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First Pacific Company Limited

(Incorporated in Bermuda with limited liability)

PROPOSED ACQUISITION OF A CONTROLLING INTEREST IN GOLDEN AGRI-RESOURCES LTD. BY P.T. INDOFOOD SUKSES MAKMUR TBK.

The Board of Directors of First Pacific announces that a wholly-owned subsidiary of Indofood, First Pacific's 48 per cent owned Indonesian associate, has today entered into an Option Agreement with AFP for the proposed acquisition from AFP of a 30 per cent interest in GAR, a company having its shares listed on the SGX-ST.

GAR is one of the largest vertically integrated palm oil plantation companies in the world and a leading crude palm oil producer. Its principal businesses include the cultivation and harvesting of oil palm trees, processing, sales and distribution of crude palm oil, and palm kernel and the refining of crude palm oil and palm kernel into cooking oil and margarine. The Purchaser (as defined below) is a company incorporated in the British Virgin Islands and is wholly-owned by Indofood.

Under the Option Agreement, AFP, which currently owns approximately 55 per cent of the issued share capital of GAR, has granted to the Purchaser a call option to require AFP to sell to the Purchaser, and the Purchaser has granted to AFP a put option to require the Purchaser to purchase, the Option Shares. The aggregate consideration for the sale and purchase of the Option Shares is approximately US\$97.6 million (approximately HK\$761.3 million), which is equivalent to US\$0.15 (HK\$1.17) per Option Share, and will be funded from Indofood's existing cash resources.

If the GAR Option is exercised and completed, the Purchaser will be obliged under the Option Agreement to make a takeover offer for all the remaining shares in GAR (other than those already owned, controlled, or agreed to be acquired by the Purchaser or parties acting in concert with it) at a price in Singapore dollars equivalent to the Option Price. Upon completion of the takeover offer, the Purchaser will own not less than 50.0 per cent but no more than 55.1 per cent of the issued share capital of GAR. This would result in the total value of the transaction being at least US\$163 million (approximately HK\$1.3 billion, S\$293.4 million) but not more than approximately US\$179 million (approximately HK\$1.4 billion, S\$320.4 million).

The exercise of the GAR Option is subject to satisfaction or waiver, as the case may be, of certain conditions. If the conditions are not satisfied or waived by 10 August, 2001 or such later date as agreed by AFP and the Purchaser, the Agreement shall terminate.

The board of directors of First Pacific is making this announcement pursuant to the provisions of paragraph 2 of the Listing Agreement entered into between First Pacific and The Stock Exchange of Hong Kong Limited.

1. INTRODUCTION

The Board of Directors of First Pacific Company Limited ("First Pacific") announces that Witty East Holdings Limited (the "Purchaser"), a wholly-owned subsidiary of P.T. Indofood Sukses Makmur Tbk ("Indofood"), has today entered into a conditional put and call option agreement (the "Option Agreement") with Asia Food &

Properties Ltd. ("AFP") for the proposed acquisition by the Purchaser from AFP of a 30 per cent interest in Golden Agri-Resources Ltd. ("GAR", the shares of which are listed on the Singapore Exchange Securities Trading Limited ("SGX-ST")). Under the Option Agreement, AFP has granted to the Purchaser a call option to require AFP to sell to the Purchaser, and the Purchaser has granted to AFP a put option to require the Purchaser to purchase (collectively, the "GAR Option"), 650,602,784 ordinary shares of US\$0.10 each in the capital of GAR representing approximately 30 per cent of the issued share capital of GAR as at the date hereof (the "Option Shares"). The Purchaser is a company incorporated in the British Virgin Islands.

If the GAR Option is exercised and completed, the Purchaser will be obliged under the Option Agreement to make a takeover offer for all the remaining shares in GAR (other than those already owned, controlled, or agreed to be acquired by the Purchaser or parties acting in concert with it) at a price in Singapore dollars equivalent to the Option Price. Upon completion of the takeover offer, the Purchaser will own not less than 50.0 per cent but no more than 55.1 per cent of the issued share capital of GAR. This would result in the total value of the transaction being at least US\$163 million (approximately HK\$1.3 billion, S\$293.4 million) but not more than approximately US\$179 million (approximately HK\$1.4 billion, S\$320.4 million).

2. PRINCIPAL TERMS OF THE GAR OPTION

(i) Consideration

The consideration for the sale and purchase of the Option Shares has been agreed at the total sum of approximately US\$97.6 million which is equivalent to US\$0.15 (approximately HK\$1.17) per Option Share (the "Option Price"). The consideration for the sale and purchase of the Option Shares will be satisfied in cash from Indofood's existing cash resources. The Option Price was determined on a "willing-seller, willing-buyer" basis.

The Option Price represents a discount of approximately 55 per cent and 29 per cent, respectively, to the net tangible assets of US\$0.3308 per GAR share and US\$0.2105 per GAR share (as set out in GAR's announcements on 30 March 2001 and 3 April 2001). In addition, the Option Price represents a premium of approximately 108 per cent and 6 per cent, respectively, to the last traded price of S\$0.13 (US\$0.0722) per GAR share on the SGX-ST on 23 April 2001 (being the last day on which the shares of GAR were traded on the SGX-ST prior to their suspension), and the average of the daily last traded prices per GAR share of approximately S\$0.255 (US\$0.1417) on the SGX-ST for the 12 months prior to 23 April 2001.

(ii) Conditions for exercise of the GAR Option and long-stop date

The exercise of the GAR Option is subject to the satisfaction or waiver of certain conditions, including the following:-

- (1) the Purchaser being, in its sole and absolute discretion, satisfied with the results of a due diligence investigation in respect of the GAR group of companies;
- (2) the execution of the Flambo Undertaking, the Massingham Undertaking and the CABH Undertaking (each as more particularly described in section 8 below);
- (3) if required by the listing rules of the SGX-ST, the approval of the shareholders of AFP having been obtained for the sale of the Option Shares and the Balance Option Shares (referred to below) and the transactions contemplated in the Option Agreement;
- (4) the approvals of the shareholders of Indofood having been obtained for the purchase of the Option Shares and the Balance Option Shares, the making of the GAR Offer and the transactions contemplated in the Option Agreement;
- (5) all waivers, releases, consents, authorisations which are necessary or required by the Purchaser to be obtained in respect of, or under any existing contractual, financing or security arrangements in each case of any GAR group

company or any Indofood group company having been obtained and remaining in full force and effect, including without limitation, all consents and authorisations which are necessary or required by the Purchaser for the re-scheduling or re-structuring of any indebtedness of any GAR group company and all consents and authorisations which are necessary or required under any existing contractual, financing or security arrangements of any Indofood group company for the consummation and financing of the transactions contemplated in the Option Agreement;

(6) all waivers, releases, consents, authorisations which are necessary or required by AFP to be obtained under any existing contractual, financing or security arrangements in each case of any AFP group company or any GAR group company having been obtained and remaining in full force and effect, including without limitation, all consents and authorisations which are necessary or required by AFP for the release of any guarantee, security or other obligation given by any member of the AFP group for the benefit of the GAR group (the "**Vendor's Guarantees**");

(7) all waivers, releases, consents, authorisations which are necessary or required by the Purchaser to be obtained in respect of, or under any existing contractual, financing or security arrangements in each case of any AFP group company having been obtained and remaining in full force and effect, including without limitation, all consents and authorisations which are necessary or required by the Purchaser for the release of the Vendor's Guarantees;

(8) all consents and approvals from all relevant governmental, regulatory and other authorities in Singapore, Indonesia, Mauritius and any other relevant jurisdictions which are necessary or required to be obtained by any GAR group company or any Indofood group company in connection with the transfer of the Option Shares and the Balance Option Shares, the GAR Offer and the transactions contemplated in the Option Agreement under any and all applicable laws and regulations having been obtained;

(9) no petition having been filed by any person or resolution having been passed by any of the AFP group companies or the GAR group companies or, so far as AFP is aware, no step having been taken by any person for or with a view to the appointment of a liquidator, provisional liquidator, judicial manager or receiver and/or manager of or in respect of any of the AFP group companies or the GAR group companies or any of their respective assets, properties, revenues or undertakings, the effect of which may prevent the completion of, or make it unreasonable to expect the Purchaser to proceed with, the purchase of the Option Shares and the Balance Option Shares and the GAR Offer and the transactions contemplated in the Option Agreement;

(10) the Purchaser being satisfied that neither the Purchaser nor persons acting in concert with it would be obliged, under any applicable laws, rules and regulations, to make any general or tender offer (or similar process under the relevant jurisdiction) for all or any of the shares of any GAR group company (other than GAR) or to comply with any legal requirements as a consequence of or in connection with the purchase of the Option Shares and the Balance Option Shares, the GAR Offer and the transactions contemplated in the Option Agreement;

(11) a shareholders' agreement having been entered into between AFP and the Purchaser, on terms and conditions mutually satisfactory to AFP and the Purchaser, to regulate the affairs of GAR (including without limitation, the participation of AFP in the management of the GAR Group) and the relationship between AFP and the Purchaser as shareholders of GAR following completion and the expiry of the GAR Offer;

(12) there not having occurred any force majeure event as described in the Option Agreement, including, inter alia,:-

i. any change in monetary, political (including any local, national or international outbreak or escalation of hostility, insurrection or armed conflict), financial (including conditions in any stock market, foreign exchange market, inter-bank market or interest rates or money markets and devaluation or depreciation of the Indonesian Rupiah), economic or exchange control conditions (including any imposition of restrictions on the convertibility of Indonesian Rupiah into any other currency) in Indonesia or internationally; or

ii. any significant event anywhere in Indonesia or internationally or the occurrence of any combination of any changes or developments in such conditions; and

where such event or circumstance makes it unreasonable to expect or makes it inadvisable or inexpedient for

the Purchaser to commence or proceed or continue with the purchase of the Option Shares and the Balance Option Shares and the making of the Offer and the transactions contemplated in the Option Agreement or which may result in a material diminution in the value of Purchaser's investment contemplated in the Option Agreement (but excluding failure caused by a party's financial condition or negligence);

(13) all representations, warranties and undertakings in the Option Agreement on the part of AFP being true, complete and accurate and fulfilled at all times from the date of the Option Agreement and as though repeated on each day thereafter, down to completion in all respects with reference to the facts and circumstances existing on each such day and all obligations of AFP or the Purchaser required to be complied with prior to completion having been so complied with in accordance with the terms of the Option Agreement.

If the conditions referred to above are not satisfied or waived, as the case may be, by 10 August, 2001, or such later date as agreed by AFP and the Purchaser, the Option Agreement shall terminate and cease to have further effect and all obligations and liabilities of AFP and the Purchaser under the Option Agreement shall cease and determine.

(iii) Retention and funding of working capital

In the event the GAR Option is exercised, on completion of the sale and purchase of the Option Shares, a sum of US\$15,000,000 representing part of the consideration payable to AFP will be paid by the Purchaser to an interest-bearing escrow account to be maintained in the name of AFP but operated jointly by AFP and the Purchaser. The Purchaser shall also make a payment of a sum of US\$30,000,000 (such amount not being part of the consideration payable to AFP) to the credit of an interest-bearing escrow account to be maintained in the name of the Purchaser but operated jointly by AFP and the Purchaser.

AFP and the Purchaser have agreed that if AFP and the Purchaser consider it necessary or desirable in their reasonable opinion, the aggregate sum of US\$45,000,000 (the "**Escrow Amount**") in the escrow accounts (or such part thereof as the Vendor and the Purchaser may determine in their reasonable opinion) may be released from the respective escrow accounts (in the proportion representative of the respective amounts credited to the escrow accounts) and be (i) advanced to GAR by way of interest-free shareholders' loans from AFP and the Purchaser in the aforesaid proportion to be utilised by the GAR group of companies for the purpose of meeting the working capital requirements of the GAR group of companies or such other purposes as may be beneficial to the GAR group, as AFP and the Purchaser may determine in their reasonable opinion or (ii) be applied in such other manner as the parties may mutually agree in writing; provided that the Escrow Amount shall not in any event be so released unless the creditors of the GAR group companies have reached an agreement satisfactory to AFP and the Purchaser for the re-scheduling or re-structuring of the indebtedness of the GAR group companies and the release of Vendor's Guarantees.

3. POTENTIAL GENERAL OFFER FOR GAR

GAR has applied for and obtained a ruling from the Securities Industry Council that the provisions of The Singapore Code on Take-overs and Mergers do not apply to the acquisition or consolidation of effective control of GAR. Nevertheless, under the Option Agreement, the Purchaser has agreed with the Vendor that upon the exercise of the GAR Option and the completion thereof, the Purchaser (or its designated party) will make the GAR Offer for all the remaining shares in GAR (other than those already owned, controlled or agreed to be acquired by the Purchaser (or its designated party) or parties acting in concert with it) at the Option Price per share in accordance with, if necessary, the requirements and directives of the SGX-ST and the requirements of Mauritius laws but such offer price may be made in Singapore dollars at such rate of exchange between Singapore dollars and United States dollars prevailing immediately before the date of the GAR Offer, as may be determined by the Purchaser (or its designated party). The obligation of the Purchaser (or its designated party) to make the GAR Offer is conditional upon certain conditions remaining satisfied or having been waived, including the conditions described under the Section entitled "Conditions for exercise of the GAR Option".

The GAR Offer will be conditional upon the Purchaser (or its designated party) and parties acting in concert with it having acquired or agreed to acquire (either pursuant to the GAR Offer in respect of acceptances received before or

during the offer period of the GAR Offer) shares in GAR carrying more than 50 per cent of the voting rights of GAR.

4. BUSINESS OF GAR

GAR was incorporated in Mauritius on 15 October 1996 and is listed on the Main Board of the SGX-ST. GAR is one of the largest vertically integrated oil palm plantation companies in the world and a leading crude palm oil producer. Based in Indonesia, GAR's primary business includes the cultivation and harvesting of oil palm trees, processing, sales and distribution of crude palm oil and palm kernel and refining crude palm oil into cooking oil and margarine.

A summary of GAR's principal operational statistics is set out below:

		2000	1999
Immature plantations	'000 hectares	87	103
Mature plantations	'000 hectares	186	155
Total planted area	'000 hectares	273	258
Crude palm oil production	'000 tons	850	610
Palm kernel production	'000 tons	187	133
Number of crude palm oil mills		18	16
Number of palm kernel crushing mills		4	3
Number of refineries		2	2

Source: Announcement made by GAR on 30 March 2001 on its unaudited results for the financial year ended 31 December 2000

GAR's oil palm plantations are located in Sumatra, Kalimantan and Irian Jaya in Indonesia. GAR has significant downstream businesses. It distributes and sells branded cooking oil, margarine and shortening, under various brandnames, including Filma, Kunci Mas and Palmboom brands, which command a substantial market share in Indonesia. It also sells crude palm oil in the Indonesian and international commodity markets.

GAR has controlling shareholding interests in various plantation companies, including an approximately 51.0 per cent shareholding interest in PT Sinar Mas Agro Resources & Technology Tbk ("**SMART**"), a company listed on the Jakarta Stock Exchange. SMART has a current market capitalisation of approximately Rp 379 billion as at 9 May 2001.

The shares of GAR are currently held as to approximately 55 per cent by AFP, 19.9 per cent by Massingham International Limited ("Massingham") and 25.1 per cent by the public. AFP (the shares of which are also listed on the SGX-ST) is, in turn, owned as to 63.9 per cent by Flambo International Limited and as to the balance of 36.1 per cent by the public.

5. BUSINESS OF INDOFOOD

Indofood is owned as to 48 per cent by First Pacific and Indofood has its shares listed on the Jakarta and Surabaya Stock Exchanges. Indofood is Indonesia's largest food company and (in terms of sales volume) the world's largest noodle maker, which it produces in a highly-integrated manner that extends from producing and/or processing a number of the key raw ingredients to packaging the final product, as well as distributing it across Indonesia. Indofood operates six main divisions: instant noodles; flour milling; edible oils and fats; food seasonings; snack foods; and baby foods.

Within its edible oils and fats division, Indofood owns 60,000 hectares of oil palm plantations and produces cooking oils, margarines and shortening that are sold under well known domestic brands such as Bimoli and Sunrise (which are cooking oils), and Palmia and Simas (which are margarines).

6. RATIONALE FOR THE OPTION AGREEMENT AND FINANCIAL EFFECTS OF THE OPTION AGREEMENT FOR INDOFOOD AND FIRST PACIFIC

The proposed acquisition is in accordance with Indofood's stated strategy of investing in palm oil businesses in Indonesia as a key element of Indofood's longer term plans for growth to enhance its position in the agri-industry in Indonesia.

(i) Scope for synergies through integration with Indofood's existing businesses

GAR's complimentary plantation and related businesses provide scope for potential synergies with those of Indofood. Integration would provide opportunities over time to achieve an increased scale of operations, improved financing capabilities, favourable purchasing power and an enhanced corporate profile. This also provides an opportunity for a further distinction between Indofood's branded businesses and its commodity businesses.

(ii) Attractive downstream and branded products

GAR distributes and sells branded cooking oil, margarine and shortening, under various brandnames, including Filma, Kunci Mas and Palmboom brands, which command a significant market share in Indonesia. Such brands compliment Indofood's Bimoli, Sunrise, Palmia and Simas brands of cooking oil and margarines and will together enhance Indofood's leading position in the Indonesian processed foods and consumer market.

(iii) Unique opportunity for significant presence in the crude palm oil industry

The acquisition represents a unique opportunity for Indofood to acquire a very sizeable and attractively located palm oil plantation asset. Indofood produced over 300,000 tons of crude palm oil in 2000. Acquisition of a controlling interest in GAR, which produced 850,000 tons of crude palm oil in 2000, will substantially increase Indofood's existing crude palm oil production. This acquisition will propel Indofood into being one of the largest crude palm oil producers in the world.

(iv) Potential upside on CPO prices

Crude palm oil commodity prices are at their lowest points in the last 10 years. In recent years, crude palm oil commodity prices declined to a low of approximately US\$230 per ton on 8 May 2001 (having peaked at more than US\$700 per ton in 1998). GAR's total crude palm oil production has increased by about 39 per cent from approximately 610,000 tons in 1999 to approximately 850,000 tons in 2000.

Hence, the acquisition represents an opportunity for Indofood to significantly expand its palm oil interests at a low point in the crude palm oil price cycle. The profitability of the palm oil business is sensitive to fluctuations in related commodity prices.

(v) Attractive maturity profile

The proportion of matured plantations of GAR has increased from approximately 60 per cent in 1999 to approximately 68 per cent in 2000. Based on the age profile of GAR's plantation interest, the maturity profile is expected to continue to improve in the short to medium term, leading to an increase in production volume.

(vi) Significant US dollar revenues

Approximately 40 per cent of GAR's crude palm oil products are exported from Indonesia and such exports are

denominated in US dollars. Given the relative stability of the US dollar currency as opposed to the Indonesian rupiah, the inclusion of a significant stream of US dollar denominated revenues from GAR would potentially contribute to the stability of Indofood's operations. In addition, the US dollar revenue stream would provide a natural hedge against US dollar denominated borrowings.

7. UNDERTAKING BY AFP IN RELATION TO REMAINING GAR SHARES

Under the Option Agreement, the Vendor and the Purchaser have further agreed that:-

(a) save as provided in (b) below, the Vendor shall not accept the GAR Offer in respect of its remaining 542,514,708 GAR shares representing approximately 25 per cent of the issued and paid-up share capital of GAR as at the date hereof which are not the subject of the GAR Option (the "**Balance Shares**"), or sell, transfer, encumber or otherwise dispose of all or any of the Balance Shares prior to the expiry of the GAR Offer; and

(b) in the event the Purchaser (or its designated party) determines in its sole opinion at any time during the period of the GAR Offer that the number of GAR shares in respect of which acceptances have been received under the GAR Offer will not or is not likely to, together with the GAR shares acquired or agreed to be acquired by the Purchaser (or its designated party) and its concert parties before or during the GAR Offer, result in the Purchaser (or its designated party) and its concert parties holding shares carrying more than 50 per cent of the voting rights of GAR ("**50 per cent shareholding condition**"), the Purchaser shall have the right either to:-

(i) require AFP to accept the GAR Offer in accordance with the procedures prescribed under the GAR Offer in respect of such number of the Balance Shares, or

(ii) require AFP to sell to the Purchaser (or its designated party) at the Option Price such number of the Balance Shares,

as the Purchaser (or its designated party) may decide, in its discretion (in either case, the "**Balance Option Shares**") so as to enable the 50 per cent shareholding condition to be fulfilled.

Any Balance Option Shares which are assented to the GAR Offer and which result in the Purchaser (or its designated party) and its concert parties holding shares in excess of 51 per cent of the shares in GAR (taking into account the shares in GAR acquired or agreed to be acquired by the Purchaser (or its designated party) and its concert party before or during the GAR Offer) shall be returned by the Purchaser (or its designated party) to the Vendor without payment after the close of the GAR Offer. Such Balance Option Shares shall be deemed not to have been assented to the GAR Offer.

8. UNDERTAKINGS BY RESPECTIVE MAJOR SHAREHOLDERS

It is a condition precedent (as referred to in section 2 (ii) above) to the exercise of the GAR Option that:-

(i) Flambo International Limited, which owns approximately 63.9 per cent of the issued and paid-up share capital of AFP as at the date hereof (the "**Flambo Shares**"), undertakes to the Purchaser, inter alia, to vote or procure the voting in favour of all resolutions to be proposed at the extraordinary general meeting of AFP to be convened, if necessary, to approve the sale of the Option Shares and the Balance Option Shares and the transactions contemplated in the Option Agreement, in respect of the Flambo Shares (the "**Flambo Undertaking**");

(ii) Massingham International Limited, which owns approximately 19.9 per cent of the issued and paid-up share capital of GAR (the "**Massingham Shares**"), undertakes to the Purchaser, inter alia, that, it will not accept the GAR Offer in respect of the Massingham Shares, or sell, transfer, encumber or otherwise dispose of the Massingham Shares prior to the expiry of the GAR Offer (the "**Massingham Undertaking**"); and

(iii) CAB Holdings Ltd ("**CABH**") undertakes to AFP to vote or procure the voting in favour of all resolutions to be

proposed at the extraordinary general meeting of Indofood to be convened to approve the purchase of the Option Shares and the Balance Option Shares and the making of the GAR Offer and the transactions contemplated in the Option Agreement, in respect of the shares representing approximately 48 per cent of the shares of Indofood held by CABH (the "**CABH Undertaking**").

9. GENERAL

The board of directors of First Pacific is making this announcement pursuant to the provisions of paragraph 2 of the Listing Agreement entered into between First Pacific and the Hong Kong Stock Exchange. First Pacific will despatch a circular to its shareholders, setting out further details of the transaction, in due course.

By Order of the Board

FIRST PACIFIC COMPANY LIMITED

Ronald A. Brown

Executive Director and

Company Secretary

Hong Kong, 10 May, 2001