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## **FIRST PACIFIC COMPANY LIMITED**

*(Incorporated in Bermuda with limited liability)*

Website: <http://www.firstpacco.com>

Stock code: 00142

### **ANNOUNCEMENT MADE PURSUANT TO RULE 14A.41 AND CONTINUING CONNECTED TRANSACTIONS – REVISION OF INDOFOOD INSURANCE CAPS**

#### **COMPLETION OF ACQUISITION OF A MAJORITY INTEREST IN PT INDOLAKTO**

The Company announced on 19 December 2008 that completion of the acquisition by Indofood of a majority interest in Indolakto through the acquisition of Drayton took place on 17 December, 2008, resulting in the Company having an approximate 68.57% indirect effective interest in Indolakto.

#### **CONTINUING TRANSACTIONS ENTERED INTO BETWEEN CONNECTED PERSONS OF THE COMPANY AND INDOLAKTO AND LISTING RULES IMPLICATIONS**

Indolakto has prior to Completion entered into certain contracts involving provision of insurance services by connected persons of the Company to Indolakto on a continuing basis. These transactions are required to be disclosed upon Completion under Rule 14A.41 of the Listing Rules. The principal terms of these transactions are summarised in the body of this announcement below.

Under Rule 14A.25 of the Listing Rules, the Transactions are required to be aggregated with the Indofood Insurance Caps for the year ending 31 December 2008, previously announced by the Company. Based on the five tests calculations set out in Rule 14.07 of the Listing Rules, the applicable relevant percentage ratios in respect of the Transactions, when aggregated with the Indofood Insurance Caps for the year ending 31 December 2008, exceed 0.1% but are less than 2.5%. Accordingly, the Transactions are subject to the reporting and announcement requirements of Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders' approval under the Listing Rules.

#### **REVISION OF INDOFOOD INSURANCE CAPS**

As a result of the Completion, the existing insurance agreements entered into by the Indofood Group announced on 7 April 2008 and 10 June 2008 would automatically cover insurance transactions of Indolakto on the basis that Indolakto became a subsidiary of Indofood on Completion. The Company would like to revise the Indofood Insurance Caps to take into account the additional proposed insurance caps in respect of Indolakto arising out of the Completion and the additional proposed provision of health insurance services by CAR commencing 2009 for the years ending 31 December 2009 and 2010 (the "Revised Indofood Insurance Caps") in the amounts set out in Table B, in the body of this announcement.

Based on the five tests calculations set out in Rule 14.07 of the Listing Rules, the applicable relevant percentage ratios in respect of the Revised Indofood Insurance Caps exceed 0.1% but are less than 2.5%. The revision of the Indofood Insurance Caps is, therefore, subject to the reporting and announcement requirements of Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the independent shareholders' approval under the Listing Rules.

#### **COMPLETION OF ACQUISITION OF A MAJORITY INTEREST IN PT INDOLAKTO**

Reference is made to the Company's overseas regulatory announcements dated 25 August 2008 and 19 December 2008, announcements dated 24 September 2008 and 19 December 2008 and circular dated 15 October 2008 (the "Circular"), relating to, amongst other things, the acquisition of a majority interest in PT Indolakto ("Indolakto") through the acquisition of Drayton Pte. Ltd. ("Drayton") by PT Indofood Sukses Makmur Tbk ("Indofood") (the "Acquisition"). Unless otherwise defined or the context otherwise requires, capitalised terms and expressions referred to herein shall have the meanings given to them in the Circular.

The Company announced on 19 December 2008 that completion of the Acquisition ("Completion") took place on 17 December, 2008 resulting in the Company having an approximate 68.57% indirect effective interest in Indolakto.

## **CONTINUING TRANSACTIONS ENTERED INTO BETWEEN CONNECTED PERSONS OF THE COMPANY AND INDOLAKTO AND LISTING RULES IMPLICATIONS**

Indolakto has prior to Completion entered into the following contracts involving provision of insurance services by connected persons of the Company to Indolakto on a continuing basis (the “Transactions”). These Transactions are required to be disclosed upon Completion under Rule 14A.41 of the Listing Rules. The principal terms of the Transactions are summarised below:

Parties: (a) Indolakto  
(b) PT Asuransi Central Asia (“ACA”)  
Date of Contract: 31 December 2007  
Expiry: 31 December 2008  
Subject Matter: Provision of vehicle, PAR & Earthquake, Inventory insurance services by ACA to Indolakto

Estimated transaction value  
for the year ending  
31 December 2008  
from the date of  
Completion: US\$2,691 (approximately HK\$20,990)

Parties: (a) Indolakto  
(b) PT Indosurance Broker Utama (“IBU”)  
Date of Contract: 7 April 2008  
Expiry: 31 December 2008  
Subject Matter: Provision of marine cargo insurance services by IBU to Indolakto

Estimated transaction value  
for the year ending  
31 December 2008  
from the date of  
Completion: US\$568 (approximately HK\$4,430)

The estimated values in respect of the Transactions are based on the existing value of the assets insured.

Under Rule 14A.25 of the Listing Rules, the Transactions are required to be aggregated with the Indofood Insurance Caps (as defined and set out in Table A, below) for the year ending 31 December 2008, previously announced by the Company. Based on the five tests calculations set out in Rule 14.07 of the Listing Rules, the applicable relevant percentage ratios in respect of the Transactions, when aggregated with the Indofood Insurance Caps for the year ending 31 December 2008, exceed 0.1% but are less than 2.5%. Accordingly, the Transactions are subject to the reporting and announcement requirements of Rules 14A.45 to 14A.47 of the Listing Rules but are exempt from the independent shareholders’ approval under the Listing Rules.

In accordance with Rule 14A.41 of the Listing Rules, the Company will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements under the Listing Rules upon any variation or renewal of any of the agreements relating to the Transactions.

As far as the Directors are aware, the Transactions were entered into on normal commercial terms in the ordinary course of business of Indolakto, ACA and IBU and on an arm's length basis.

### **Description of connected relationships of the parties to the Transactions**

ACA and IBU are connected persons of the Company and hence, connected persons of Indolakto (upon Completion) because:

- (a) Mr. Anthoni Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood; and
- (b) ACA and IBU are owned respectively as to 67.42% and 100% of their issued share capital, by Mr. Anthoni Salim and companies controlled by him. Therefore both companies are associates of Mr. Anthoni Salim under Rule 1.01 of the Listing Rules.

### **REVISION OF INDOFOOD INSURANCE CAPS**

The Company previously announced annual caps for Indofood's insurance transactions for the years ending 31 December 2008, 2009 and 2010 on 7 April 2008 and 10 June 2008, respectively (the "Indofood Insurance Caps"). The Indofood Insurance Caps are reproduced in Table A, below, for shareholders' ease of reference:

**Table A – Existing Indofood Insurance Caps**

	<b>Annual caps relating to the transaction between ACA and Indofood (US\$ million)</b>	<b>Annual caps relating to the transaction between CAR and Indofood (US\$ million)</b>	<b>Annual caps relating to the transaction between PT Laju Perdana Indah and IBU (US\$ million)</b>	<b>Indofood Insurance Caps (US\$ million)</b>
For the year ending 31 December 2008	4.4	0.2	0.4	5.0
For the year ending 31 December 2009	5.7	0.3	0.4	6.4
For the year ending 31 December 2010	6.4	0.4	0.4	7.2

As a result of the Completion, the existing insurance agreements entered into by the Indofood Group with connected persons of the Company announced on 7 April 2008 and 10 June 2008 would automatically cover insurance transactions of Indolakto on the basis that Indolakto became a subsidiary of Indofood on Completion. The entry and expiry dates of the existing insurance agreements are set out below for shareholders' information:

<b>Counterparty connected person</b>	<b>Date of Entry</b>	<b>Expiry</b>
ACA	14 March 2008 (PAR & Earthquake) 14 March 2008 (Vehicle) 14 January 2008 (Marine Cargo)	31 December 2010
IBU	9 June 2008	31 December 2010
CAR	8 April 2008	31 December 2010

The Company would like to revise the Indofood Insurance Caps to take into account the additional proposed insurance caps in respect of Indolakto arising out of the Completion and the additional proposed provision of health insurance services by CAR commencing 2009 for the years ending 31 December 2009 and 2010 (the "Revised Indofood Insurance Caps") in the amounts set out in Table B, below.

**Table B – Revision of Indofood Insurance Caps**

	<b>Existing Indofood Insurance Caps</b> <i>(US\$ million)</i>	<b>Additional annual caps relating to Indolakto arising out of the Completion</b> <i>(US\$ million)</i>	<b>Additional annual caps relating to provision of health insurance services by CAR commencing 2009</b> <i>(US\$ million)</i>	<b>Revised Indofood Insurance Caps</b> <i>(US\$ million)</i>
From the date of Completion to 31 December 2008	5.0*	0.0	N/A	5.0
For the year ending 31 December 2009	6.4	0.2	3.7	10.3
For the year ending 31 December 2010	7.2	0.3	4.4	11.9

\* This amount covers the entire year ending 31 December 2008 as opposed to from the date of Completion to 31 December 2008.

The annual caps relating to Indolakto were determined based on the existing value of the assets insured and estimated capital expenditure. The annual caps relating to the provision of health insurance services by CAR commencing 2009 are based on estimated insurance premiums.

Based on the five tests calculations set out in Rule 14.07 of the Listing Rules, the applicable relevant percentage ratios in respect of the Revised Indofood Insurance Caps, exceed 0.1% but are less than 2.5%. The revision of the Indofood Insurance Caps is, therefore, subject to the reporting and announcement requirements of Rules 14A.45 to 14A.47 of the Listing Rules but is exempt from the independent shareholders' approval under the Listing Rules.

### **Description of connected relationships**

The connection between ACA, IBU and the Company is as described above.

CAR is a connected person of the Company and hence, a connected person of Indofood because:

- (a) Mr. Anthoni Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood; and
- (b) CAR is owned as to 67.42% of its issued share capital by Mr. Anthoni Salim and companies controlled by him. Therefore, it is an associate of Mr. Anthoni Salim under Rule 1.01 of the Listing Rules.

### **Directors' views on the revision of Indofood Insurance Caps**

The Directors (including the independent non-executive directors of the Company) believe that the revision of the Indofood Insurance Caps is on normal commercial terms, fair and reasonable and in the interests of shareholders of the Company as a whole.

### **GENERAL**

The Company is a Hong Kong-based investment and management company with operations located in Asia. The Company's principal business interests relate to Telecommunications, Consumer Food Products, Infrastructure and Natural Resources.

ACA is engaged in the business of providing insurance services in Indonesia. ACA is considered as one of the big five insurance companies in Indonesia and has 39 branches and 32 representative offices.

IBU is engaged in the business of providing insurance services in Indonesia. IBU is considered one of the leading insurance brokers in Indonesia with a Bandung Branch Office and around 60 staff members. Their strong relationship with many insurance companies give them a privilege to provide the best insurance solutions.

CAR is engaged in the business of providing insurance services in Indonesia. CAR is a leading life and health insurance company in Indonesia, with more than 60 sales offices and 29 service offices.

By Order of the Board  
**First Pacific Company Limited**  
**Nancy L.M. Li**  
*Company Secretary*

Hong Kong, 6 January 2009

*Unless otherwise stated, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.8. Percentages and figures have been rounded.*

As at the date of this announcement, the Board comprises the following Directors:

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Napoleon L. Nazareno

Ambassador Albert F. del Rosario

Tedy Djuhar

Sutanto Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles\*

Sir David W.C. Tang\*, *KBE*

Professor Edward K.Y. Chen\*, *GBS, CBE, JP*

\* *Independent Non-executive Directors*