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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 was effected for transmission to the purchaser or transferee.

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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 00142

Website: [http//www.firstpacco.com](http://www.firstpacco.com)

NOTICE OF ANNUAL GENERAL MEETING AND PROPOSALS RELATING TO GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES, RE-ELECTION OF THE RETIRING DIRECTORS AND ADOPTION OF NEW EXECUTIVE STOCK OPTION PLAN FOR METRO PACIFIC INVESTMENTS CORPORATION

Notice convening the 2007 Annual General Meeting of First Pacific Company Limited to be held at The Victoria and Chater Rooms, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong at 10:00 a.m. on Friday, 1st June, 2007 is set out on pages 25 to 29 of this circular.

Whether or not you are able to attend the 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 meeting. Completion and return of the Form of Proxy will not preclude you from attending and voting in person at the meeting should you so wish.

30th April, 2007

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DEFINITIONS

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

“2006 AGM”	the annual general meeting of the Company convened and held on 24th May, 2006;
“2007 AGM”	the annual general meeting of the Company to be convened and held on 1st June, 2007, by the Notice;
“Adoption Date”	the date on which the Metro Pacific Stock Option Plan is adopted;
“ADRs”	American depositary receipts of the ADSs;
“ADSs”	American depositary shares of PLDT, evidenced by ADRs, each ADS represents 1 share of common stock of PLDT;
“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 14th March, 2005 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;
“Director” or “Directors”	a director or directors of the Company, from time to time;
“Eligible Participant(s)”	the senior management of the Metro Pacific Group including directors determined by the Metro Pacific Committee to be eligible to receive an Option under the Metro Pacific Stock Option Plan;
“Exercise Price”	the price at which Metro Pacific Shares subject of an Option shall be purchased or subscribed under the Metro Pacific Stock Option Plan, as determined by the Metro Pacific Committee in accordance with Article 6 of the Metro Pacific Stock Option Plan;
“First Pacific Group”	First Pacific and its subsidiaries;

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date”	26th April 2007, 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;
“Metro Pacific”	Metro Pacific Investments Corporation, a corporation established under the laws of the Philippines, having its shares listed on the PSE and which is a member of the First Pacific Group, in which First Pacific Group holds an economic interest of approximately 93 per cent;
“Metro Pacific Committee”	the Metro Pacific Compensation Committee of the Board of Metro Pacific;
“Metro Pacific Group”	Metro Pacific and its subsidiaries;
“Metro Pacific Shares”	common shares of par value Peso 1 each of Metro Pacific and any shares resulting from any subsequent consolidation, sub-division or reclassification of those common shares;
“Metro Pacific Stock Option Plan”	the new executive stock option plan of Metro Pacific proposed for approval at the 2007 AGM for the benefit of the senior management of the Metro Pacific Group as specified thereunder;
“Model Code”	the Model Code for securities transactions by directors of companies listed on the Stock Exchange;
“Notice”	the notice of the 2007 AGM as set out on pages 25 to 29 of this circular;
“Option” or “Options”	an option to subscribe for Metro Pacific Shares granted pursuant to the Metro Pacific Stock Option Plan;

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“Option Holder(s)”	the Eligible Participant(s) who accept(s) the Options offered under the Metro Pacific Stock Option Plan;
“Option Life Cycle”	the ten (10) year period after the Option Offer Date during which an Option granted under the Metro Pacific Stock Option Plan shall be exercisable;
“Option Offer Date”	the date on which an Option is accepted by an Eligible Participant, which date shall be within the period prescribed herein for acceptance;
“Peso”	Philippine Peso, the lawful currency of the Republic of the Philippines;
“PLDT”	Philippine Long Distance Telephone Company, a company incorporated in the Philippines with limited liability, the shares of which are listed on the PSE and the ADRs of which are listed on the New York Stock Exchange; and currently an associated company of the Company;
“PRC”	the Peoples’ Republic of China;
“PSE”	the Philippine Stock Exchange;
“Proposals”	the renewal of the general mandate enabling the Directors to allot and issue Shares; the renewal of the Repurchase Mandate; the grant 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 retiring directors and the adoption of the new Metro Pacific Stock Option Plan; in each case as contemplated by this circular;
“Repurchase Mandate”	the general mandate enabling the Company to repurchase its own Shares;
“SEC”	the Securities and Exchange Commission of the Philippines;
“SFO”	the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong;
“Shareholders”	the holders of Shares from time to time;

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

LETTER FROM THE BOARD



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 00142

Website: [http// www.firstpacco.com](http://www.firstpacco.com)

Chairman:

Anthoni Salim

Executive Directors:

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

Edward A. Tortorici

Robert C. Nicholson

Non-executive Directors:

Sutanto Djuhar

Tedy Djuhar

Ibrahim Risjad

Ambassador Albert F. del Rosario

Benny S. Santoso

Independent Non-executive Directors:

Professor Edward K. Y. Chen, G.B.S., CBE, JP

David W. C. Tang, OBE, Chevalier de L'Ordre des Arts et des Lettres

Graham L. Pickles

Principal Office:

24th Floor

Two Exchange Square

8 Connaught Place

Central, Hong Kong

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

30th April, 2007

To the shareholders of First Pacific Company Limited

Dear Sir or Madam,

**NOTICE OF ANNUAL GENERAL MEETING
AND PROPOSALS RELATING TO
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE
SHARES, RE-ELECTION OF THE RETIRING DIRECTORS AND
ADOPTION OF NEW STOCK OPTION PLAN FOR METRO PACIFIC**

INTRODUCTION

The purpose of this circular is to provide you with information in connection with the convening of the 2007 AGM and explanation in connection with the matters to be dealt with at the 2007 AGM. In accordance with good corporate governance practices, the chairman of the 2007 AGM will direct that each of the resolutions set out in the Notice be voted on by poll.

LETTER FROM THE BOARD

The Notice convening the 2007 AGM is set out on pages 25 to 29 of this circular.

A Form of Proxy for use at the 2007 AGM is enclosed with this circular. Whether or not you are able to attend the 2007 AGM, you are requested to complete the Form of Proxy and return it to the principal office of the Company in Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the 2007 AGM. Completion and delivery of a Form of Proxy will not preclude you from attending and voting at the 2007 AGM should you so wish.

ADOPTION OF THE AUDITED ACCOUNTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS FOR THE YEAR ENDED 31ST DECEMBER, 2006

A copy of the 2006 annual report of the Company incorporating the audited consolidated accounts of the Company for the year ended 31st December, 2006 and the directors' and auditors' reports thereon and information concerning each of the retiring directors who will be put forward for re-election at the 2007 AGM has been despatched to all Shareholders together with this circular. The audited consolidated accounts of the Company for the year ended 31st December, 2006 have been reviewed by the Company's Audit Committee and approved by the Board for adoption at the 2007 AGM.

DECLARATION OF FINAL DIVIDEND

On 11th April, 2007, the Directors announced the audited results of the Company for the year ended 31st December, 2006. As mentioned in such announcement, the Board has recommended a final cash dividend of HK3.50 cents (US0.45 cent) per share in respect of the financial year ended 31st December, 2006. Subject to approval by Shareholders at the 2007 AGM, the final dividend will be paid in the currency which represents legal tender in the jurisdiction in which the registered address of each Shareholder is situated as follows: Hong Kong dollars for Hong Kong, Macau and PRC registered shareholders, Sterling pounds for shareholders registered in the United Kingdom and US dollars for registered shareholders of all other countries. It is expected that the dividend warrants will be dispatched to Shareholders on or about 29th June, 2007.

The Company's Register of Members will be closed on Friday, 18th May, 2007, during which period no transfer of shares will be registered. 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 Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 17th May, 2007.

RE-APPOINTMENT OF AUDITORS

The Audit Committee has recommended to the Board (which in turn endorses the view), subject to the approval of Shareholders at the 2007 AGM, Ernst & Young be re-appointed as the auditors of the Company for the ensuing year.

LETTER FROM THE BOARD

RE-ELECTION OF THE RETIRING DIRECTORS

In accordance with Bye-laws 117A, 117B and 117C, at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, then the number nearest to but not greater than one-third) will retire. In addition, in determining those Directors who are subject to retirement by rotation will be those who have been longest in office since their last election or appointment and so that as between persons who became or were last elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

At the 2006 AGM, Mr. Anthoni Salim, Mr. Sutanto Djuhar, Mr. Tedy Djuhar and Mr. Ibrahim Risjad, being the four (4) Directors (being one-third of the current 12-member board) who have been longest in office since their appointment retired at that meeting. All the retiring Directors, being eligible, have offered themselves for re-election and have been re-elected for a fixed term of three years, commencing on the date of the 2006 AGM and ending on the earlier of (1) the date of the Company's annual general meeting to be held in calendar year 2009 or (2) 23rd May, 2009 or (3) the date on which the Directors retire by rotation pursuant to the Code and/or the Bye-laws.

At the 2007 AGM, Mr. Manuel V. Pangilinan (Managing Director and Chief Executive Officer), Mr. Edward A. Tortorici (Executive Director), Mr. David Tang (Independent Non-executive Director) and Professor Edward K.Y. Chen (Independent Non-executive Director), who have been longest in office since their appointment, will retire at the 2007 AGM, but being eligible offer themselves for re-election at that meeting. Their proposed re-election will be considered by separate resolutions.

The biographical details of each of the four retiring Directors who will stand for re-election at the 2007 AGM, 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 disclosed pursuant to any of the requirements under rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules nor are there other matters that need to be brought to the attention of Shareholders in respect of the four Directors who will stand for re-election at the 2007 AGM.

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

To keep in line with current corporate practices, resolutions will be proposed at the 2007 AGM, seeking Shareholders' approval for, inter alia, the renewal of the general mandate enabling the Directors to allot and issue Shares; the grant of the Repurchase Mandate; the grant of a general mandate enabling the Directors to allot and issue Shares repurchased by the Company pursuant to the Repurchase Mandate.

At the 2006 AGM, Shareholders passed an ordinary resolution granting to the Directors a general mandate to allot and issue Shares up to a limit equal to 20 per cent of the aggregate nominal amount of the issued share capital of the Company as at 24th May, 2006. Your Directors believe that it would be in the best interests of the Company to renew this mandate, as it will expire at the conclusion of the 2007 AGM.

LETTER FROM THE BOARD

At the 2006 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 per cent in aggregate of the Company's issued share capital as at 24th May, 2006. 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 Repurchase Mandate. 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 2007 AGM.

There is at present no intention for the Company to repurchase any of its Shares. The main features of the Listing Rules regarding share repurchase on the Stock Exchange and further details in relation to purchases by the Company of its own Shares are contained in the explanatory statement set out in Appendix II of this circular so as to enable Shareholders to make an informed decision on whether to vote for or against the resolutions to approve the share repurchase mandate at the 2007 AGM at which such resolutions will be proposed.

ADOPTION OF NEW STOCK OPTION PLAN FOR METRO PACIFIC

Metro Pacific is a Manila, Philippines-based investment holding and management company listed on the PSE, with its common shares listed and traded on the PSE under the symbol "MPI". Metro Pacific was listed on the PSE in December 2006 which represented the completion of a comprehensive reorganization plan launched in early 2006 for Metro Pacific Corporation. Metro Pacific's business activity comprises its interest in a 50% owned joint venture which holds an 84% interest in Maynilad Water Services, Inc. and its real estate subsidiary Landco Pacific Corporation. For the purposes stated below, the Directors considered it appropriate to adopt a new stock option plan for Metro Pacific.

An ordinary resolution will be proposed at the 2007 AGM to approve the adoption of the Metro Pacific Stock Option Plan. The purpose of the Metro Pacific Stock Option Plan is to (i) enable the senior management officers and directors of the Metro Pacific Group who are largely responsible for the further growth and development of the Metro Pacific Group to obtain an ownership interest in Metro Pacific; (ii) encourage the long term commitment of such officers and directors of the Metro Pacific Group; (iii) motivate such officers and directors to continue their efforts in contributing to the long-term financial success of the Metro Pacific Group; and (iv) encourage management with appropriate skill and experience to join the Metro Pacific Group.

The Metro Pacific Stock Option Plan will be for a period of 10 years commencing on the Adoption Date. On and after the tenth anniversary of the Adoption Date, no further options may be granted but any options which are granted during the life of the Metro Pacific Stock Option Plan will continue to be exercisable in accordance with the terms of their grant.

The Metro Pacific Stock Option Plan 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 Metro Pacific Stock Option Plan provide that the Metro Pacific Committee 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

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specified precisely in the rules of the Metro Pacific Stock Option Plan. When granting Options and determining the terms of grant, the Metro Pacific Committee will generally impose a multi year vesting period and take 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 Metro Pacific and encourage Eligible Participants to acquire proprietary interests in Metro Pacific.

The Directors believe that any calculation of the fair value of the Options as at the Latest Practicable Date based on a number of assumptions before the Options are actually granted, would not be meaningful and would be misleading to Shareholders. However, Shareholders should note that, in compliance with the Listing Rules, estimated valuations and cost of Options granted during any financial period will be provided based on the Black-Scholes option pricing model, binominal option pricing model or a comparable generally accepted methodology in the Company's annual report and interim report, in accordance with the Hong Kong Financial Reporting Standard 2 – "Share-based Payment".

The adoption of the Metro Pacific Stock Option Plan is conditional upon:-

- (1) the Shareholders of the Company passing an ordinary resolution at the 2007 AGM approving the adoption of the Metro Pacific Stock Option Plan;
- (2) the stockholders of Metro Pacific passing a special resolution at a general meeting of stockholders of Metro Pacific approving the adoption of the Metro Pacific Stock Option Plan; and
- (3) the PSE granting approval of the listing of the shares falling to be issued on exercise of Options to be granted under the Metro Pacific Stock Option Plan.

As at the Latest Practicable Date, there are no Options in respect of Metro Pacific Shares which remain outstanding.

A summary of the principal terms of the proposed Metro Pacific Stock Option Plan is set out in Appendix III below.

PROCEDURES TO DEMAND A POLL AT THE ANNUAL GENERAL MEETING

Consistent with good corporate governance practices, the chairman of the 2007 AGM intends to 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

LETTER FROM THE BOARD

- (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 includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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 the resolutions to be proposed at the 2007 AGM to be held on 1st June, 2007. 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 2007 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 four retiring Directors proposed to be re-elected at the 2007 AGM:

1. Manuel V. Pangilinan

Managing Director and Chief Executive Officer

Age 60, born in the Philippines. Mr. Pangilinan received a BA from Ateneo de Manila University and an MBA from University of Pennsylvania's Wharton School before working in the Philippines and Hong Kong for the PHINMA Group, Bancom International Limited and American Express Bank. He served as First Pacific's Managing Director after founding the Company in 1981, was appointed Executive Chairman in February 1999 and resumed the role of Managing Director and CEO in June 2003.

Mr. Pangilinan also served as President and CEO of PLDT since November 1998 and was appointed Chairman of PLDT in February 2004. He is the Chairman of Metro Pacific, Metro Pacific Corporation, Smart Communications, Inc., Pilipino Telephone Corporation, and Landco Pacific Corporation, as well as the President Commissioner of PT Indofood Sukses Makmur Tbk. He also holds directorship in Citra Metro Manila Tollways, Corporation.

In May 2006, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula, rank of Komandante in recognition of his contributions to the country. He was named Management Man of the Year 2005 by the Management Association of the Philippines, and was awarded Honorary Doctorates in Humanities by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He is Chairman of the Board of Trustees of Ateneo de Manila University, Chairman of the Board of Directors of Medical Doctors Inc (Makati Medical Center), and Chairman of the non-profit organization, Philippine Business for Social Progress. Mr. Pangilinan is also Chairman of the Hong Kong Bayanihan Foundation, a civic organization based in Hong Kong.

As at the Latest Practicable Date, Mr. Pangilinan 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) was 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. 6,026,759 ordinary shares^(P) of the Company and 31,800,000 ordinary share options^(P) of the Company.
- ii. 1,048,404 common shares^(P) in Metro Pacific.

- iii. 201,933 common shares^(P) in PLDT and 360 preferred shares^(P) in PLDT as beneficial owner and a further 15,417 common shares in PLDT as nominee for another person.
- iv. 3,500,000 common shares^(P) in Pilipino Telephone Corporation.

The amount of remuneration paid to Mr. Pangilinan for the year ended 31 December 2006, together with the basis of determining such remuneration are set out in Note 36(A) to the Financial Statements headed "Directors' Remuneration" on page 107 in First Pacific's 2006 Annual Report. Mr. Pangilinan has no financial or family relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

2. Mr. Edward A. Tortorici
Executive Director

Age 67, born in the United States. Mr. Tortorici received a BS from New York University and an MS from Fairfield University. Mr. Tortorici has served in a variety of senior and executive management positions, including Corporate Vice President for Crocker Bank and Managing Director positions at Olivetti Corporation of America and Fairchild Semiconductor Corporation.

Mr. Tortorici subsequently founded EA Edwards Associates, an international management and consulting firm specializing in strategy formulation and productivity improvement with offices worldwide.

In 1987 Mr. Tortorici joined First Pacific as an Executive Director and launched the Group's entry into the telecommunications and technology sectors. Presently, he oversees corporate strategy for First Pacific and guides the Group's strategic planning and corporate restructuring activities. Mr. Tortorici also serves as a Commissioner of consumer foods company PT Indofood Sukses Makmur Tbk and is a Director of ACeS International Limited, both corporations are based in Indonesia. He is also a Director of Metro Pacific Corporation and Landco Pacific Corporation, companies located in the Philippines.

As at the Latest Practicable Date, Mr. Tortorici 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) was 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. 27,252,131 ordinary shares^(P) of the Company and 17,680,000 ordinary share options^(P) of the Company.

- ii. 17,399 common shares^(C) and 165,000 common shares^(P) in Metro Pacific, as well as 52,197 warrants^(C) and 495,000 warrants^(P) in Metro Pacific.
- iii. 104,874 common shares^(P) in PLDT.

The amount of remuneration paid to Mr. Tortorici for the year ended 31 December 2006, together with the basis of determining such remuneration are set out in Note 36(A) to the Financial Statements headed "Directors' Remuneration" on page 107 in First Pacific's 2006 Annual Report. Mr. Tortorici has no financial or family relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

3. David W.C. Tang, *OBE, Chevalier de L'Ordre des Arts et des Lettres*
Independent Non-executive Director

Age 52, born in Hong Kong, Mr. Tang was educated locally and then Cambridge, London and Beijing, where he also taught English and Philosophy. Mr. Tang is the founder of Shanghai Tang; the China Clubs in Beijing, Hong Kong and Singapore; China Tang in London and Pacific Cigars. He joined First Pacific's Board in 1989.

As at the Latest Practicable Date, Mr. Tang was not interested, or was not deemed to be interested in any of the 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) was 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.

As an Independent Non-Executive Director, Mr. Tang is entitled to receive the sum of US\$5,000 for each meeting of the Board of Directors or Board Committee which he attends in person or by telephone conference call, as well as consultancy services provided to the Company, details as set out in Note 36(A) to the Financial Statements headed "Directors' Remuneration" on page 107 in First Pacific's 2006 Annual Report. Mr. Tang has submitted to the Company a written confirmation concerning his independence. The Board, therefore, considers him to be independent and believes that he should be re-elected. He has no financial or family relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

4. Professor Edward K.Y. Chen, *GBS, CBE, JP*
Independent Non-executive Director

Age 62, born in Hong Kong and educated at the University of Hong Kong and Oxford University. Professor Chen serves as President of Lingnan University; an Independent Non-executive Director of Asia Satellite Telecommunications and Wharf Holdings Limited. He is the trustee for Eaton Vance Management Funds. Formerly, Professor Chen served as Chairman of Hong Kong's Consumer Council; as an Executive Councillor of the Hong Kong Government; and as a Legislative Councillor. Professor Chen joined First Pacific's Board in 1993.

As at the Latest Practicable Date, Prof. Chen 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) was 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. 2,840,000 ordinary share options^(P) of the Company.

As an Independent Non-Executive Director, Prof. Chen is entitled to receive the sum of US\$5,000 for each meeting of the Board of Directors or Board Committee which he attends in person or by telephone conference call, details as set out in Note 36(A) to the Financial Statements headed "Directors' Remuneration" on page 107 in First Pacific's 2006 Annual Report. Prof. Chen has submitted to the Company a written confirmation concerning his independence. The Board, therefore, considers him to be independent and believes that he should be re-elected. He has no financial or family relationships with any other Directors, senior management or substantial or controlling shareholders of the Company.

APPENDIX II EXPLANATORY STATEMENT OF REPURCHASE PROPOSAL

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to accompany the notice of an annual general meeting 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 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 under Bermuda law.

(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 per cent of the 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 3,205,795,003 Shares, as at the Latest Practicable Date, and assuming no further exercise of options granted by the Company pursuant to the Company's share option plan, and no further Shares are issued or repurchased by the Company prior to the 2007 AGM, not more than 320,579,500 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.

APPENDIX II EXPLANATORY STATEMENT OF REPURCHASE PROPOSAL

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 have no present intention to repurchase any Shares of the Company 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 favourable to the Company. On the basis of the audited consolidated financial position of the Company as at 31st December, 2006, 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 value, 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

No Shares have been repurchased during the six months prior to the date of this circular. 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 31st March, 2007:

Month	Highest traded price HK\$	Lowest traded price HK\$
2006		
April	3.450	2.750
May	3.925	3.150
June	3.350	2.850
July	3.340	2.900
August	3.530	3.060
September	3.800	3.450
October	4.000	3.540
November	4.050	3.800
December	4.120	3.770
2007		
January	5.130	4.000
February	5.090	3.860
March	4.950	4.140

5. DISCLOSURE OF INTERESTS

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their associates 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 44.25 per cent of the issued share capital of the Company. Although the Directors have no present intention to repurchase any Shares of the Company, if the Directors were to exercise the Repurchase Mandate in full, such Shares owned by the Substantial Shareholders would represent approximately 49.17 per cent 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.

APPENDIX III	SUMMARY OF THE PRINCIPAL TERMS OF THE METRO PACIFIC STOCK OPTION PLAN
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1. PURPOSE AND DURATION OF THE PLAN

- (A) The Metro Pacific Stock Option Plan is intended to: (i) enable the senior management officers and Directors of the Metro Pacific Group who are largely responsible for the further growth and development of the Metro Pacific Group to obtain an ownership interest in Metro Pacific; (ii) encourage the long-term commitment of such officers and Directors of the Metro Pacific Group; (iii) motivate such officers and Directors to continue their efforts in contributing to the long-term financial success of the Metro Pacific Group; and (iv) encourage management talents to join the Metro Pacific Group.
- (B) Subject to paragraph 10, the Metro Pacific Stock Option Plan shall be valid and effective for the period of ten (10) 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 Metro Pacific Stock Option Plan shall remain in full force and effect. Options which are granted during the life of the Metro Pacific Stock Option Plan shall continue to be exercisable in accordance with their terms of issue.

2. ADMINISTRATION OF THE PLAN

- (A) The Metro Pacific Committee shall administer the Metro Pacific Stock Option Plan and perform such other functions as are assigned to the Metro Pacific Committee under the Metro Pacific Stock Option Plan. Subject to the provisions of the Metro Pacific Stock Option Plan and the supervision of the Board of Metro Pacific, the Metro Pacific Committee shall have the power to issue rules and regulations to implement the Metro Pacific Stock Option Plan; amend such rules and regulations; adopt resolutions and orders not inconsistent with the Metro Pacific Stock Option Plan; execute agreements in implementation of the Metro Pacific Stock Option Plan; interpret the provisions of the Metro Pacific Stock Option Plan; and undertake acts as it may deem appropriate for the proper implementation of the Metro Pacific Stock Option Plan.
- (B) All determinations or actions of the Metro Pacific Committee in respect of the Metro Pacific Stock Option Plan shall be by the affirmative vote of a majority of the members thereof at a meeting called for such purpose or by a written instrument signed by a majority of the members of the Metro Pacific Committee, in which latter case, the determinations or actions so taken shall be fully as effective as if they had been taken by a vote of the majority of the members of the Metro Pacific Committee at a meeting duly called and held.

APPENDIX III	SUMMARY OF THE PRINCIPAL TERMS OF THE METRO PACIFIC STOCK OPTION PLAN
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3. SHARES SUBJECT TO THE PLAN

- (A) Subject to the provisions of sub-paragraph 3(C), the total number of Metro Pacific Shares which may be issued upon exercise of all Options to be granted under the Metro Pacific Stock Option Plan and other stock option plans of Metro Pacific must not exceed ten per cent (10%) of the Metro Pacific Shares in issue as at the Adoption Date ("Plan Limit"). The limit on the number of Metro Pacific Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Metro Pacific Stock Option Plan and other stock options plans of Metro Pacific must not exceed 30% of the Metro Pacific Shares in issue from time to time.
- (B) If an Option shall expire or lapse in accordance with the Metro Pacific Stock Option Plan, such expired or lapsed Option shall not be counted for purposes of calculating the Plan Limit.
- (C) In the event of a merger, consolidation, reorganization, recapitalization, reclassification of stock, stock dividend, stock split, rights issue or other change in the corporate structure or capitalization affecting Metro Pacific's Shares, the Metro Pacific Committee shall, subject to the approval of the auditors or an independent financial adviser engaged by Metro Pacific for this purpose, make reasonable adjustments to the Exercise Price or the number of Metro Pacific Shares subject to Options already granted and to the Metro Pacific Stock Option Plan. Any such adjustments shall give an Eligible Participant the same proportion of the equity capital as that to which that person was previously entitled, but no such adjustments may be made to the extent that a share would be issued at less than its nominal value. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the note to Rules 17.03(13) of the Listing Rules.

4. PERSONS ELIGIBLE TO PARTICIPATE

- (A) Options may be granted pursuant to the Metro Pacific Stock Option Plan to individuals who, at the time of the grant, are full time senior management officers of the Metro Pacific Group and/or directors of Metro Pacific. Senior management officers include the Presidents, General Managers, key Metro Pacific Group Executives and senior officers reporting directly or indirectly to the Presidents and General Managers, of the Metro Pacific Group.
- (B) Prior to an Option Offer Date, the Metro Pacific Committee shall select the senior management officers and directors of Metro Pacific to whom Options may be granted for that calendar year, provided that, the total number of Metro Pacific Shares issued and to be issued upon exercise of the Options granted to any one Eligible Participant (whether or not already an Option

Holder) (including both exercised and outstanding Options) in any 12-month period shall not exceed one per cent (1%) of the Metro Pacific Shares in issue at the relevant time (the "Eligible Participant Limit").

- (C) In determining the eligibility of a senior management officer/director of Metro Pacific to receive an Option under the Metro Pacific Stock Option Plan, the Metro Pacific Committee shall consider the position and responsibilities of the senior management officer/director of Metro Pacific, the nature and value of his services and accomplishment(s), his present and potential contribution to the success of the Metro Pacific Group member in which he is employed, and such other factors as the Metro Pacific Committee may deem relevant.

5. TERMS AND CONDITIONS OF THE OPTION

- (A) If in accordance with paragraph 4, the Metro Pacific Committee determines to grant an Option to an Eligible Participant, an offer shall be forwarded by the Metro Pacific Committee, provided that a grant of Option may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in a newspaper of general circulation. In particular, no Option may be granted during the period commencing one (1) month immediately preceding the earlier of:
- (i) the date of the board meeting for the approval of Metro Pacific's results for any year, half-year, quarterly or any other interim period; and
 - (ii) the deadline for Metro Pacific to publish an announcement of its results for any year or half-year under the rules of the SEC and/or the PSE, or quarterly or any other interim period (whether or not required by the SEC and/or PSE), and ending on the date of the results announcement.
- (B) The offer of the grant of Option to an Eligible Participant shall be by means of an option offer letter under the terms and conditions set forth in the Metro Pacific Stock Option Plan and such other terms and conditions as the Metro Pacific Committee may determine from time to time. The offer shall be open for acceptance by an Eligible Participant by payment of Ten Pesos (P10.00) within twenty eight (28) days from receipt of the option offer letter or such shorter period as may be specified in the relevant option offer letter.
- (C) The vesting percentage and vesting schedule of the Options granted under the Metro Pacific Stock Option Plan shall be determined by the Metro Pacific Committee.

APPENDIX III	SUMMARY OF THE PRINCIPAL TERMS OF THE METRO PACIFIC STOCK OPTION PLAN
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- (D) An Option under the Metro Pacific Stock Option Plan shall be personal to the Option Holder and shall not be assignable or transferable. The Option Holder concerned shall not sell, transfer, charge, mortgage, encumber or create any security interest over an Option granted under the Metro Pacific Stock Option Plan. Any breach of the foregoing shall entitle Metro Pacific Committee to cancel any outstanding Options or part thereof granted to such Option Holder (including, but not limited to, the Option in question).
- (E) An Option granted under the Metro Pacific Stock Option Plan shall lapse automatically (to the extent not already exercised) at the earliest of:
- (i) the end of an Option's Life Cycle;
 - (ii) the expiration of the period referred to in sub-paragraph 7(C);
 - (iii) the date the Option Holder ceases to be a director or full-time employee of Metro Pacific or the subsidiary in which he is employed other than for death or illness, unless otherwise determined by the Metro Pacific Committee (whether such determination is made before or after the date of such cessation), in which case the Option shall be exercisable to the extent and within such period as the Metro Pacific Committee may determine. In the case of cessation of employment, the date of cessation shall be the last actual working day on which the Option Holder was physically at work as an employee of Metro Pacific or the subsidiary in which he is employed, whether or not salary is paid in lieu of notice;
 - (iv) subject to sub-paragraph 7(E), the date of effectivity of Metro Pacific's dissolution; and
 - (v) the date on which the Option Holder commits any of the acts prohibited under sub-paragraph 5(D).
- (F) Each grant of Options to any director, chief executive or substantial shareholder of the Company, or any of his or her associates under a scheme of the Company or any of its respective subsidiaries (including the Metro Pacific Stock Option Plan) shall be subject to the prior approval of the independent non-executive directors of the Company (excluding any independent non-executive director who is the grantee of the Options).

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 to be issued upon exercise of all Options already granted and to be granted (including Options exercised cancelled and outstanding) to such person in the 12-month period up to and including the Option Offer Date representing in aggregate over 0.1% (or such other percentage as may from time to time be specified by the Stock Exchange)

APPENDIX III	SUMMARY OF THE PRINCIPAL TERMS OF THE METRO PACIFIC STOCK OPTION PLAN
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of Metro Pacific Shares in issue, such further grant of Options shall be subject to prior approval by resolution of the Shareholders 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.

- (G) Any Options granted but not exercised may be cancelled if the Option Holder agrees and (if the Board so resolves) new Options may be granted to that Option Holder provided that such new Options are granted within the limits of the terms of the Metro Pacific Stock Option Plan.

6. EXERCISE PRICE

The Exercise Price shall be determined by the Metro Pacific Committee but at an amount not lower than (i) the closing price of the Metro Pacific Shares for one or more board lots of such Metro Pacific Shares on the PSE on the Option Offer Date; (ii) the average closing price of the Metro Pacific Shares for one or more board lots of such Metro Pacific Shares on the PSE for the five (5) business days on which dealings in the Metro Pacific Shares are made immediately preceding the Option Offer Date; or (iii) the par value of the Metro Pacific Shares, whichever is the higher. The Exercise Price may be reasonably adjusted by the Metro Pacific Committee, subject to the approval of the auditors or an independent financial adviser engaged by Metro Pacific for this purpose, in case of payment of stock dividends, issuance of rights shares, stock splits and other analogous acts resulting in the increase or decrease in the outstanding capital stock of Metro Pacific.

7. EXERCISE OF OPTION

- (A) An Option Holder may exercise in whole or in part his vested Option, provided that an Option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said Option's Life Cycle.
- (B) An Option shall be exercised in whole or in part by the Option Holder (or his heirs or legal representative) by giving notice in writing to the Metro Pacific Committee specifying the number of Metro Pacific Shares to be purchased and accompanied by payment in cash of the full amount of the Exercise Price. Within twenty eight (28) days from receipt of the full amount of the Exercise Price, Metro Pacific shall issue and allot the Metro Pacific Shares subscribed for, and as soon as reasonably practicable thereafter shall issue the certificate of stock evidencing the corresponding number of fully paid and issued Metro Pacific Shares to the Option Holder.

- (C) If the Option Holder ceases to be a senior management officer or director of Metro Pacific by reason of death or long term disability, he or his heirs or legal representative shall be entitled to exercise any unexercised and vested Option within eighteen (18) months following the last actual working day of the Option Holder with Metro Pacific or the subsidiary by which he is employed.
- (D) If a general offer is unconditionally made to all shareholders of Metro Pacific at any time before the expiry of the Option's Life Cycle, the Option Holder (or his legal representative, if applicable), may exercise any unexercised and unvested Option in full within one (1) month after the general offer is made notwithstanding that the date the offer is made is less than one (1) year after the Option Offer Date.
- (E) In the event the shareholders of Metro Pacific pass a resolution for the voluntary dissolution of Metro Pacific prior to the expiry of the Option's Life Cycle, an Option Holder may, by notice in writing and within three (3) months after the resolution is duly passed, elect to be treated as if his unexercised and unvested Option had been exercised in full force before the resolution, and will qualify to receive out of the assets available in liquidation such sum as would have been received in respect of the Metro Pacific Shares which are the subject of such election reduced by the Exercise Price which would otherwise have been payable in respect thereof.
- (F) There is no applicable performance targets that need to be achieved before an Option Holder may exercise his vested Options in whole or in part.
- (G) There is no minimum period for which an Option must be held before it can be exercised, but the vesting percentage and vesting schedule of the options to be granted under the Metro Pacific Stock Option Plan shall be determined by the Metro Pacific Committee.

8. RANKING OF SHARES

The Metro Pacific Shares to be issued and allotted upon the exercise of an Option shall rank *pari passu* in all respects with the then existing Metro Pacific Shares of the same kind in Metro Pacific with effect from the date of issue of the Metro Pacific Shares, and will be subject to all the provisions of the Articles of Incorporation and Bye-Laws of Metro Pacific for the time being in force. Prior to the Option Holder being issued the Metro Pacific Shares in respect of the Option, the Option Holder shall not have any voting rights nor rights to participate in any dividends or distributions in respect of the Metro Pacific Shares to be allotted and issued upon the exercise of the Option, except as may be provided in sub-paragraph 7(E).

APPENDIX III	SUMMARY OF THE PRINCIPAL TERMS OF THE METRO PACIFIC STOCK OPTION PLAN
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9. DISPUTES

The Metro Pacific Committee may, in its discretion and subject to the approval of the Board of Metro Pacific, refer any dispute arising under the Metro Pacific Stock Option Plan to the auditors of Metro Pacific who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final and binding.

10. SUSPENSION, TERMINATION, OR AMENDMENT OF THE PLAN

- (A) Upon the recommendation of the Metro Pacific Committee, the Board of Metro Pacific may, at any time, suspend or terminate the Metro Pacific Stock Option Plan and in such event no further Options shall be granted thereunder, provided that, in all other respects the provisions of the Metro Pacific Stock Option Plan shall remain in force and the suspension or termination of the Metro Pacific Stock Option Plan shall not impair the rights of an Option Holder previously granted under the Metro Pacific Stock Option Plan.
- (B) The approval of the shareholders owning at least two-thirds (2/3) of the outstanding capital stock of Metro Pacific shall first be secured for the effectivity of any modification or amendment of the Metro Pacific Stock Option Plan.

11. MISCELLANEOUS

- (A) Nothing contained in the Metro Pacific Stock Option Plan shall restrict the right of Metro Pacific or any of its subsidiaries to terminate the employment of senior management officers and/or remove the directors of Metro Pacific otherwise entitled to an Option under the Metro Pacific Stock Option Plan.
- (B) The Metro Pacific Stock Option Plan shall not form part of any contract of employment or other contract between Metro Pacific or any member of the Metro Pacific Group and any Eligible Participant or Option Holder, and the rights and obligations of such person under the terms of his employment or contract shall not be affected by his participation in the Metro Pacific Stock Option Plan or any right which he may have to participate in it and the Metro Pacific Stock Option Plan shall afford such Eligible Participant or Option Holder no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason. The Metro Pacific Stock Option Plan shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against Metro Pacific directly or indirectly or give rise to any cause of action at law or in equity against Metro Pacific.
- (C) The Metro Pacific Stock Option Plan and all Options granted thereunder shall be governed by and construed in accordance with the laws of the Republic of the Philippines.

NOTICE OF ANNUAL GENERAL MEETING



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 00142

Website: [http// www.firstpacco.com](http://www.firstpacco.com)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of First Pacific Company Limited (the "Company") will be held at The Victoria and Chater Rooms, 2nd Floor, Mandarin Oriental, 5 Connaught Road, Central, Hong Kong on Friday, 1st June, 2007 at 10:00 a.m. for the following purposes:

1. To receive and adopt the Audited Accounts and the Reports of the Directors and auditors for the year ended 31st December, 2006.
2. To declare a final dividend of HK3.50 cents (US0.45 cent) per ordinary share for the year ended 31st December, 2006.
3. To re-appoint Ernst & Young as auditors of the Company and to authorize the Board of Directors of the Company 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. Manuel V. Pangilinan be and he is hereby re-elected as Managing Director and CEO of the Company for a fixed term of not more than three years, commencing on the date of this Annual General Meeting and ending on the earlier of (1) the date of the Company's annual general meeting to be held in calendar year 2010 or (2) 31st May, 2010 or (3) the date on which Mr. Manuel V. Pangilinan retires by rotation pursuant to the Code on Corporate Governance Practices adopted by the Company (the "Code") and/or the Bye-laws.
 - (ii) **THAT** Mr. Edward A. Tortorici be and he is hereby re-elected as an Executive Director of the Company for a fixed term of not more than three years, commencing on the date of this Annual General Meeting and ending on the earlier of (1) the date of the Company's annual general meeting to be held in calendar year 2010 or (2) 31st May, 2010 or (3) the date on which Mr. Edward A. Tortorici retires by rotation pursuant to the Code and/or the Bye-laws.
 - (iii) **THAT** Mr. David Tang be and he is hereby re-elected as an Independent Non-executive Director of the Company for a fixed term of not more than three years, commencing on the date of this Annual General Meeting and ending on

NOTICE OF ANNUAL GENERAL MEETING

the earlier of (1) the date of the Company's annual general meeting to be held in calendar year 2010 or (2) 31st May, 2010 or (3) the date on which Mr. David Tang retires by rotation pursuant to the Code and/or the Bye-laws.

(iv) **THAT** Prof. Edward K.Y. Chen be and he is hereby re-elected as an Independent Non-executive Director of the Company for a fixed term of not more than three years, commencing on the date of this Annual General Meeting and ending on the earlier of (1) the date of the Company's annual general meeting to be held in calendar year 2010 or (2) 31st May, 2010 or (3) the date on which Prof. Edward K.Y. Chen retires by rotation pursuant to the Code and/ or the Bye-laws.

5. To authorise the Board of Directors to fix the remuneration of the Executive Directors pursuant to the Company's Bye-laws, and to fix the remuneration of the Independent Non-executive Directors at the sum of US\$5,000 for each meeting of the Board of Directors or Board Committee which he attends in person or by telephone conference call, as shall be determined from time to time by the Board.
6. As special business, to consider and, if thought fit, pass with or without modification the following as an Ordinary Resolution:

"THAT the Board of Directors of the Company 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 directors 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 modification 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;

NOTICE OF ANNUAL GENERAL MEETING

(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 twenty (20) per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date 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 in general meeting.

“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 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 recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

8. As special business, to consider and, if thought fit, pass with or without modification 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 recognised for this purpose by the

NOTICE OF ANNUAL GENERAL MEETING

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 of Hong Kong Limited (the "Listing Rules"), be and is hereby approved generally and unconditionally;

- (b) the aggregate nominal amount of share capital which may be purchased or agreed conditionally or unconditionally to be purchased by the directors of the Company pursuant to the approval in paragraph (a) above shall not exceed ten (10) per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date 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 in general meeting."

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

"**THAT** conditional upon the passing of Ordinary Resolutions numbered 7 and 8 as set out in the Notice convening this meeting, the aggregate nominal amount of the number of 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 8 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 7."

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

"**THAT** the new executive stock option plan of Metro Pacific Investments Corporation ("Metro Pacific"), the terms of which are contained in the document produced to the meeting marked "A" and initialed by the chairman of the meeting for the purpose of identification, be and is hereby approved and adopted as the new executive stock

NOTICE OF ANNUAL GENERAL MEETING

option plan of Metro Pacific and that the directors of Metro Pacific be and are hereby authorized to grant options to subscribe for shares of Metro Pacific thereunder, allot and issue shares of Metro Pacific pursuant to the exercise of any options which may be granted under the executive stock option plan, and exercise and perform the rights, powers and obligations of Metro Pacific thereunder and do all such things and take all such actions as the directors of Metro Pacific may consider to be necessary or desirable in connection with the foregoing.”

11. 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, 30th April, 2007

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 2007 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 2007 AGM is enclosed in the circular which contains the notice of the meeting (the “Notice”). 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: www.firstpacco.com.
3. In order to be valid, a form of proxy together with the 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 meeting or any adjournment thereof.
4. With respect to agenda item No. 4 in the Notice, the biographical details of each of the Directors who stand for re-election at the 2007 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 containing the Notice to enable Shareholders to make an informed decision on their re-election.
5. With respect to agenda item No. 7 in the Notice, approval is being sought from the members because under the Listing Rules the existing general mandate to issue shares lapses at the meeting.
6. An explanatory statement containing further details regarding agenda item No. 8 in the Notice on the general mandate to repurchase shares is set out in Appendix II of the circular containing the Notice.
7. An explanatory statement containing further details regarding agenda item No. 10 in the Notice on the adoption of the Metro Pacific Stock Option Plan is set out in Appendix III of the circular containing the Notice.
8. The English text of this circular shall prevail over the Chinese text in case of any inconsistency.