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FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

ANNOUNCEMENT

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTION ARISING OUT OF AN INTERNAL RESTRUCTURING OF CERTAIN ENTITIES WITHIN THE INDO AGRICULTURE GROUP

First Pacific announces the entering into of an Agreement on 14 May 2010 between SIMP, GSS, PWL, BSS and IER to effect an internal reorganisation of certain entities within the Indo Agri group with a view to consolidate the Indo Agri group's joint ventures with the Salim Group in oil palm plantations and sugar plantation under a newly incorporated indirect subsidiary of the Company named IGER. GSS, PWL and BSS are also companies controlled by Mr. Anthony Salim.

As at the date of this announcement, IGER is owned as to 60% by SIMP and 40% by IER, with SIMP and IER holding nominally 6 and 4 ordinary shares of IGER, respectively.

SIMP is a 90% owned subsidiary of Indo Agri, which is in turn an indirect subsidiary of the Company. The Company holds 29% effective interest in Indo Agri. IER is a Singapore-incorporated entity which is controlled by Mr. Anthony Salim, the Chairman and substantial shareholder of the Company.

As at the date of this announcement, SIMP and the Salim Group has 60% and 40% effective interest in the Relevant Entities except for LPI which is owned by SIMP and the Salim Group as to 60% and 32% respectively. Upon completion of the IGER Proposed Restructuring, SIMP and the Salim Group's interest in the Relevant Entities will remain the same.

The Agreement

The principal terms of the Agreement are summarised as follows:

(A) *Subscription of new shares and acquisition of shares by IGER in the Relevant Entities*

The Agreement provides that IGER will subscribe in cash for new shares to be issued by the Relevant Entities. Details of the subscription are set out below in this announcement.

IGER will also acquire in aggregate 81,500 existing shares in LPI from SIMP (40,000 shares) and the Salim Group (41,500 shares) (“LPI Share Acquisition”) at Rp1,000,000 (equivalent to approximately US\$108.7 and HK\$847.8) per share. The acquisition cost was determined based on fair market price.

As at the date of this announcement:

- (a) each of MCP, MSA, SBN and LPI is owned as to 60% by SIMP;
- (b) the balance 40% of the shares in each of MCP, MSA and SBN are owned by Indonesian entities which are members of the Salim Group; and
- (c) the remaining interests in LPI are held as to 32% by an Indonesian entity which is a member of the Salim Group and 8% by members of the Samsuddin family.

The subscription of new shares by IGER in the Relevant Entities and the LPI Share Acquisition are collectively referred to as the “Relevant Entities Restructuring”.

The aggregate consideration in respect of the Relevant Entities Restructuring is approximately Rp362 billion (equivalent to approximately US\$39.3 million and approximately HK\$306.9 million). The Relevant Entities Consideration was determined based on the net asset value and the business prospects of the Relevant Entities supported by an independent valuation.

Completion of the Relevant Entities Restructuring is expected to take place on or around the end of June 2010 and is subject to certain conditions set out below in this announcement.

The Relevant Entities Consideration shall be funded by the subscription of additional shares by SIMP and IER in IGER and a shareholders’ loan to be provided by SIMP and IER to IGER, described below.

(B) Subscription of additional shares in IGER by SIMP and IER

Subject to the satisfaction of the same conditions, SIMP and IER will subscribe for additional new shares in IGER at the price of S\$1 (equivalent to approximately US\$0.73 and approximately HK\$5.69) for each new share, such that the resulting shareholding of SIMP and IER will be 3,360,000 and 2,240,000 shares in IGER, respectively. The subscription of additional new shares by each of SIMP and IER will not alter their existing respective shareholding percentages in IGER.

(C) Provision of shareholders' loan by SIMP and IER to IGER

Pursuant to the Agreement, subject to the satisfaction of the same conditions, SIMP and IER shall together extend a shareholders' loan (at a commercial interest rate) in an aggregate amount of Rp326 billion (equivalent to approximately US\$35.4 million and approximately HK\$276.4 million) to IGER in proportion to their 60:40 shareholding interests in IGER with SIMP providing approximately Rp195.6 billion (equivalent to approximately US\$21.3 million and approximately HK\$165.8 million) and IER providing approximately Rp130.4 billion (equivalent to approximately US\$14.2 million and approximately HK\$110.6 million). A loan agreement of a term of 3 years will be entered into among SIMP, IER and IGER in due course prior to the advance of the shareholders' loan.

Description of Connected Relationship and Listing Rules Implications

- (a) IER is ultimately owned as to 100% by Mr. Anthoni Salim and is therefore an associate of Mr. Anthoni Salim and a connected person of the Company under Rule 14A.11(4) of the Listing Rules.
- (b) IGER is a connected person of the Company by virtue of Rule 14A.11(5) of the Listing Rules as IER controls over 10% or more of the voting power of IGER.
- (c) Each of MCP, MSA, SBN and LPI are also connected persons of the Company by virtue of Rule 14A.11(5) as the Salim Group controls over 10% or more of the voting power of each of them.

In the light of the above connected relationships, the following transactions contemplated by the Agreement constitute connected transactions for the Company under Rule 14A.13(1)(a) of the Listing Rules:

- (i) the formation of IGER as a joint venture between SIMP and IER;
- (ii) the subscription of new shares by IGER in the Relevant Entities; and
- (iii) the LPI Share Acquisition.

Each of the applicable ratios (as defined in the Listing Rules) in respect of each of the connected transactions described above is between 0.1% and 2.5%. Each connected transaction described above is, therefore, subject to reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from independent shareholders' approval under the Listing Rules.

In addition, the provision of the shareholders' loan by SIMP to IGER also constitutes continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules. Each of the applicable ratios (as defined in the Listing Rules) in respect of the loan amount to be provided by SIMP to IGER is between 0.1% and 2.5%, therefore, the provision of shareholders' loan by SIMP to IGER is only subject to reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from independent shareholders' approval under the Listing Rules.

Reasons for the transactions and Directors' views

The transactions form part of the Indo Agri group's internal reorganisation to consolidate its joint ventures with the Salim Group in oil palm plantations and sugar plantation under a single investment holding company to achieve better efficiency in management and utilisation of resources.

In addition, with IGER's majority stake in the Relevant Entities, IGER will be positioned to be an agribusiness group with oil palm plantations and sugar business to explore potential business opportunities in the future.

The directors of the Company (including the independent non-executive directors of the Company) consider the terms of the Agreement, each of the connected transactions and the continuing connected transaction in respect of the provision of shareholders' loan by SIMP to IGER described in this announcement above to be fair and reasonable and in the interest of shareholders of the Company as a whole.

The Agreement and the transactions contemplated there in were entered into on normal commercial terms, in the ordinary course of business and on an arm's length basis.

Introduction

First Pacific Company Limited (the "Company" or "First Pacific") announces the entering into of an agreement on 14 May 2010 ("Agreement") between PT Salim Ivomas Pratama ("SIMP"), PT Giat Sembada Sentosa ("GSS"), PT Purwa Wana Lestari ("PWL"), PT Bangun Sriwijaya Sentosa ("BSS") and Indogreen Energy Resources Pte Ltd. ("IER") to effect an internal reorganisation of certain entities within the Indofood Agri Resources Ltd ("Indo Agri") group of companies with a view to consolidate the Indo Agri group's joint ventures with Mr. Anthoni Salim and companies controlled by him (the "Salim Group") in oil palm plantations and sugar plantation under a newly incorporated indirect subsidiary of the Company named IndoInternational Green Energy Resources Pte. Ltd. ("IGER") (the "IGER Proposed Restructuring").

As at the date of this announcement, IGER is owned as to 60% by SIMP and 40% by IER with SIMP and IER holding nominally 6 and 4 ordinary shares of IGER, respectively.

SIMP is a 90% owned subsidiary of Indo Agri, which is in turn an indirect subsidiary of the Company. The Company holds 29% effective interest in Indo Agri. IER is a Singapore-incorporated entity which is controlled by Mr. Anthoni Salim, the Chairman and substantial shareholder of the Company. GSS, PWL and BSS are also companies controlled by Mr. Anthoni Salim.

As at the date of this announcement, SIMP and the Salim Group has 60% and 40% effective interest in the Relevant Entities except for LPI which is owned by SIMP and the Salim Group as to 60% and 32% respectively. Upon completion of the IGER Proposed Restructuring, SIMP and the Salim Group's interest in the Relevant Entities will remain the same.

The Agreement

The principal terms of the Agreement are summarised as follows:

(A) Subscription of new shares and acquisition of shares by IGER in the Relevant Entities

Pursuant to the Agreement, IGER will subscribe in cash for the number of new shares stated in the table below in each of the following entities (the "Relevant Entities"):

Name of entity	Number of new shares to be subscribed by IGER	Consideration per share
PT Mega Citra Perdana ("MCP")	105,000 shares	Rp.1,000,000.- Indonesia Rupiah ("Rp") (equivalent to approximately 108.7 United States dollars ("US\$") and 847.8 Hong Kong dollars ("HK\$"))
PT Mentari Subur Abadi ("MSA")	3,600 shares	Rp.1,000,000.- (equivalent to approximately US\$108.7 and HK\$847.8)
PT Swadaya Bhakti Negaramas ("SBN")	860 shares	Rp.1,000,000.- (equivalent to approximately US\$108.7 and HK\$847.8)

Name of entity	Number of new shares to be subscribed by IGER	Consideration per share
PT Lajuperdana Indah (“LPI”)	170,756 shares	Rp.1,000,000.- (equivalent to approximately US\$108.7 and HK\$847.8)

IGER will also acquire in aggregate 81,500 existing shares in LPI from SIMP (40,000 shares) and the Salim Group (41,500 shares) (“LPI Share Acquisition”) at Rp.1,000,000 (equivalent to approximately US\$108.7 and HK\$847.8) per share. The acquisition cost was determined based on fair market price.

As at the date of this announcement:

- (a) each of MCP, MSA, SBN and LPI is owned as to 60% by SIMP;
- (b) the balance 40% of the shares in each of MCP, MSA and SBN are owned by Indonesian entities which are members of the Salim Group; and
- (c) the remaining interests in LPI are held as to 32% by Indonesian entities which are members of the Salim Group and 8% by members of the Samsuddin family.

The subscription of new shares by IGER in the Relevant Entities and the LPI Share Acquisition are collectively referred to as the “Relevant Entities Restructuring”.

The aggregate consideration in respect of the Relevant Entities Restructuring is approximately Rp362 billion (equivalent to approximately US\$39.3 million and approximately HK\$306.9 million) (the “Relevant Entities Consideration”). The Relevant Entities Consideration was determined based on the net asset value and the business prospects of the Relevant Entities supported by an independent valuation.

The Relevant Entities Restructuring is subject to the following conditions:

- (a) the Relevant Entities having obtained the approval of its shareholders in extraordinary general meeting for the increase in the authorized and issued share capital of each of the Relevant Entities;
- (b) the Relevant Entities having received all necessary approvals and consents from the Capital Investment Coordinating Board (“*Badan Koordinasi Penanaman Modal or BKPM*”) in relation to the Relevant Entities Restructuring;

- (c) the Relevant Entities having obtained the waiver and approval of their respective creditors (if required) in relation to the Relevant Entities Restructuring which are necessary or required under any existing contractual, financing or security arrangements binding on the Relevant Entities (if any); and
- (d) SIMP and its parent companies having obtained the approvals required under their respective constitutional documents and prevailing laws, regulations and stock exchange rules in their respective jurisdictions of incorporation, for the Relevant Entities Restructuring (if any).

Completion of the Relevant Entities Restructuring is on the date when the approvals from the Ministry of Law and Human Rights for the increase of share capital of each of the Relevant Entities are obtained, which is expected to be around the end of June 2010.

The Relevant Entities Consideration shall be funded by the subscription of additional shares by SIMP and IER in IGER and a shareholders' loan to be provided by SIMP and IER to IGER, described below.

(B) Subscription of additional shares in IGER by SIMP and IER

Subject to the satisfaction of the same conditions set out in (a) to (d) above, SIMP and IER will subscribe for additional new shares in IGER at the price of S\$1 (equivalent to approximately US\$0.73 and approximately HK\$5.69) for each new share, such that the resulting shareholding of SIMP and IER will be 3,360,000 and 2,240,000 shares in IGER, respectively. The subscription of additional new shares by each of SIMP and IER will not alter their existing respective shareholding percentages in IGER.

(C) Provision of shareholders' loan by SIMP and IER to IGER

Pursuant to the Agreement, subject to the satisfaction of the same conditions set out in (a) to (d) above, SIMP and IER shall together extend a shareholders' loan (at a commercial interest rate) in an aggregate amount of Rp326 billion (equivalent to approximately US\$35.4 million and approximately HK\$276.4 million) to IGER in proportion to their 60:40 shareholding interests in IGER with SIMP providing approximately Rp195.6 billion (equivalent to approximately US\$21.3 million and approximately HK\$165.8 million) and IER providing approximately Rp130.4 billion (equivalent to approximately US\$14.2 million and approximately HK\$110.6 million). A loan agreement of a term of 3 years will be entered into among SIMP, IER and IGER in due course prior to the advance of the shareholders' loan.

Description of Connected Relationship and Listing Rules Implications

- (a) IER is ultimately owned as to 100% by Mr. Anthoni Salim and is therefore an associate of Mr. Anthoni Salim and a connected person of the Company under Rule 14A.11(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).
- (b) IGER is a connected person of the Company by virtue of Rule 14A.11(5) of the Listing Rules as IER controls over 10% or more of the voting power of IGER.
- (c) Each of MCP, MSA, SBN and LPI are also connected persons of the Company by virtue of Rule 14A.11(5) as the Salim Group controls over 10% or more of the voting power of each of them.

In the light of the above connected relationships, the following transactions contemplated by the Agreement constitute connected transactions for the Company under Rule 14A.13(1)(a) of the Listing Rules:

- (i) the formation of IGER as a joint venture between SIMP and IER;
- (ii) the subscription of new shares by IGER in the Relevant Entities; and
- (iii) the LPI Share Acquisition.

Each of the applicable ratios (as defined in the Listing Rules) in respect of each of the connected transactions described above is between 0.1% and 2.5%. Each connected transaction described above is, therefore, subject to reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from independent shareholders’ approval under the Listing Rules.

In addition, the provision of the shareholders’ loan by SIMP to IGER also constitutes continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules. Each of the applicable ratios (as defined in the Listing Rules) in respect of the loan amount to be provided by SIMP to IGER is between 0.1% and 2.5%, therefore, the provision of shareholders’ loan by SIMP to IGER is only subject to reporting and announcement requirements under Chapter 14A of the Listing Rules but is exempt from independent shareholders’ approval under the Listing Rules.

Reasons for the transactions and Directors’ views

The transactions form part of the Indo Agri group’s internal reorganisation to consolidate its joint ventures with the Salim Group in oil palm plantations and sugar plantation under a single investment holding company to achieve better efficiency in management and utilisation of resources.

In addition, with IGER's majority stake in the Relevant Entities, IGER will be positioned to be an agribusiness group with oil palm plantations and sugar business to explore potential business opportunities in the future.

The directors of the Company (including the independent non-executive directors of the Company) consider the terms of the Agreement, each of the connected transactions and the continuing connected transaction in respect of the provision of shareholders' loan by SIMP to IGER described in this announcement above to be fair and reasonable and in the interest of shareholders of the Company as a whole.

The Agreement and the transactions contemplated there in were entered into on normal commercial terms, in the ordinary course of business and on an arm's length basis.

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.

IER is a Singapore-incorporated entity controlled by Mr. Anthoni Salim and its principal business activity is investment holding.

IGER is a 60:40 joint venture between SIMP and IER established to hold shares in the Relevant Entities.

Each of MCP, MSA and SBN is involved in oil palm plantation business in Indonesia.

LPI is engaged in integrated sugarcane plantation business in Indonesia.

GSS is a 40% shareholder of SBN and MSA and its principal business activity is investment holding.

PWL is a 40% shareholder of MCP and its principal business activity is investment holding.

BSS is a 32% shareholder of LPI and its principal business activity is investment holding.

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

Hong Kong, 17 May, 2010

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = S\$1.37 = HK\$7.8 = Rp 9,200. Percentages and figures expressed in millions have been rounded.

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

Anthoni Salim, <i>Chairman</i>	Tedy Djuhar
Manuel V. Pangilinan, <i>Managing Director and CEO</i>	Sutanto Djuhar
Edward A. Tortorici	Ibrahim Risjad
Robert C. Nicholson	Benny S. Santoso
Napoleon L. Nazareno	Graham L. Pickles*
Ambassador Albert F. del Rosario	Prof. Edward K.Y. Chen*, <i>GBS, CBE, JP</i>
Sir David W.C. Tang*, <i>KBE</i>	Jun Tang*

* *Independent Non-executive Directors*