

23rd September 1998

SALIM GROUP AGREES TO REDUCE STAKE IN FIRST PACIFIC TO 26% FROM 31%

First Pacific Company Limited announced today that it has received advice from its largest shareholder, the Salim Group, that the Group has agreed to transfer 5 per cent of its shares in the Company to a newly-formed holding company that is controlled by the Indonesian Government.

As a result of the transfer, the Salim's holding in First Pacific will be reduced to 26 per cent from 31 per cent. Consequently, the aggregate proportion of the Company's shares owned by the Salim Group and the three Indonesian investor groups they are associated with - the Djuhar, Risjad and Sudwikatmono families - will decline to 49 per cent from 54 per cent.

The transfer of a portion of the Salim Group's shares in First Pacific is part of an agreement the Group has concluded with the Indonesian Government to settle IDR48 trillion in outstanding liabilities. These liabilities comprise IDR35 trillion for credit extended to PT Bank Central Asia, which was taken over by the Indonesian Bank Restructuring Agency earlier this year following a liquidity crisis caused by large-scale withdrawals of customer deposits, and a further IDR13 trillion to repay BCA loans that were made to Salim Group companies.

The Salim Group has also agreed to transfer a portion of a number of other Indonesian corporate assets to the new company, which the Salim Group will manage.

The Board of First Pacific will in the near future review the composition of its 13-person membership, which currently includes six representatives from both the Salim Group and the three associated families.