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## **FIRST PACIFIC COMPANY LIMITED**

*(Incorporated with limited liability under the laws of Bermuda)*

**Stock code: 00142**

### **ANNOUNCEMENT CONTINUING CONNECTED TRANSACTIONS**

Members of the Indofood Group are parties to the following two series of continuing connected transactions, which were described in the 2005 Announcement:

1. **Transactions relating to the noodles business of the Indofood Group** – a series of related continuing connected transactions relating to Indofood's noodles business. These transactions principally relate to the provision of raw materials or finished and packaging products, the provision of related technical services and the licensing of related trademarks to connected persons.
2. **Transactions relating to the distribution business of the Indofood Group** – a series of related continuing connected transactions relating to Indofood's distribution business. These transactions principally relate to the distribution by Indofood's subsidiary, PT Indomarco Adi Prima, of foodstuffs, beverages and other consumer products for or through connected persons.

Under Rule 14A.25 of the Listing Rules, for the purposes of compliance with Chapter 14A of the Listing Rules, the Noodles Business Transactions have been aggregated and the Distribution Business Transactions have also been aggregated.

Under Rule 14A.35(2) of the Listing Rules, the Company is required to set an Annual Cap for each continuing connected transaction. The Annual Caps for each of the continuing connected transactions described in this Announcement for the years ending 31st December 2006, 2007 and 2008 are specified below in this Announcement.

The proposed Annual Caps for each of the Noodles Business Transactions for the years ending 31st December 2006, 2007 and 2008 are set out in Table A below. The aggregate of the proposed Annual Caps for all the Noodles Business Transactions for the years ending 31st December 2006 and 2007 are US\$47.3 million and US\$60.8 million, respectively. The aggregate Annual Cap for the Noodles Business applicable, on a pro rated basis, to the agreements which expire during 2008 and those which continue throughout 2008 is US\$30.9 million.

The relevant percentage ratios (as defined in the Listing Rules) applicable to the aggregate Annual Caps in respect of the Noodles Business Transactions for each of the years ending 31st December 2006, 2007 and 2008 exceed 2.5% and, therefore, the Noodles Business Transactions and their respective Annual Caps for each of those financial years are conditional on approval by the Independent Shareholders at the Shareholders' Meeting, in accordance with the requirements of Rule 14A.18 of the Listing Rules.

Under Rule 14A.35(1) of the Listing Rules, in relation to the trademark and technical services agreement between Indofood and DUFIL, the trademark licence agreement between Indofood and Pinehill relating to the exclusive use of the "Indomie" and "Supermi" trademarks, and the technical services agreement between PIPS and Pinehill (described in more detail in Table A below) the Independent Financial Adviser is required to explain why a period exceeding three years is required and to confirm that it is normal business practice for such contracts to have a duration of more than three years.

The proposed Annual Caps for each of the Distribution Business Transactions for the years ending 31st December 2006, 2007 and 2008 are set out in Table B below. The aggregate of the proposed Annual Caps for all the Distribution Business Transactions for the years ending 31st December 2006, 2007 and 2008 are US\$17.0 million, US\$20.5 million and US\$25.0 million, respectively. The distribution agreements between IAP and LS and between IAP and BD shown in Table B below (which are subject only to the announcement and disclosure requirements of Rules 14A.45 to 14A.47 of the Listing Rules) are each annual agreements which are automatically renewed for the same period unless terminated by either party. Annual Caps for the years ending 31st December 2007 and 2008 (in addition to an Annual Cap for the year ending 31st December 2006) are set out in Table B on the basis that each agreement will continue on substantially the same terms in respect of each of those periods.

The relevant percentage ratios (as defined in the Listing Rules) applicable to the aggregate Annual Caps in respect of the Distribution Business Transactions do not exceed 2.5% and, therefore, each of those continuing connected transactions is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

The Company has established the Independent Board Committee consisting of the Independent Directors, to advise shareholders of the Company as to whether the terms of the Noodles Business Transactions are fair and reasonable, whether such transactions are in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders how to vote at the Shareholders' Meeting to be convened to consider those continuing connected transactions. The Company has appointed Somerley Limited as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Noodles Business Transactions are fair and reasonable and whether those transactions are in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders how to vote at the Shareholders' Meeting.

In accordance with the requirements of the Listing Rules, the Company will despatch a circular to the Company's shareholders containing:

- (a) the information required by the Listing Rules in relation to the Noodles Business Transactions;
- (b) a separate letter from the Independent Board Committee advising the Independent Shareholders whether, in the opinion of the Independent Board Committee after taking into account the recommendations of the Independent Financial Adviser, the terms of the Noodles Business Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole and advising the Independent Shareholders how to vote in respect of the resolutions to approve those continuing connected transactions at the Shareholders' Meeting;
- (c) a separate letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Noodles Business Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole and advising the Independent Shareholders how to vote in respect of the resolutions to approve those continuing connected transactions at the Shareholders' Meeting, and in relation to the transactions between Indofood and DUFIL, Indofood and Pinehill, and PIPS and Pinehill advising that it is normal business practice for such a contract to be of a duration of more than three years; and
- (d) a notice convening the Shareholders' Meeting, at which meeting resolutions will be proposed to consider and, if thought fit, approve the Noodles Business Transactions described in this Announcement.

Each of the continuing connected transactions described in this Announcement constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules because the counterparties to the relevant transactions with the Indofood Group are Associates of Mr. Anthoni Salim, the Chairman of the Company, President Director and Chief Executive Officer of Indofood and a substantial shareholder of the Company.

Under Rule 14A.18 of the Listing Rules, any connected person of the Company with a material interest in the Noodles Business Transactions is required to abstain from voting at the Shareholders' Meeting on the resolutions proposed to approve the Noodles Business Transactions. Accordingly, First Pacific Investments Limited and First Pacific Investments (BVI) Limited, which are Associates of the Salim Family in aggregate holding shares of the Company representing approximately 44.48% of the issued share capital of the Company, will abstain from voting at the Shareholders' Meeting on the resolutions to approve the Noodles Business Transactions.

## INTRODUCTION

Members of the Indofood Group are parties to the following two series of continuing connected transactions, which were described in the 2005 Announcement:

1. **Transactions relating to the noodles business of the Indofood Group** – a series of related continuing connected transactions relating to Indofood's noodles business. These transactions principally relate to the provision of raw materials or finished and packaging products, the provision of related technical services and the licensing of related trademarks to connected persons.
2. **Transactions relating to the distribution business of the Indofood Group** – a series of related continuing connected transactions relating to Indofood's distribution business. These transactions principally relate to the distribution by Indofood's subsidiary, PT Indomarco Adi Prima, of foodstuffs, beverages and other consumer products for or through connected persons.

Under Rule 14A.25 of the Listing Rules, for the purposes of compliance with Chapter 14A of the Listing Rules, the Noodles Business Transactions have been aggregated and the Distribution Business Transactions have also been aggregated.

Under Rule 14A.35(2) of the Listing Rules, the Company is required to set an Annual Cap for each continuing connected transaction. The Annual Caps for each of the continuing connected transactions described in this Announcement for the years ending 31st December 2006, 2007 and 2008 are set out in the tables below.

In the case of the transactions between FID and DUFIL, between CKA and DUFIL, between FID and Pinehill and between CKA and Pinehill the agreements expire part way through the calendar year in 2008. Therefore the pro rata amount of the Annual Cap up to the expiry date of the relevant agreement is set out in the table below. On the basis that these transactions expire part way through the calendar year in 2008, the Independent Shareholders will only be requested to approve at the Shareholders' Meeting the pro rata amount of the Annual Cap applicable to the period during the relevant calendar year for which the relevant agreement remains in effect.

In relation to the trademark and technical services agreement between Indofood and DUFIL referred to in Table A below, the existing agreement will expire on 29th November 2006. It has been agreed pursuant to a letter agreement entered into on 13th April 2006 that the agreement be extended on the same terms as apply at present for four years until 29th November 2010. Under the Listing Rules, that extension is subject to the Independent Financial Adviser explaining in the circular to be despatched to the Company's shareholders in relation to the transactions described in this announcement why a period longer than three years is required for the extension of that agreement and on the extension of the agreement being approved by the Independent Shareholders at the Shareholders' Meeting. Assuming that the Independent Financial Adviser reaches the opinion that it is necessary for the trademark and technical services agreement between Indofood and DUFIL to be of a longer period than three years and that the extension of the agreement is approved by the Independent Shareholders at the Shareholders' Meeting, Independent Shareholder will also be requested at the Shareholders' Meeting to approve Annual Caps in respect of the agreement as so renewed for the calendar years 2006, 2007 and 2008. On this basis, proposed Annual Caps for each of the full calendar years ending 31st December 2006, 2007 and 2008 are specified below in relation to the trademark and technical services agreement between Indofood and DUFIL.

The transactions between Indofood and Pinehill and between PIPS and Pinehill are each for five years expiring on 31st December 2010. As referred to in the 2005 Announcement, the Company previously engaged Somerley Limited as its independent financial adviser to review the trademark licensing agreement between Indofood and Pinehill and the technical services agreement between PIPS and Pinehill. As stated in the 2005 Announcement, Somerley Limited confirmed to the Board that, having considered the facts and circumstances in relation to the entering into of the trademark licensing agreement and the technical services agreement between Indofood and Pinehill and PIPS and Pinehill, respectively, Somerley were of the opinion that it is necessary for such agreements to be of a longer period than three years and that it is normal business practice for contracts of this type to be of a duration of more than three years. In the context of approving the applicable Annual Caps for these agreements for the years ending 31st December 2006, 2007 and 2008, the Independent Financial Adviser will set out in detail in the shareholders' circular an explanation of why a period in excess of three years is required for these agreements and its opinion that it is necessary for the agreements to be of a longer period than three years. Accordingly, on this basis, the applicable Annual Caps in respect of each of these agreements for the years ending 31st December 2006, 2007 and 2008 are set out in Table A below.

The proposed Annual Caps for each of the Noodles Business Transactions for the years ending 31st December 2006, 2007 and 2008 are set out in Table A below. The aggregate of the proposed Annual Caps for all the Noodles Business Transactions for the years ending 31st December 2006 and 2007 are US\$47.3 million and US\$60.8 million, respectively. The aggregate Annual Cap for the Noodles Business applicable, on a pro rated basis, to the agreements which expire during 2008 and those which continue throughout 2008 is US\$30.9 million.

The distribution agreements between IAP and LS and between IAP and BD, respectively, in respect of the Distribution Business Transactions and shown in Table B below (which are each subject only to the announcement and disclosure requirements of Rules 14A.45 to 14A.47 of the Listing Rules) are each annual agreements which are automatically renewed for the same period unless terminated by either party. Annual Caps for the years ending 31st December 2007 and 2008 (in addition to an Annual Cap for the year ending 31st December 2006) are set out in Table B on the basis that each agreement will continue on substantially the same terms in respect of each of those periods.

The proposed Annual Caps for each of the Distribution Business Transactions for the years ending 31st December 2006, 2007 and 2008 are set out in Table B below. The aggregate of the proposed Annual Caps for all the Distribution Business Transactions for the years ending 31st December 2006, 2007 and 2008 are US\$17.0 million, US\$20.5 million and US\$25.0 million, respectively.

## **REASONS FOR THE ENTERING INTO OF THE CONTINUING CONNECTED TRANSACTIONS**

The relevant members of the Indofood Group have entered into the continuing connected transactions as part of their regular ongoing business arrangements in relation to the business and operations of the Indofood Group as set out below:—

1. In respect of the Noodles Business Transactions, following success in recent years not limited to increased product awareness, sales volumes and distribution networks, both the Company and Indofood envisage that there is considerable potential for market growth and the capture of future market development opportunities in the Saudi Arabian, Middle East, and Nigerian markets, and have therefore made positive decisions in relation to their operations in these markets in order to capitalise on such opportunity. It is intended that maintaining the current continuing connected transactions referred to in this announcement will allow Indofood to sustain established long-term relationships with DUFIL and Pinehill. Furthermore it is anticipated that this will in turn allow the Company and Indofood to benefit from the distribution networks and customer relations of DUFIL and Pinehill and their future growth within the Nigerian, Saudi Arabian and Middle East instant noodles markets. In addition, the transactions are entered into by the Indofood Group with DUFIL and Pinehill to ensure that the instant noodles products produced by DUFIL and Pinehill under the “Indomie” brand and “Supermi” brand for Pinehill are of a high quality standard such as to enable Indomie to build brand equity, in the case of DUFIL in Nigeria and, possibly over the long term, in Africa and, in the case of Pinehill, in Saudi Arabia and the Middle East.
2. In respect of the Distribution Business Transactions, the transactions are entered into by the Indofood Group with LS and BD to increase sales turnover and earn additional margin on the products sold by the Indofood Group, as well as to diversify the product portfolio of the Indofood Group.

The benefits which are expected to accrue to the Indofood Group and the Company as a result of the transactions are the enhancement of facilities, assets and resources utilisation with profitable margins and increases in market share, revenue and operational profitability of Indofood’s major businesses.

## DETAILS OF THE CONTINUING CONNECTED TRANSACTIONS

Details of the Noodles Business Transactions and the Distribution Business Transactions and their applicable Annual Caps in respect of the financial years ending 31st December 2006, 2007 and 2008 are summarised in Tables A and B below:

**Table A – Noodles Business Transactions**

Parties to the agreement/ arrangement		Nature of agreement/ arrangement	Period covered by the agreement/arrangement		Annual Cap for the			Transaction amount for the year ended
Name of entity of the Indofood Group	Name of connected party		Period covered by the agreement/arrangement		year ending 31st December 2006	year ending 31st December 2007	year ending 31st December 2008	31st December 2005
			From	To	(US\$ millions)	(US\$ millions)	(US\$ millions)	(for reference) (US\$ millions)
FID	DUFIL	Sales and supply of food ingredients and noodles seasonings from FID to DUFIL.	1st April 2005	31st March 2008	18.8	26.0	8.1 in respect of the period from 1st January 2008 to the expiry of the agreement on 31st March 2008.	8.2
CKA	DUFIL	Sales and supply of flexible packaging from CKA to DUFIL for the production of instant noodles products.	Agreement executed on 1st April 2005. Addendum executed on 3rd October 2005 <sup>(3)</sup>	2nd October 2008 <sup>(3)</sup>	6.0	8.4	8.0 in respect of the period from 1st January 2008 to the expiry of the agreement on 2nd October 2008.	3.3
Indofood	DUFIL	Trademark license for the exclusive use by DUFIL of the "Indomie" trademark owned by Indofood in the Nigerian market and provision of related technical services in connection with DUFIL's instant noodles manufacturing operations in Nigeria.	Agreement executed on 1st November 2002 and became effective on approval by the relevant Nigerian authorities on 30th November 2002. As a condition of the approval, the relevant Nigerian authorities specified the duration of the agreement to be a period of four years from the date of approval of the agreement by the authorities i.e. expiring on 29th November 2006. <sup>(3)</sup>	29th November 2006 <sup>(3)</sup>	3.4 <sup>(1)</sup>	4.7 <sup>(1)</sup>	6.1 <sup>(1)</sup>	1.6
FID	Pinehill	Sales and supply of food ingredients seasonings from FID to Pinehill.	1st April 2005	31st March 2008	13.5	14.9	4.3 in respect of the period from 1st January 2008 to the expiry of the agreement on 31st March 2008.	8.1

CKA	Pinehill	Sales and supply of flexible packaging from CKA to Pinehill for the production of instant noodles.	1st April 2005	31st March 2008	3.3	4.0	1.2 in respect of the period from 1st January 2008 to the expiry of the agreement on 31st March 2008.	2.2
Indofood	Pinehill	Trademark licensing for the exclusive use by Pinehill of the "Indomie" and "Supermi" trademarks owned by Indofood in the Saudi Arabian and Middle East markets.	1st January 2006	31st December 2010	0.8 <sup>(2)</sup>	0.9 <sup>(2)</sup>	1.1 <sup>(2)</sup>	0.5
PIPS	Pinehill	Provision of technical services by PIPS to Pinehill in connection with instant noodles manufacturing in Saudi Arabia and the Middle East.	1st January 2006	31st December 2010	1.5 <sup>(2)</sup>	1.9 <sup>(2)</sup>	2.1 <sup>(2)</sup>	1.0
Aggregate Annual Cap Amount					47.3	60.8	30.9	24.9

*Notes:*

- (1) The Annual Caps for the trademark licence agreement between Indofood and DUFIL are stated on a basis assuming that the Independent Financial Adviser reaches the opinion that it is necessary for the agreement to be of a longer period than three years and that it is normal business practice for contracts of this type to be of a duration of more than three years and that the extension of the agreement to 29th November 2010 is approved by the Independent Shareholders at the Shareholders Meeting.
- (2) The Annual Caps for each of these agreements (being the trademark licensing agreement between Indofood and Pinehill and the technical services agreement between PIPS and Pinehill) are stated on the basis assuming that the Independent Financial Adviser confirms its earlier opinion that it is necessary for these agreements to be of a longer period than three years and that it is normal business practice for contracts of this type to be of a duration of more than three years and that the extension of the agreements to 31st December 2010 is approved by the Independent Shareholders at the Shareholders Meeting.
- (3) For the agreements between CKA and DUFIL and between Indofood and DUFIL, in each case the period covered by the agreement/arrangement is slightly different from that stated in the 2005 Announcement. In the case of the CKA and DUFIL agreement, the agreement was executed on 1st April 2005 and is for a period of three years, as stated in the 2005 Announcement. An addendum was executed on 3rd October 2005 and, as a result, the three year period was taken to be three years from the date of the addendum. In relation to the Indofood and DUFIL agreement, the agreement was executed on 1st November 2002, as stated in the 2005 Announcement. However, it did not become effective until approved by the relevant Nigerian authorities, which occurred on 30th November 2002. As a condition of granting their approval, the relevant Nigerian authorities specified the duration of the agreement to be a period of four years from the date of approval of the agreement by the authorities i.e. expiring on 29th November 2006.



**Table B – Distribution Business Transactions**

Parties to the agreement/ arrangement		Nature of agreement/ arrangement	Period covered by the agreement/arrangement		Annual Cap on the transaction amount for the			Transaction amount for the year ended
Name of entity of the Indofood Group	Name of connected party		From	To	year ending	year ending	year ending	31st December
					31st December 2006	31st December 2007	31st December 2008	2005
					(US\$ millions)	(US\$ millions)	(US\$ millions)	(US\$ millions)
IAP	LS	IAP distributes various consumer products to LS.	1st April 2005	1st April 2006, and automatically renewed every year thereafter unless terminated by either party	8.0	9.5	11.5	4.6
IAP	BD	As a sub-distributor of BD, IAP purchases Pepsicola and tea beverage products for sale in trade outlets in Indonesia.	1st January 2006	31st December 2006, and automatically renewed for the same period unless terminated by either party	9.0	11.0	13.5	3.8
<b>Aggregate Cap Amount</b>					17.0	20.5	25.0	8.4

**INFORMATION IN RESPECT OF THE COUNTERPARTIES**

Each of DUFIL and Pinehill, being the counterparties to the Noodles Business Transactions, are engaged in the manufacturing and marketing of instant noodles, in the case of DUFIL, in Nigeria and, in the case of Pinehill, in Saudi Arabia and the Middle East.

LS and BD, being the counterparties to the Distribution Business Transactions, are engaged, in the case of LS, in operating supermarkets in certain major cities in Indonesia and, in the case of BD, in the distribution of Pepsi bottler products in Indonesia.

Each of DUFIL, Pinehill, LS and BD are Associates of Mr. Anthoni Salim, the Chairman of the Company, President Director and Chief Executive Officer of Indofood and a substantial shareholder of the Company. Accordingly, each of the Noodles Business Transactions and the Distribution Business Transactions is a continuing connected transaction for the Company under the Listing Rules.

**BASIS OF ANNUAL CAPS**

The starting point for determining the Annual Caps for the financial year ending 31st December 2006 is the corresponding transaction values for the financial year ended 31st December 2005 (referred to in Tables A and B above). However, the estimated Annual Caps for the financial year ending 31st December 2006 show a substantial increase over those for 2005. This is reflective of substantial growth and significant success in recent years in the Nigerian business, and the Saudi Arabian and Middle East markets which is expected to be sustained. The Company and Indofood furthermore envisage that there is considerable potential for growth and the further development of these markets, and in order to capitalise on such opportunity have therefore made positive decisions to expand their operations in these markets.

The Annual Caps for the financial years ending 31st December 2007 and 2008 are based on the Annual Caps for the financial year ending 31st December 2006, assuming a normal level of growth in those businesses over that two-year period.

#### **IMPLICATIONS UNDER THE LISTING RULES**

Each of the continuing connected transactions described in this Announcement constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules because the counterparties to the relevant transactions with the Indofood Group are Associates of Mr. Anthoni Salim, who is the Chairman of the Company, President Director and Chief Executive Officer of Indofood and a substantial shareholder of the Company.

The relevant percentage ratios (as defined in the Listing Rules) applicable to the aggregate Annual Caps in respect of the Noodles Business Transactions for each of the years ending 31st December 2006, 2007 and 2008 exceed 2.5% and, therefore, the Noodles Business Transactions and their respective Annual Caps for each of those financial years are conditional on approval by the Independent Shareholders at the Shareholders' Meeting, in accordance with the requirements of Rule 14A.18 of the Listing Rules.

Under Rule 14A.35(1) of the Listing Rules, in relation to the trademark and technical services agreement between Indofood and DUFIL, the trademark licence agreement between Indofood and Pinehill relating to the exclusive use of the "Indomie" and "Supermi" trademarks, and the technical services agreement between PIPS and Pinehill (described in more detail in Table A above), the Independent Financial Adviser is required to explain why a period exceeding three years is required and to confirm that it is normal business practice for such contracts to have a duration of more than three years.

The relevant percentage ratios (as defined in the Listing Rules) applicable to the aggregate Annual Caps in respect of the Distribution Business Transactions do not exceed 2.5% and, therefore, each of those continuing connected transactions is only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules.

#### **APPOINTMENT OF INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER AND DESPATCH OF SHAREHOLDERS' CIRCULAR**

The Company has established the Independent Board Committee consisting of the Independent Directors, to advise shareholders of the Company as to whether the terms of the Noodles Business Transactions are fair and reasonable, whether such transactions are in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders how to vote at the Shareholders' Meeting to be convened to consider those continuing connected transactions. The Company has appointed Somerley Limited as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Noodles Business Transactions are fair and reasonable and whether those transactions are in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders how to vote at the Shareholders' Meeting. The Independent Financial Adviser will also be required to explain why a period exceeding three years is required for the trademark and technical services agreement between Indofood and DUFIL, the trademark licence agreement between Indofood and Pinehill relating to the exclusive use of the "Indomie" and "Supermi" trademarks and the technical services agreement between PIPS and Pinehill, and confirm that it is normal business practice for such a contract to be of a duration of more than three years.

In accordance with the requirements of the Listing Rules, the Company will despatch a circular to the Company's shareholders containing:

- (a) the information required by the Listing Rules in relation to the Noodles Business Transactions;
- (b) a separate letter from the Independent Board Committee advising the Independent Shareholders whether, in the opinion of the Independent Board Committee after taking into account the recommendations of the Independent Financial Adviser, the terms of the Noodles Business Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole and advising Independent Shareholders how to vote in respect of the resolutions to approve those continuing connected transactions at the Shareholders' Meeting;
- (c) a separate letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders as to whether the terms of the Noodles Business Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole and advising the Independent Shareholders how to vote in respect of the resolutions to approve those continuing connected transactions at the Shareholders' Meeting, and in relation to the transactions between Indofood and DUFIL, Indofood and Pinehill, and PIPS and Pinehill advising whether it is normal business practice for such a contract to be of a duration of more than three years; and
- (d) a notice convening the Shareholders' Meeting, at which meeting resolutions will be proposed to consider and, if thought fit, approve the Noodles Business Transactions described in this Announcement.

Under Rule 14A.18 of the Listing Rules, any connected person of the Company with a material interest in the Noodles Business Transactions is required to abstain from voting at the Shareholders' Meeting on the resolutions approving the Noodles Business Transactions. Accordingly, First Pacific Investments Limited and First Pacific Investments (BVI) Limited, which are Associates of the Salim Family in aggregate holding shares of the Company representing approximately 44.48% of the issued share capital of the Company will abstain from voting at the Shareholders' Meeting on the resolutions to approve the Noodles Business Transactions.

#### **VIEWS OF THE DIRECTORS**

The Directors (other than members of the Independent Board Committee, who will express their opinion in a separate letter to the Independent Shareholders to be contained in the shareholders' circular referred to above) consider that the terms of each of the continuing connected Noodles Business Transactions referred to in this Announcement are fair and reasonable and that they are in the best interests of the Company and its shareholders.

The Directors (including the independent non-executive directors of the Company) consider that the terms of each of the Distribution Business Transactions are fair and reasonable and that they are in the best interests of the Company and its shareholders.

## **INFORMATION IN RESPECT OF THE COMPANY AND INDOFOOD**

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

Indofood is the premier processed-foods company in Indonesia, which offers total food solutions to its customers. It is based in Jakarta, and is listed on the Jakarta and Surabaya Stock Exchanges. Through its four major business units, Indofood offers a wide range of food products: Bogasari (flour and pasta), Consumer Branded Products (Noodles, Food Seasonings, Snack Foods, and Nutrition and Special Foods), Edible Oils and Fats (Plantations, Cooking Oils, Margarine and Shortening) and Distribution. Indofood is considered as one of the world's largest instant noodles manufacturer by volume, and the largest flour miller in Indonesia. Indofood's flourmill in Jakarta is one of the largest in the world in terms of production capacity in one location. It also has an extensive distribution network in the country.

## **DEFINITIONS**

“Annual Cap”	the estimated maximum aggregate annual value, in relation to each respective continuing connected transaction, required by Rule 14A.35(2) of the Listing Rules;
“Associate”	has the meaning ascribed thereto under the Listing Rules;
“BD”	PT Buana Distrindo, an Associate of Mr. Anthoni Salim;
“Board”	board of directors of the Company;
“CKA”	PT Ciptakemas Abadi, a member of the Indofood Group;
“Company”	First Pacific Company Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Exchange;
“Director(s)”	the director(s) of the Company;
“Distribution Business Transactions”	each of the continuing connected transactions relating to the distribution business of the Indofood Group, further details of which are provided in Table B of this Announcement;
“DUFIL”	De United Food Industries Ltd., an Associate of Mr. Anthoni Salim;
“Exchange”	The Stock Exchange of Hong Kong Limited;

“FID”	the food ingredients division of Indofood;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	The Hong Kong Special Administrative Region of The People’s Republic of China;
“IAP”	PT Indomarco Adi Prima, a member of the Indofood Group;
“Independent Board Committee”	the independent committee of the board of directors of the Company established by the Company as required by Rule 14A.21 of the Listing Rules, to consider the Noodles Business Transactions and opine as to whether the terms of those transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole, such independent board committee comprising the Independent Directors;
“Independent Directors”	Graham L. Pickles, Edward K.Y. Chen and David W.C. Tang being the independent non-executive directors of the Company;
“Independent Financial Adviser”	Somerley Limited, the independent financial adviser appointed by the Company under Rule 14A.21 of the Listing Rules to make recommendations to the Independent Board Committee as to whether the terms of the Noodles Business Transactions are fair and reasonable and in the interests of the Company and its shareholders as a whole and to advise the Independent Shareholders how to vote at the Shareholders’ Meeting and to opine as to whether it is normal business practice for the trademark and technical services agreements between Indofood and DUFIL, Indofood and Pinehill, and PIPS and Pinehill to be of a duration of more than three years;
“Independent Shareholders”	the shareholders of the Company other than First Pacific Investments Limited and First Pacific Investments (BVI) Limited;
“Indofood”	PT Indofood Sukses Makmur Tbk, a company incorporated in Indonesia, and a 51.5 per cent. owned subsidiary of the Company;

“Indofood Group”	Indofood and its subsidiaries from time to time a “member of the Indofood Group” shall be construed accordingly;
“Listing Rules”	the Rules Governing the Listing of Securities on the Exchange;
“LS”	PT Lion Superindo, an Associate of Anthoni Salim;
“Noodles Business Transactions”	each of the continuing connected transactions relating to the noodles business of the Indofood Group, further details of which are provided in Table A of this Announcement;
“Pinehill”	Pinehill Arabian Food Ltd., an Associate of Anthoni Salim;
“PIPS”	PT Prima Inti Pangan Sejati, a member of the Indofood Group;
“Salim Family”	Mr. Anthoni Salim, his father, Mr. Soedono Salim, and his brother, Mr. Andree Halim;
“Shareholders Meeting”	the general meeting of the Independent Shareholders to be convened by a notice to be contained in the shareholders’ circular referred to in this Announcement, at which resolutions will be proposed to consider and, if thought fit, approve the Noodles Business Transactions; and
“2005 Announcement”	the announcement of the Company dated 13th September 2005.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = Rupiah 9,600 = HK\$7.8. Percentages and figures expressed in millions have been rounded.

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

Hong Kong, 28th April 2006

As at the date of this Announcement, the Board of Directors of First Pacific comprises the following Directors:

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

His Excellency Albert F. del Rosario

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

Tedy Djuhar

Sutanto Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles\*

David W.C. Tang\*, *OBE,*

*Chevalier de L'Ordre des*

*Arts et des Lettres*

\* *Independent Non-executive Directors*

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