



Press Release

INDOFOOD ANNOUNCES PLANS FOR REVERSE TAKEOVER

Jakarta, Indonesia – 23 August, 2006. PT Indofood Sukses Makmur Tbk ("**Indofood**") - JSX :INDF - today announced the proposed listing of its oil palm plantations and edible oils and fats ("**EOF**") businesses through reverse takeover ("**RTO**") of ISG Asia Limited ("**ISG**") (formerly known as CityAxis Holdings Limited), listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Dealing and Automated Quotation System ("**SGX-SESDAQ**").

Said Mr. Thomas Tjhie, Director of Indofood : "The entry of our subsidiary into the international capital market will widen the group's investor base and enable us to tap offshore funds to support the business expansion. We believe this will enhance our shareholders' value"

In conjunction with the RTO, Indofood will incorporate Singapore subsidiaries to consolidate its EOF businesses.

As of end of June 2006, Indofood owns plantation land bank of approximately 138,000 hectares, of which approximately 63,000 hectares are planted with oil palm and approximately 5,000 hectares with rubber. On 16 August 2006, Indofood announced that its subsidiary (SIMP) had entered into a conditional agreement to acquire a 60% interest in several plantation companies, which upon completion will increase its plantation land bank by approximately 85,500 hectares.

The conditional sale and purchase agreement ("**Injection Agreement**") was signed today between Indofood and ISG. The consideration for the Proposed Acquisition is valued at approximately S\$392.7 million. In return, Indofood through its Singapore subsidiary ("**Singco 1**") will receive 9.982 billion new ISG shares at an issue price of S\$0.03934 per share.

On 11 July 2006, ISG had announced its entry into a conditional agreement to dispose substantially all of its existing businesses of providing project management, facilities management, engineering and fitting out works and interior design services ("**Announced Disposal**").

The completion of the Proposed Acquisition is conditional upon, *inter alia*, the completion of the Announced Disposal without any selective capital reduction by ISG, the disposal of ISG's remaining businesses (collectively, the "**Disposals**") as well as a cash distribution by ISG to its shareholders by way of a dividend and/or capital reduction ("**Cash Distribution**").

Following the Disposals and the Cash Distribution, ISG's net tangible assets immediately prior to the completion of the Proposed Acquisition is expected to comprise cash of not less than S\$5 million.

In conjunction with the Proposed Acquisition, ISG proposes to consolidate every 10 existing ISG shares into one consolidated share ("**Consolidated Share**") and apply for a transfer of its listing from the SGX-SESDAQ to the SGX-ST Mainboard, commensurate with its significantly enhanced market capitalisation and scale of business activities.

Upon completion of the acquisition, Singco 1 will become the majority shareholder of ISG, controlling over 98 percent of the enlarged issued share capital of ISG thereby resulting in a change of control. ISG plans to change its name to Indofood Agri Resources Ltd., to reflect its new ownership structure and businesses following the completion of the Proposed Acquisition.

To comply with SGX-ST rules on shareholding spread and distribution requirements and to raise funds for Indofood Agri Resources Ltd., it is intended that the Placement of new and/or existing shares will be carried out to meet such requirements following completion of the Proposed Acquisition.

As a condition of the Injection Agreement, Indofood has undertaken that in the event the price at which the Placement Shares are transferred and/or issued pursuant to the Placement is less than S\$0.75 per Placement Share (equivalent to S\$0.075 per share before the proposed share consolidation), the registered shareholders of ISG (immediately prior to the injection) will be compensated by Singco 1 in cash equivalent to the difference (if any) between S\$0.75 and the Placement price, subject to a maximum compensation of S\$0.37 per Consolidated Share held.

The RTO is subject to the completion of due diligence by both parties and approvals of shareholders of ISG, Indofood and its parent company, First Pacific Company Limited (HKEx : 00142) as well as regulatory authorities in Indonesia, Singapore and Hong Kong.

PT INDOFOOD SUKSES MAKMUR Tbk
BOARD OF DIRECTORS