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FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00142)

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

ANNOUNCEMENT

PROPOSED ACQUISITION OF A MAJORITY INTEREST IN PT PERUSAHAAN PERKEBUNAN LONDON SUMATRA INDONESIA TBK MAJOR TRANSACTION

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.67(4)(a)(i) of the Listing Rules such that the Company did not have to disclose in the Circular the Statement of Differences and Working Capital Sufficiency Statement.

The Waiver was granted subject to fulfillment of certain conditions, one of which was that the Company would issue a supplementary announcement containing the Statement of Differences and the Working Capital Sufficiency Statement within 42 days from the date of completion of the Proposed Acquisition. The Proposed Acquisition completed on 2 November 2007 as announced in the ORE Announcement.

In satisfaction of the said condition and to provide Shareholders with further information, the Company now sets out in the exhibits of this announcement the Statement of Differences and the Working Capital Sufficiency Statement.

Reference is made to the announcement of First Pacific Company Limited (the “Company”) dated 28 May 2007 (the “Announcement”), the Company’s circular dated 18 September 2007 (the “Circular”), the waiver from strict compliance with Rule 14.67(4)(a)(i) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granted to the Company by the Stock Exchange dated 19 September 2007 (the “Waiver”) and the Company’s overseas regulatory announcement dated 2 November 2007 (the “ORE Announcement”). Unless otherwise defined herein, capitalised terms referred to herein shall have the same meanings as ascribed to them in the Circular.

The Company applied to the Stock Exchange for a waiver from strict compliance with Rule 14.67(4)(a)(i) such that the Company did not have to disclose in the Circular the following financial information:

- (1) a statement of differences, between the IFRS and/or accounting policies adopted by PPLS in the Audited Accounts and the HKFRS and/or accounting policies adopted by the Company, formally reviewed by certified public accountants qualified under the Professional Accountants Ordinance (the “Statement of Differences”); and
- (2) a statement of sufficiency of working capital of the enlarged Group (including PPLS) (“Working Capital Sufficiency Statement”).

The Waiver was granted subject to fulfillment of certain conditions, one of which was that the Company would issue a supplementary announcement containing the Statement of Differences and the Working Capital Sufficiency Statement within 42 days from the date of completion of the Proposed Acquisition (the “Condition”). The Proposed Acquisition completed on 2 November 2007 as announced in the ORE Announcement.

In satisfaction of the Condition and to provide Shareholders with further information, the Company now sets in Exhibits I and II below the Statement of Differences and the Working Capital Sufficiency Statement.

Exhibit I – Statement of Differences



羅兵咸永道會計師事務所

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Facsimile (852) 2973 0965

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF FIRST PACIFIC COMPANY LIMITED

We have performed a limited assurance engagement on the statement of description of differences (the “Statement of Differences”) between the accounting policies of PT Perusahaan Perkebunan London Sumatra Indonesia Tbk (the “PPLS Group”) adopted in preparing its consolidated financial statements as at and for the years ended 31 December 2004, 2005 and 2006, and as at and for the four months ended 30 April 2007 (the “PPLS Group’s Financial Statements”) as set out in Appendix II of the circular (the “Circular”) dated 18 September 2007 issued by First Pacific Company Limited (the “Company”) and the accounting policies adopted by the Company in preparing its consolidated financial statements for the year ended 31 December 2006 (the “Group’s Financial Statements”) as set out in Appendix I of the Circular.

Respective responsibilities of the directors of the Company and ourselves

The Directors of the Company are responsible for the preparation of the Statement of Differences. This Statement of Differences is prepared after comparing the accounting policies in the PPLS Group’s Financial Statements, which are prepared in accordance with International Financial Reporting Standards, and the accounting policies in the Group’s Financial Statements, which are prepared in accordance with Hong Kong Financial Reporting Standards.

It is our responsibility to form a conclusion on the Statement of Differences and to report our conclusion to you.

Basis of conclusion

We conducted our limited assurance engagement in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants.

A limited assurance engagement is less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve independent examination of any of the underlying financial information. Our engagement included carrying out procedures primarily of:

- enquiring management of the PPLS Group and the Company to understand the accounting policies in the PPLS Group’s Financial Statements and the Group’s Financial Statements, respectively;
- comparing the accounting policies in the PPLS Group’s Financial Statements with the accounting policies in the Group’s Financial Statements; and
- enquiring management of the Company the differences reflected in the Statement of Differences as set out in Appendix IV of the Circular.

Conclusion

Based on the foregoing, we report that nothing has come to our attention that causes us to believe that the Statement of Differences as set out in Appendix IV of the Circular does not reflect fairly, in all material respects, the differences between the accounting policies as stated in the PPLS Group’s Financial Statements and the accounting policies as stated in the Group’s Financial Statements.

Use of report

This report is intended solely for the use of the Directors of the Company in connection with the proposed acquisition of PPLS Group by the Company and it is not intended to be, and should not be, used for any other purpose.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 11th December 2007

**Reproduction of Appendix IV of the Company’s Circular dated 18 September 2007
– Principal Differences Between Hong Kong Financial Reporting Standards (“HKFRS”) and International Financial Reporting Standards (“IFRS”)**

The financial statements of the PPLS Group are prepared and presented in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board and using the principal accounting policies (the “PPLS Group’s accounting policies”) set out therein. The Group prepares its financial statements in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants and using the principal accounting policies (the “Group’s accounting policies”) set out on pages 66 to 83 and pages 141 & 142 of the Circular.

HKFRSs are substantially similar to IFRSs. However, alternative accounting policies are allowable in HKFRSs and IFRSs such that different companies may adopt different accounting policies for the same transaction, whilst still complying with the relevant financial reporting standards. The matters described below summarize certain differences between the PPLS Group’s accounting policies and the Group’s accounting policies that may be material to the financial information of the PPLS Group, were such information to be prepared in accordance with the Group’s accounting policies.

The Directors are responsible for preparing the summary below. Such summary should not be construed to be exhaustive. The Directors have not prepared a complete reconciliation of the combined financial information and related disclosure notes between the PPLS Group’s accounting policies and the Group’s accounting policies and have not quantified such differences. Accordingly, no assurance is provided that the following summary of differences between the PPLS Group’s accounting policies and the Group’s accounting policies is complete.

Furthermore, no attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented in the audited financial information or disclosure notes thereto.

The principal differences are summarized below:

- (a) Hong Kong Accounting Standard (“HKAS”) 19 “Employee Benefits” and International Accounting Standard (“IAS”) 19 require an entity to either recognize, as a minimum, a specified portion of the actuarial gains and losses that fall outside a corridor of plus or minus 10% or a systematic method of faster recognition (e.g. immediate recognition of all actuarial gains and losses). PPLS adopted the corridor approach and only recognized a portion of the accumulated unrecognized actuarial gains and losses that exceed 10% of the present value of PPLS’s defined benefit obligations in the income statement on a straight-line basis over the expected average remaining working lives of the employees. The Group recognized all actuarial gains and losses immediately in the profit and loss statement.
- (b) PPLS presented the consolidated cash flow statement using the direct method whereas the Group presented the consolidated cash flow statement using the indirect method. Both method of presentation are allowed under IAS 7 and HKAS 7 “Cash Flow Statements”.

In preparing the above summary of differences, the Directors have considered only those differences in accounting policies that would result in a difference that would be material to the true and fair presentation of the financial statements, taken as a whole. This statement is not intended to summarize all actual or potential differences (individually or in aggregate) between the accounting policies adopted by the PPLS Group and those adopted by the Group.

Exhibit II – Working Capital Sufficiency Statement

The directors are of the opinion that following the Proposed Acquisition and the Tender Offer, the enlarged Group (including PPLS) has sufficient working capital for its current requirements.

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

Hong Kong, 11 December 2007

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

Anthoni Salim, *Chairman*
Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson
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*