING

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11. As special business, to consider and, if thought fit, pass with or without modifications the following as an Ordinary Resolution:

“**THAT** conditional upon the passing of Ordinary Resolutions numbered 9 and 10 as set out in the Notice convening this meeting, the aggregate nominal amount of the Shares in the capital of the Company that shall have been repurchased by the Company after the date hereof pursuant to and in accordance with the said Ordinary Resolution numbered 10 shall be added to the aggregate nominal amount of share capital that may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to the general mandate to allot and issue Shares granted to the Directors of the Company by the said Ordinary Resolution numbered 9.”

### SPECIAL RESOLUTIONS

12. As special business, to consider and, if thought fit, pass with or without modification the following as a Special Resolution:

“**THAT:**

- (a) the existing Bye-laws of the Company be and are hereby amended in the manner set out in Appendix II to the circular of the Company dated 27 April 2012 (a copy of which has been submitted to the meeting and signed by the chairman of the meeting for the purpose of identification); and
- (b) the bye-laws of the Company in the form of the document marked “B” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to above in subparagraph (a) above and all previous amendments made pursuant to resolutions passed by the shareholders of the Company at general meetings be approved and adopted as the new bye-laws of the Company in substitution for and to the exclusion of the existing Bye-laws of the Company with immediate effect.
13. As special business, to consider and, if thought fit, pass with or without modifications the following as a Special Resolution:

“**THAT** the Chinese name “第一太平有限公司” be adopted as the official Chinese name of the Company, and that any one Director of the Company be and is hereby authorised to do all such acts and things and execute all documents he or she considers necessary or expedient in connection with or to give effect to such adoption of name of the Company.”

### OTHER ORDINARY BUSINESS

14. To transact any other ordinary business of the Company.

By Order of the Board  
**First Pacific Company Limited**  
**Nancy L.M. Li**  
*Company Secretary*

Hong Kong, 27 April 2012

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## NOTICE OF ANNUAL GENERAL MEETING

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*Principal Office:*  
24th Floor  
Two Exchange Square  
8 Connaught Place  
Central, Hong Kong

*Registered Office:*  
Canon's Court  
22 Victoria Street  
Hamilton HM 12  
Bermuda

*Explanatory Notes to the Notice of Annual General Meeting:*

1. Every member entitled to attend and vote at the 2012 AGM is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. A Form of Proxy for use at the 2012 AGM is enclosed in the circular which contains the Notice (the "Circular"). The Form of Proxy will also be published on the website of the Stock Exchange and can also be downloaded from the Company's website: <http://www.firstpacific.com>.
3. In order to be valid, the Form of Proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority must be deposited at the principal office of the Company (Attention: Corporate Secretarial Department) not less than 48 hours before the time appointed for holding the 2012 AGM or any adjournment thereof.
4. With respect to agenda item No. 4 in the Notice, the biographical details of each of the retiring Directors who will stand for re-election at the 2012 AGM, as required by Rule 13.51(2) of the Listing Rules, as at the Latest Practicable Date, are set out in Appendix I of the Circular to enable Shareholders to make an informed decision on their re-election.
5. With respect to agenda item No. 7 in the Notice, further information on the new share option scheme is set out in Appendix IV of the Circular.
6. With respect to agenda item No. 9 in the Notice, approval is being sought from the members as the existing general mandate to issue Shares will expire at the conclusion of the 2012 AGM.
7. An explanatory statement containing further details regarding agenda item No. 10 in the Notice on the general mandate to repurchase Shares is set out in Appendix III of the Circular.
8. With respect to agenda item No. 12 in the Notice, further information on the proposed amendments to the Company's existing Bye-laws is set out in Appendix II of the Circular.
9. The English text of this Circular shall prevail over the Chinese text in case of any inconsistency.