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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

CONNECTED TRANSACTION AND SHARE TRANSACTION

Acquisition of further shares of P.T. Indofood Sukses Makmur Tbk

The directors of First Pacific announce that, subject to obtaining the necessary approval from its independent shareholders and satisfactorily resolving issues relating to third party consents, First Pacific has agreed to increase its shareholding in Indofood, by acquiring additional shares representing approximately 8 per cent of the issued share capital of Indofood. The shares will be acquired from the Liem Investors, in consideration for the issue of new shares of First Pacific to the Liem Investors, credited as fully paid. Upon completion of the acquisition, First Pacific will hold Indofood shares representing approximately 48 per cent of the issued share capital of Indofood.

The Acquisition

Introduction

First Pacific has conditionally agreed to purchase from the Liem Investors 146,440,690 Indofood shares representing an 8 per cent interest in Indofood, which when aggregated with First Pacific's existing 40 per cent interest in Indofood will result in First Pacific increasing its shareholding in Indofood to approximately 48 per cent of Indofood's issued share capital.

The acquisition is subject to the approval of those shareholders of First Pacific other than any connected person (as defined in the Listing Rules) interested in the acquisition and their respective associates. The conditions precedent to closing the acquisition are summarised below. However, First Pacific may agree to grant the full or partial waiver of one or more of the conditions precedent where the board of directors of First Pacific considers that to do so is in the best commercial interests of First Pacific in the context of the acquisition.

Summary of the principal terms of the acquisition

Subject to the fulfilment of the conditions precedent summarised below, First Pacific will purchase 146,440,690 Indofood shares in consideration for the issue of 221,818,023 new First Pacific Shares, credited as fully paid.

The Indofood shares to be acquired have been attributed a value of IDR 4,350 per Indofood share (equivalent to approximately HK\$4.09 per Indofood share). This price represents a premium of approximately 6 per cent over the closing price of an Indofood share of IDR 4,100 on the Jakarta Stock Exchange on 6th September, 2000 and a premium of approximately 9 per cent over the average closing prices of an Indofood share of IDR 3,988 on the Jakarta Stock Exchange for the five dealing days immediately preceding the date of the Stock Purchase Agreement. The aggregate value attributed to the Indofood shares to be acquired is therefore approximately IDR 637.0 billion (being approximately US\$76,749,036, based on the agreed exchange rate of IDR 8,300:US\$1.00 and approximately HK\$598,642,481, based on an exchange rate of HK\$7.80:US\$1.00). The directors of First Pacific consider that this premium is justified by the continued strong financial performance and future prospects of Indofood and the relative under performance of its share price.

The new First Pacific shares to be issued as consideration for the acquisition have been attributed a value of HK\$2.70 per share, approximating the average closing price of a First Pacific share on the Hong Kong Stock Exchange for the 5 Hong Kong Stock Exchange dealing days immediately preceding the date of the Stock Purchase Agreement (which formed the basis on which the consideration for the transaction was agreed) and represents a discount of approximately 1.9 per cent to the closing price of HK\$2.75 for a First Pacific share on the Hong Kong Stock Exchange on 7th September, 2000. This results in a total number of 221,818,023 new First Pacific shares to be issued, based on the agreed exchange rate of HK\$7.80:US\$1.00.

Conditions precedent to completion of the acquisition

Completion of the acquisition is conditional upon the fulfilment of a number of conditions precedent, including the following:-

- (i) all consents which are required under any existing contractual arrangements, or under any loan or finance documentation, of the Liem Investors in order for the Liem Investors to complete the sales, having been obtained;
- (ii) the release of existing pledges in respect of certain of the Indofood shares to be purchased;
- (iii) the granting of any necessary consents, approvals, qualifications and registrations of any relevant governmental authority or regulatory body, including Indonesian regulatory bodies;
- (iv) the relevant authority in Indonesia confirming that the acquisition will not give rise to an obligation to make a tender offer for any other shares of Indofood;
- (v) to the extent required by First Pacific, obtaining consents, or other assurances satisfactory to First Pacific, from Indofood's principal lenders;
- (vi) the acquisition being approved by a resolution of those shareholders of First Pacific (other than any connected person interested in the acquisition) attending and voting at a duly convened special general meeting of First Pacific, in accordance with the Listing Rules; and

- (vii) the Listing Committee of the Hong Kong Stock Exchange approving the listing of, and granting permission to deal in, the Consideration Shares.

First Pacific may agree to grant a full or partial waiver of any one or more of these conditions precedent (other than the conditions precedent referred to in (ii), (vi) and (vii) above) where the board of directors of First Pacific considers that to do so is in the best commercial interests of First Pacific in the context of the acquisition.

Completion

Completion of the acquisition will occur three business days following the fulfillment or waiver of the conditions precedent above and is expected to take place in October 2000.

Shareholdings

The Liem Investors currently hold in aggregate approximately 43.58 per cent of the existing issued share capital of First Pacific.

The Consideration Shares represent approximately 7.59 per cent of the existing issued share capital of First Pacific and approximately 7.05 per cent of the enlarged issued share capital following the issue of the Consideration Shares. Following the issue of the Consideration Shares, the Liem Investors would, collectively, hold approximately 47.56 per cent of the issued share capital of First Pacific, excluding the shareholding interest in First Pacific held by P. T. Holdiko Perkasa, pursuant to a settlement agreement entered into between the Salim family and the Indonesian Bank Restructuring Agency (known as "IBRA") in September 1998, which represents approximately 2.88 per cent of the existing issued share capital of First Pacific.

Terms of the Acquisition

The terms of the acquisition were arrived at after arms-length negotiations between First Pacific and the Liem Investors.

The board of directors of First Pacific believes the terms of the acquisition to be fair and reasonable and in the interests of all shareholders of First Pacific, although it is knowledgeable, in this regard, that the Independent Board Committee has yet to receive the advice of an independent financial advisor as referred to below under the heading "Hong Kong Regulatory Issues".

The directors of First Pacific are of the view that Indofood is significantly undervalued and that a modest premium to market is warranted given the recent under performance of Indofood's share price and the inherent strength of Indofood's business.

Rationale for the Acquisition

The First Pacific group acquired a 40.0 per cent interest in Indofood, a leading processed-foods group with operations throughout Indonesia, in September 1999. Owning established brand names, with commanding market shares, Indofood has become First Pacific's leading Consumer business, and the investment was immediately earnings enhancing. Recognising the significant potential for market development and enhancement, First Pacific is keen to take this opportunity to further invest, through a non-cash transaction, in this high quality, cash generating company.

Information about Indofood

General

Indofood is Indonesia's largest food company and the world's largest noodle maker, having sold 8 billion servings and achieving a turnover of approximately IDR 11.5 trillion (HK\$11.5 billion) in 1999. Indofood is also the world's largest flour miller and is engaged in the production, distribution and sale of flour, edible oils, shortenings and margarine, snack foods, baby foods and food seasonings.

Indofood's shares are listed and traded on the Jakarta and Surabaya Stock Exchanges and the company has a market capitalisation of approximately US\$950 million.

Financial Information

For the year ended 31st December 1999, the consolidated net profit of Indofood, audited in accordance with Indonesian GAAP, was approximately IDR 1,395.4 billion (approximately HK\$1.4 billion) after taxation, minority interests and extraordinary items, compared to a profit of approximately IDR 457.7 billion (approximately HK\$0.4 billion) for the previous year. For the six months ended 30th June 2000, the unaudited consolidated net profit of Indofood was approximately IDR 286.5 billion (approximately HK\$0.3 billion) after taxation, minority interests and extraordinary items, compared to a profit of approximately IDR 819.3 billion (approximately HK\$0.8 billion) for the six months ended 30th June, 1999. The HK\$ equivalents have been translated at average exchange rates for the relevant period.

The consolidated net tangible assets of Indofood as at 31st December 1999 were approximately IDR 2,406.7 billion (approximately HK\$2.7 billion), which represents an increase of approximately 141 per cent over the consolidated net tangible assets of Indofood as at 31st December 1998, of approximately IDR 998.6 billion (approximately HK\$1.0 billion). The unaudited consolidated net tangible assets of Indofood as at 30th June 2000 were approximately IDR 2,695.4 billion (approximately HK\$2.4 billion). The HK\$ equivalents have been translated at exchange rates prevailing at the end of the relevant financial period.

Hong Kong Regulatory Issues

Listing Rules Implications

The acquisition is a connected transaction for First Pacific under the Listing Rules and, accordingly, completion of the acquisition is conditional upon approval by a resolution of those shareholders of First Pacific, other than any connected person (as defined in the Listing Rules) interested in the acquisition and their respective associates, at a duly convened special general meeting of shareholders of First Pacific.

The Independent Board Committee has been formed to consider the acquisition and to make an appropriate recommendation to those shareholders of First Pacific other than any connected person interested in the acquisition and their respective associates. Rothschild has been appointed to act as an independent financial advisor to advise the Independent Board Committee.

Subject to fulfilment of the conditions precedent, the acquisition is proposed to be completed in October, 2000. First Pacific will despatch to its shareholders as soon as practicable a circular containing further details of the acquisition, the advice of Rothschild as independent financial

advisor, the recommendation of the Independent Board Committee and the notice convening a special general meeting of First Pacific's shareholders to consider the acquisition.

An application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The acquisition is also a share transaction for First Pacific under the Listing Rules.

Definitions

In this Announcement, the following terms and expressions have the following meanings:-

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| "Consideration Shares" | 221,818,023 newly issued First Pacific Shares, credited as fully paid up, proposed to be issued in satisfaction of the consideration for the acquisition; |
| "First Pacific" | First Pacific Company Limited, a company incorporated in Bermuda, the shares of which are listed on The Stock Exchange of Hong Kong Limited; |
| "First Pacific Shares" | ordinary shares of US\$0.01 each of First Pacific; |
| "HK\$" | Hong Kong dollars; |
| "Hong Kong Stock Exchange" | The Stock Exchange of Hong Kong Limited. |
| "IDR" | Indonesian rupiah; |
| "Independent Board Committee" | a committee of the board of directors of First Pacific, comprising both of First Pacific's independent non-executive directors, Prof. Edward K.Y. Chen and Mr. David W. C. Tang; |
| "Indofood" | P.T. Indofood Sukses Makmur Tbk, an Indonesian public company, the shares of which are listed on the Jakarta and Surabaya Stock Exchanges; |
| "Liem Investors" | members of the Salim, Djuhar, Sudwikatmono and Risjad families, and companies controlled by them; |
| "Listing Rules" | The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| "Rothschild" | N M Rothschild & Sons (Hong Kong) Limited, the independent financial advisor to the Independent Board Committee in respect of the acquisition under the Stock Purchase Agreement; |
| "Salim Family" | Soedono Salim, Anthoni Salim and Andree Halim; |
| "Stock Purchase Agreement" | the conditional stock purchase agreement dated 7th September, 2000 among First Pacific and the Liem Investors; and |

"US\$"

United States dollars.

For the purpose of this announcement, translations of amounts into US\$, HK\$ and IDR referred have been made, where appropriate, either at the rates prevailing for the period in question or at the rates prevailing on the latest practical date for the preparation of such information prior to the release of this announcement.

By Order of the Board
FIRST PACIFIC COMPANY LIMITED
Ronald A. Brown
Executive Director and Company Secretary

Hong Kong, 7th September, 2000

Please also refer to the published version of this announcement in the South China Morning Post and Hong Kong Economic Journal.