

21st September 1999

FIRST PACIFIC COMPLETES ACQUISITION OF 40% OF INDOFOOD

First Pacific announced that it has completed its acquisition of 40 per cent of PT Indofood Sukses Makmur Tbk, Indonesia's premier processed-foods group, for US\$615 million.

The transaction gives First Pacific undisputed control over Indofood, whose products account for approximately 90 per cent of Indonesia's instant-noodles market, 80 per cent of its wheat-flour market, and more than 60 per cent of the domestic market for branded cooking oils, shortenings and margarine, baby foods, and snack foods. The Company reported net profit of IDR825 billion (US\$100 million) in the year's first half on turnover of IDR5.618 trillion (US\$685 million).

Indofood has scheduled an Extraordinary General Meeting of shareholders for 6th October at which First Pacific will appoint four of its executives to serve on the affiliate's six-man Board of Commissioners. They include First Pacific's Executive Chairman, Manuel V. Pangilinan, who will also become Indofood's President Commissioner; Michael Healy, who serves as the Group's Finance Director; Ronald Brown, who serves as an Executive Director; and Darryl Kinneally, who serves as an Executive Vice President. In addition, First Pacific will name five members of the Company's 10-man Board of Management, which will include four Indofood executives, as well as Edward Tortorici, who is a First Pacific Executive Director.

As previously announced, First Pacific agreed to acquire the Indofood stake from the Salim family and several associated investors for 261 million new First Pacific shares worth US\$194 million, as well as for US\$371 million in cash, and a US\$50 million seven-year convertible note which pays 2 per cent annually and can be converted into First Pacific shares at a price of HK\$8.40 per share. Following the share issuance, the Salim family and its associated investors own approximately 53 per cent of the Group.

First Pacific's Executive Chairman, Manuel V. Pangilinan, said: "First Pacific's acquisition of Indofood represents a key step in its evolution into an investment and management group with a portfolio of fewer, larger businesses within its home markets of Hong Kong/China, Indonesia, the Philippines and Thailand. We believe that our Group's strong financial disciplines, its extensive transactional experience and its ability to help Indofood expand its exports through the region will be of significant benefit the Company and its shareholders."