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If you are in any doubt as to any aspect of this circular, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in First Pacific Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**FIRST PACIFIC COMPANY LIMITED**

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

DISCLOSEABLE TRANSACTION**ACQUISITION OF A MAJORITY INTEREST IN PT INDOLAKTO
THROUGH THE ACQUISITION OF DRAYTON PTE. LTD
BY PT INDOFOOD SUKSES MAKMUR TBK**

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DEFINITIONS

In this circular, the following terms and expressions shall have the following meanings, unless otherwise defined or the context otherwise requires:

“Agreement”	the conditional sale and purchase agreement entered into between Indofood and Pastilla on 22 September 2008;
“Company” or “First Pacific”	First Pacific Company Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange;
“Directors”	the directors of the Company;
“Drayton”	Drayton Pte. Ltd. is a company duly established in Singapore in June 2008 and its principal business is investment holding;
“Group”	the Company and/or its subsidiaries from time to time;
“HK\$”	the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“Indofood”	PT Indofood Sukses Makmur Tbk, a company incorporated in Indonesia, whose shares are listed on the Indonesia Stock Exchange, and a 50.1% owned subsidiary of the Company;
“Indolakto”	PT Indolakto, a company established in Indonesia in 1992, whose shares are listed on the Indonesia Stock Exchange, and has been one of the leading producers of processed milk and milk related products in Indonesia, producing a range of milk products (sweetened condensed milk, powder milk, liquid milk), butter and ice cream. Indolakto’s brands include, amongst others, Indomilk, Cap Enaak, Tiga Sapi, Orchid Butter and Indoeskrim;
“Latest Practicable Date”	13 October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers;
“Pastilla”	Pastilla Investment Limited is an investment holding company domiciled in the British Virgin Islands;

DEFINITIONS

“Proposed Acquisition”	the proposed acquisition of a majority interest in Indolakto through the acquisition of Drayton by Indofood;
“Rp”	Rupiah, the lawful currency of Indonesia;
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“US\$”	the lawful currency of the United States.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.8 = 9,320 Indonesian Rupiah. Percentages and figures expressed in billions and millions have been rounded.

LETTER FROM THE BOARD



FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

Chairman:

Anthoni Salim

Executive Directors:

Manuel V. Pangilinan (*Managing Director and CEO*)

Edward A. Tortorici

Robert C. Nicholson

Non-Executive Directors:

Ambassador Albert F. del Rosario

Sutanto Djuhar

Tedy Djuhar

Ibrahim Risjad

Benny S. Santoso

Napoleon L. Nazareno

Independent Non-Executive Directors:

Graham L. Pickles

Prof. Edward K.Y. Chen, GBS, CBE, JP

Sir David W.C. Tang, KBE

Hong Kong Principal Office:

24th Floor

Two Exchange Square

8 Connaught Place

Central

Hong Kong

Registered Office:

Canon's Court

22 Victoria Street

Hamilton HM12

Bermuda

15 October 2008

To the shareholders of the Company for information only

Dear Sir or Madam,

DISCLOSEABLE TRANSACTION

ACQUISITION OF A MAJORITY INTEREST IN PT INDOLAKTO THROUGH THE ACQUISITION OF DRAYTON PTE. LTD BY PT INDOFOOD SUKSES MAKMUR TBK

INTRODUCTION

Reference is made to the Company's announcement dated 24 September 2008 and to the overseas regulatory announcements of the Company dated 25 August 2008 and 23 September 2008 in respect of a discloseable transaction relating to the Proposed Acquisition. The purpose of this circular is to provide you with further information in relation to the Proposed Acquisition.

LETTER FROM THE BOARD

The Company announced on 24 September 2008 that its 50.1% owned subsidiary, Indofood has signed a conditional sale and purchase agreement on 22 September 2008 with Pastilla, to acquire its 100% ownership of Drayton, including its shareholder's loan of US\$100.5 million (approximately HK\$783.9 million) to Drayton. Drayton, in turn owns approximately 68.57% effective interest in Indolakto.

CONSIDERATION FOR THE PROPOSED ACQUISITION

The consideration for the Proposed Acquisition was arrived at after negotiations on an arm's length basis and on a willing buyer and willing seller basis taking into account, inter alia, the comparable multiples, the net asset value and the business prospects of Indolakto and amounts to US\$350 million (approximately HK\$2,730 million) and is payable on the following terms:

- (a) 15% of the consideration (being US\$52.5 million (approximately HK\$409.5 million)), payable upon signing of the Agreement; and
- (b) the balance (being US\$297.5 million (approximately HK\$2,320.5 million)), payable in full at the completion date, i.e. 7 business days after all conditions precedent of the Proposed Acquisition have been fulfilled.

The Proposed Acquisition will be financed by internal cash and bank borrowings of Indofood.

COMPLETION AND CONDITIONS PRECEDENT OF THE PROPOSED ACQUISITION

Completion of the Proposed Acquisition is expected to take place in December 2008 and is subject to a number of conditions precedent, including:

- (a) the approval from a general meeting of shareholders of Indofood on the Proposed Acquisition having been obtained; and
- (b) the necessary approvals (if any) from the relevant authorities in Indonesia and Singapore in relation to the implementation of the Proposed Acquisition having been obtained.

FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

After completion of the Proposed Acquisition, the total assets and liabilities of the Group will be increased upon the consolidation of the interest in Indolakto by Indofood and the extent of increment will be subject to an assessment of the fair value of Indolakto's identifiable assets acquired, liabilities and contingent liabilities assumed. In addition, in view of the track record, earnings ability and customer base of Indolakto, the Proposed Acquisition is expected to have a positive impact on the earnings of the Group in the future.

LETTER FROM THE BOARD

REASONS FOR THE TRANSACTIONS

The commercial rationale for the Proposed Acquisition are summarised as follows:

- (a) investment in the Indonesian dairy industry is an attractive proposition as per capita consumption of milk in Indonesia is still low as compared to neighbouring countries. Domestic milk consumption has been increasing steadily in the last five years with growing awareness of the health benefit of milk;
- (b) the Proposed Acquisition will allow the Group to expand its business and diversify its food business into the dairy industry;
- (c) Indolakto is considered as one of the significant players in the dairy industry, offering a range of products under leading brands, widely known by the consumer. The Proposed Acquisition will provide the Group with an immediate entry with considerable market share in Indonesia, into the dairy industry;
- (d) the Proposed Acquisition will strengthen the Group's Consumer Branded product group's position by expanding its products portfolio with products which have established brand names and considerable market shares in Indonesia; and
- (e) a distribution subsidiary of Indofood has been distributing Indolakto's milk products in most of the areas in Indonesia. The Group has a good understanding of the products and its marketing aspects; hence it will be in a good position to further grow the business of Indolakto, which subsequently will enhance the shareholders value of the Group.

Based on the financial and other information currently available and taking into account the commercial rationale set out above, the Directors are of the view that the Proposed Acquisition is in the interests of the shareholders of the Company. Accordingly, Indofood has entered into the Agreement, completion of which is subject to the conditions precedent referred to therein which include the approval of shareholders of Indofood at a general meeting to be convened as soon as practicable.

As contemplated by the Company's announcement dated 24 September 2008, the Company has appointed CLSA Equity Capital Markets Limited as its financial adviser to review the terms of the Proposed Acquisition to confirm the Directors' view that the Proposed Acquisition is in the interests of the shareholders of the Company and to determine whether such terms are fair and reasonable. A further announcement setting out the Directors' views following conclusion of the review will be published on or before 22 October 2008.

LISTING RULES IMPLICATIONS

The Proposed Acquisition constitutes a discloseable transaction for the Company under the Listing Rules.

LETTER FROM THE BOARD

GENERAL

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

Indofood is a “Total Food Solutions” company engaged in food manufacturing, processing, marketing and distribution. It is based in Jakarta and is listed on the Indonesia Stock Exchange. Through its four complementary strategic business groups, Indofood offers and distributes a wide range of food products throughout Indonesia: Consumer Branded Products (instant noodles, food seasonings, snack foods and baby cereal), Bogasari (flour and pasta), Agribusiness (oil palm, rubber, tea and cocoa plantations, cooking oils, margarine and shortening) and Distribution. Indofood is one of the world’s largest instant noodle manufacturers by volume, plantation companies by hectare 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 Indonesia.

The net asset value of Indolakto as at 31 December, 2007 is Rp.188.6 billion (approximately US\$20.0 million and approximately HK\$156.2 million) and the net profits of Indolakto before and after taxation and extraordinary items are Rp.233.5 billion (approximately US\$25.5 million and approximately HK\$198.8 million) and Rp.160.1 billion (approximately US\$17.5 million and approximately HK\$136.3 million), respectively, for the financial year ended 31 December, 2007 and net profits of Indolakto before and after taxation and extraordinary items are Rp.98.1 billion (approximately US\$10.7 million and approximately HK\$83.6 million) and Rp.69.1 billion (approximately US\$7.6 million and approximately HK\$58.9 million), respectively, for the financial year ended 31 December, 2006.

To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiry, Pastilla and its respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

Your attention is drawn to the information set out in the Appendix to this circular.

Yours faithfully,
By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and CEO

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which: (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

(a) Long positions in shares in the Company

Name	Ordinary shares	Approximate percentage of issued share capital (%)	Ordinary share options
Anthoni Salim	1,418,525,963 ^{(C)(i)}	44.02	–
Manuel V. Pangilinan	6,252,759 ^(P)	0.19	62,000,000
Edward A. Tortorici	35,372,131 ^(P)	1.10	21,760,000
Robert C. Nicholson	–	–	29,500,000
Ambassador Albert F. del Rosario	600,000 ^(P)	0.02	6,000,000
Benny S. Santoso	–	–	6,000,000
Graham L. Pickles	–	–	3,160,000
Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i>	–	–	4,500,000
Sir David W.C. Tang, <i>KBE</i>	–	–	3,160,000

(C) = Corporate interest, (P) = Personal interest

(i) *Anthoni Salim owns 100 per cent of First Pacific Investments (BVI) Limited which, in turn, is interested in 628,296,599 shares in the Company. Of this, 33.334 per cent is held by Anthoni Salim directly, and 66.666 per cent by Salerni International Limited (a company which Anthoni Salim directly holds 100 per cent of the issued share capital). Anthoni Salim also owns 56.8 per cent of First Pacific Investments Limited which, in turn, is interested in 790,229,364 shares in the Company. Of this, 10 per cent is held by Anthoni Salim directly, and 46.8 per cent by Salerni International Limited. The remaining 43.2 per cent interest in First Pacific Investments Limited is owned as to 30 per cent by Sutanto Djuhar, 10 per cent by Tedy Djuhar and 3.2 per cent by a company controlled by Ibrahim Risjad, all of whom are Non-executive Directors of the Company.*

(b) *Long positions in shares in associated corporations*

- Manuel V. Pangilinan owned 1,248,404 common shares^(P) in Metro Pacific Investments Corporation (MPIC), 204,933 common shares^(P) in Philippine Long Distance Telephone Company (PLDT) and 360 preferred shares^(P) in PLDT as beneficial owner and a further 15,417 common shares in PLDT as nominee.
- Edward A. Tortorici owned 69,596 common shares^(C) and 660,000 common shares^(P) in MPIC and 104,874 common shares^(P) in PLDT.
- Sutanto Djuhar owned 15,520,335 ordinary shares^(C) Indofood.
- Tedy Djuhar owned 15,520,335 ordinary shares^(C) in Indofood.
- Ibrahim Risjad owned 6,406,180 ordinary shares^(C) in Indofood.
- Anthoni Salim owned 632,370 ordinary shares^(C) in Indofood and a direct interest of 2,007,788 shares in Indofood Agri Resources Ltd. (IndoAgri) through his controlled corporations other than First Pacific and an indirect interest of 998,200,000 IndoAgri shares through First Pacific group companies.
- Ambassador Albert F. del Rosario owned 130,005 common shares^(P) and 1,560 preferred shares^(P) in PLDT, 32,231,970 preferred shares in Prime Media Holdings, Inc. (PMH) as nominee, 4 common shares^(P) in PMH as beneficial owner, 4,922 common shares^(P) in Costa de Madera Corporation, 15,000 common shares^(P) in Metro Pacific Land Holdings Inc., and 80,000 common shares^(P) in Metro Strategic Infrastructure Holdings, Inc.
- Napoleon L. Nazareno owned 6,648 common shares^(P) in MPIC, 13,927 common shares^(P) in PLDT and 495 preferred shares^(P) in PLDT.

(P) = Personal interest, (C) = Corporate interest

At the Latest Practicable Date, other than as disclosed, none of the Directors and chief executive of the Company were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code, to be notified to the Company and The Stock Exchange.

(ii) Interests of Substantial Shareholders in the Company

The register of interests in shares and short positions of substantial shareholders maintained under Section 336 of the SFO shows that at the Latest Practicable Date, the Company had been notified that the following persons were interested in five per cent or more of the Company's issued share capital:

- (a) Salerni International Limited (Salerni), which was incorporated in the British Virgin Islands, was interested in 1,418,525,963 shares of the Company (long position) at the Latest Practicable Date, representing approximately 44.02 per cent of the Company's issued share capital, by way of its 46.80 per cent interest in First Pacific Investments Limited (FPIL-Liberia) and its 66.666 per cent interest in First Pacific Investments (BVI) Limited (FPIL-BVI).
- (b) FPIL-Liberia, which was incorporated in the Republic of Liberia, beneficially owned 790,229,364 ordinary shares at the Latest Practicable Date, representing approximately 24.52 per cent of the Company's issued share capital at that date. FPIL-Liberia is owned by the Chairman (Anthoni Salim) and three Non-executive Directors (Sutanto Djuhar, Tedy Djuhar and Ibrahim Risjad), in the proportion specified in note (i) of the table on page 8. Anthoni Salim is taken to be interested in the shares owned by FPIL-Liberia.
- (c) FPIL-BVI, which was incorporated in the British Virgin Islands, beneficially owned 628,296,599 ordinary shares at the Latest Practicable Date, representing approximately 19.50 per cent of the Company's issued share capital at that date. Anthoni Salim, the Chairman of the Company, beneficially owns the entire issued share capital of FPIL-BVI and, accordingly, is taken to be interested in the shares owned by FPIL-BVI.
- (d) Marathon Asset Management Limited (Marathon), a U.K. incorporated company, notified the Company that it held 208,871,173 ordinary shares of the Company in August 2008, representing approximately 6.48 per cent of the Company's issued share capital at that time. At the Latest Practicable Date, the Company has not received any other notification from Marathon of any change to such holding.

Other than as disclosed, the Directors and chief executive of the Company are not aware of any person at the Latest Practicable Date who had an interest or short position in the shares or underlying shares and debentures of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested, directly or indirectly, in five per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company.

3. SERVICE CONTRACTS

No Director has an unexpired contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates have a controlling interest in a business which competes either directly or indirectly with the business of the Company.

As at the Latest Practicable Date, no Director has any interest, direct or indirect, in any assets which have been, since the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group.

6. MISCELLANEOUS

- (i) The Company Secretary of the Company is Ms. Nancy L.M. Li, MSc (Corporate Governance and Directorship), BA, FCS(PE), FCIS.
- (ii) The qualified accountant of the Company is Mr. Richard L. Beacher, BA(Hons) in Economics and Accounting, FCCA, CPA.
- (iii) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The principal office of the Company is at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.
- (iv) The principal share registrar and transfer office is Butterfield Fund Services (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke, HM08, Bermuda.
- (v) The share registrar and transfer office (Hong Kong Branch) is Computershare Hong Kong Investor Services Limited at 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (vi) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.