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FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

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

(Stock Code: 00142)

CONTINUING CONNECTED TRANSACTIONS

REVISED ANNUAL CAPS FOR 2017, 2018 AND 2019

FOR INDOFOOD GROUP'S

- (1) PLANTATIONS BUSINESS TRANSACTIONS;**
- (2) DISTRIBUTION BUSINESS TRANSACTIONS;**
- (3) FLOUR BUSINESS TRANSACTIONS;**
- (4) BEVERAGES BUSINESS – SALIM TRANSACTIONS;**
- (5) DAIRY BUSINESS TRANSACTIONS; AND**
- (6) BEVERAGES BUSINESS – ASAHI TRANSACTIONS**

AND

INDOFOOD GROUP'S PACKAGING BUSINESS TRANSACTIONS

AND ANNUAL CAPS FOR 2017, 2018 AND 2019

Reference is made to the Company's announcement dated 10 November 2016 and the Company's circular dated 30 December 2016.

This announcement contains details of the revised Annual Caps for 2017, 2018 and 2019 in respect of the 2017-2019 Plantations Business Transactions, the 2017-2019 Distribution Business Transactions, the 2017-2019 Flour Business Transactions, the 2017-2019 Beverages Business – Salim Transactions, the 2017-2019 Dairy Business Transactions and the 2017-2019 Beverages Business – Asahi Transactions, and continuing connected transactions (and the relevant agreements in relation to them) by members of the Indofood Group in relation to the Indofood Group's packaging business and their respective Annual Caps for 2017, 2018 and 2019.

The Directors (including the independent non-executive Directors) are of the view that the terms of the continuing connected transactions referred to in this announcement below and their respective Annual Caps for 2017, 2018 and 2019 are fair and reasonable, and those transactions are on normal commercial terms, in the ordinary and usual course of business of the Indofood Group and in the interests of the Company and its shareholders as a whole.

Reference is made to the Company's announcement dated 10 November 2016 (the “**10 November 2016 Announcement**”) and the Company's circular dated 30 December 2016 (the “**Circular**”). Unless otherwise defined herein, all capitalised terms used in this announcement shall have the meanings given to them in the 10 November 2016 Announcement.

Revision of Annual Caps in respect of 2017-2019 Plantations Business Transactions

As stated in the 10 November 2016 Announcement and the Circular, the existing Annual Caps for the 2017-2019 Plantations Business Transactions are estimated transaction values based on projected activity levels between the relevant parties for the relevant periods, taking into account the historical values of the relevant transactions and the continuing development of raw land into planted areas. The projected activity level is based on an estimate of the requirements of each plantation company in respect of its respective planting activities and operations.

Due to the expansion of the Plantations Business, the transaction amounts for 2018 and 2019 in respect of Plantations Business transaction number (8) in Table B of the 10 November 2016 Announcement (between Indofood and its subsidiaries on the one hand and Indomobil and its subsidiaries on the other hand in relation to the sale/rental of cars, the provision of car services and the sale of spare parts by Indomobil and its subsidiaries to Indofood and its subsidiaries) and the transaction amounts for 2017, 2018 and 2019 in respect of Plantations Business transaction number (10) in Table B of the 10 November 2016 Announcement (between SIMP and NIC in relation to the sale of margarine by SIMP to NIC) are expected to be higher than the respective existing Annual Caps for the transactions.

Conversely, Indofood has informed the Company that:

- (a) the existing Annual Caps for 2017, 2018 and 2019 in respect of Plantations Business transaction number (1) in Table B of the 10 November 2016 Announcement (between SIMP and ADS in relation to the grant by ADS of a lease to SIMP for use of factory properties) will not be fully utilised because of the sale of the land by ADS to the Indofood Group, as announced by the Company on 7 June 2017; and
- (b) the existing Annual Caps for 2018 and 2019 in respect of Plantations Business transaction number (4) in Table B of the 10 November 2016 Announcement (between SIMP and its subsidiaries on the one hand and the IGER Group on the other hand in relation to the provision of operational services, the sale of seedlings, prefabricated housing materials and fertilizer products and the leasing of office space by SIMP and its subsidiaries to the IGER Group and the purchase of palm oil and its derivative products by SIMP and its subsidiaries from the IGER Group) will not be fully utilised because demand for the relevant goods and products by the counterparties to the transaction has been less than the level projected at the time those Annual Caps were determined in 2016.

Having regard principally to the transactions in respect of which the Annual Caps are expected to be exceeded, the Company has undertaken a review of the individual transaction Annual Caps for 2017, 2018 and 2019 in respect of all the existing Plantations Business transactions. As a result of that review, the Company has revised certain Annual Caps to more closely reflect the projected transaction amounts for the remainder of 2017 and for 2018 and 2019. The revisions were made based on the projected activity levels between the relevant parties for 2017, 2018 and 2019, taking into account the transacted amount during the period from 1 January 2017 to 31 July 2017 and the projected activity level during the remainder of 2017 and in 2018 and 2019. The revised Annual Caps are set forth in the table below, together with the respective actual transaction amounts for the period from 1 January 2017 to 31 July 2017 and existing Annual Caps. The Annual Caps for 2017, 2018 and 2019 in respect of transaction number (10) and the Annual Caps for 2018 and 2019 in respect of transaction number (8) have been increased, and the Annual Caps for 2017, 2018 and 2019 in respect of transaction number (1) and the Annual Caps for 2018 and 2019 in respect of transaction number (4) have been reduced. The aggregated 2017, 2018 and 2019 Annual Caps for all the Plantations Business transactions have not been changed.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	SIMP	ADS	ADS grants a lease to SIMP for use of factory properties.	0.5	1.3	1.3	1.3	0.6	-	-
(2)	SIMP and its subsidiaries	STP	STP provides pumping services to SIMP and its subsidiaries to load crude palm oil and other derivative products to vessels.	0.4	1.2	1.3	1.5	1.2 (not revised)	1.3 (not revised)	1.5 (not revised)
(3)	SIMP and its subsidiaries	RMK	SIMP and its subsidiaries lease heavy equipment and buy building materials; rent office space, trucks and tug boats from RMK; use transportation services from RMK; and purchase road reinforcement services from RMK.	0.5	5.6	6.2	6.8	5.6 (not revised)	6.2 (not revised)	6.8 (not revised)
(4)	SIMP and its subsidiaries	IGER Group	SIMP and its subsidiaries provide operational services, sell seedlings, sell prefabricated housing materials, sell fertilizer products, lease office space to IGER Group; and buy palm oil and its derivative products from IGER Group.	16.0	109.7	134.6	155.7	109.7 (not revised)	130.6	150.4
(5)	Indofood and its subsidiaries	IKU	IKU provides consulting services for project development to Indofood and its subsidiaries.	-	0.2	0.2	0.2	0.2 (not revised)	0.2 (not revised)	0.2 (not revised)
(6)	Indofood and its subsidiaries	LPI	Indofood and its subsidiaries buy sugar from LPI.	-	0.2	0.2	0.2	0.2 (not revised)	0.2 (not revised)	0.2 (not revised)
(7)	SIMP	FFI	SIMP sells deep fat frying oil to FFI.	2.7	5.2	5.8	6.4	5.2 (not revised)	5.8 (not revised)	6.4 (not revised)
(8)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell/rent cars, provide car services and sell spare parts to Indofood and its subsidiaries.	3.1	8.4	6.5	7.4	8.4 (not revised)	11.0	13.1
(9)	SIMP	Shanghai Resources	SIMP sells palm oil and its derivative products to Shanghai Resources.	12.7	35.0	44.7	56.3	35.0 (not revised)	44.7 (not revised)	56.3 (not revised)
(10)	SIMP	NIC	SIMP sells margarine to NIC.	0.5	0.7	0.8	1.0	1.4	1.6	1.9
(11)	Indofood	LPI	Indofood grants an exclusive license of its "Indosugar" trademark related to sugar to LPI.	0.2	0.9	1.0	1.0	0.9 (not revised)	1.0 (not revised)	1.0 (not revised)

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(12)	IAK	LPI	IAK sells packaging materials to LPI.	0.1	0.8	0.9	1.0	0.8 (not revised)	0.9 (not revised)	1.0 (not revised)
(13)	SIMP and its subsidiaries	CSNJ	SIMP and its subsidiaries rent infrastructure from CSNJ and vice-versa.	0.0	0.4	0.4	0.4	0.4 (not revised)	0.4 (not revised)	0.4 (not revised)
(14)	SIMP and its subsidiaries	Indomaret	SIMP and its subsidiaries sell finished goods to Indomaret.	28.3	54.7	71.7	94.0	54.7 (not revised)	71.7 (not revised)	94.0 (not revised)
(15)	SIMP and its subsidiaries	Indogrosir	SIMP and its subsidiaries sell finished goods to Indogrosir.	14.1	31.4	41.3	54.2	31.4 (not revised)	41.3 (not revised)	54.2 (not revised)
Aggregated Transaction Amount/Annual Cap:				79.1	255.7	316.9	387.4	255.7 (not revised)	316.9 (not revised)	387.4 (not revised)

Each of the transactions referred to in the table above constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules because:

- (i) Mr. Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood;
- (ii) except as referred to in (iii) below, each of the counterparties is an associate of Mr. Salim; and
- (iii) each of the members of the IGER Group, including LPI, is a connected person of the Company by virtue of Rule 14A.16, because each is a non-wholly owned subsidiary of Indofood (and, therefore, of the Company) and Mr. Salim and companies controlled by him control 10% or more of the voting power of each of them.

As referred to in the 10 November 2016 Announcement and the Circular, the transactions referred to in the table above are conducted in the ordinary and usual course of business of the Indofood Group and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreements provide that the pricing/ fee chargeable in respect of each of the transactions referred to in the table above will be determined from time to time based on the written mutual agreement between the parties, with due regard to the prevailing market conditions. The consideration under the transactions referred to in the table above is payable in accordance with credit terms to be agreed between the parties, in cash.

The respective amendments of the 2018 and 2019 Annual Caps in respect of transactions number (4) and (8) in the table above are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirements, under Chapter 14A of the Listing Rules, by reason that in respect of each of these Annual Caps, one or more of the applicable percentage ratios is 0.1% or more but none of the applicable percentage ratios is 5% or more. The respective amendments of the 2017, 2018 and 2019 Annual Caps in respect of transactions number (1) and (10) in the table above are fully exempt from all disclosure requirements under Chapter 14A of the Listing Rules, by reason that none of their applicable percentage ratios is 0.1% or more. However, the respective Annual Caps for 2017, 2018 and 2019 for these transactions are disclosed in this announcement for the sake of completeness.

Revision of Annual Caps in respect of 2017-2019 Distribution Business Transactions

As stated in the 10 November 2016 Announcement and the Circular, the existing Annual Caps for the 2017-2019 Distribution Business Transactions are estimated transaction values based on projected activity levels between the relevant parties for the relevant periods, taking into account the historical values of the relevant transactions (if applicable) and the Distribution Business's aims to add 100 stock points each year and to expand its outlet coverage.

Due to the expansion of the Distribution Business, the transaction amounts for 2017, 2018 and 2019 in respect of Distribution Business transaction number (5) in Table C of the 10 November 2016 Announcement (between Indofood and its subsidiaries on the one hand and Indomobil and its subsidiaries on the other hand in relation to the sale/rental of cars, the provision of car services and the sale of spare parts by Indomobil and its subsidiaries to Indofood and its subsidiaries) and Distribution Business transaction number (7) in Table C of the 10 November 2016 Announcement (between Indofood and its subsidiaries and SDM in relation to the use by Indofood and its subsidiaries of the human resources outsourcing services provided by SDM) are expected to be higher than the respective existing Annual Caps for the transactions.

Conversely, Indofood has informed the Company that the existing Annual Caps for 2017, 2018 and 2019 in respect of Distribution Business transaction number (1) in Table C of the 10 November 2016 Announcement (between IAP and LS in relation to the distribution of various consumer products by IAP to LS) will not be fully utilised. The reason is that demand for the relevant goods and products by LS has been less than the level projected at the time those Annual Caps were determined in 2016.

Having regard principally to the transactions in respect of which the Annual Caps are expected to be exceeded, the Company has undertaken a review of the individual transaction Annual Caps for 2017, 2018 and 2019 in respect of all the existing Distribution Business transactions. As a result of that review, the Company has revised certain Annual Caps to more closely reflect the projected transaction amounts for the remainder of 2017 and for 2018 and 2019. The revisions were made based on the projected activity levels between the relevant parties for 2017, 2018 and 2019, taking into account the transacted amount during the period from 1 January 2017 to 31 July 2017 and the projected activity level during the remainder of 2017 and in 2018 and 2019. The revised Annual Caps are set forth in the table below, together with the respective actual transaction amounts for the period from 1 January 2017 to 31 July 2017 and existing Annual Caps. The Annual Caps for 2017, 2018 and 2019 in respect of transactions number (5) and (7) have been increased and the Annual Caps in respect of transaction number (1) have been reduced. The aggregated 2017, 2018 and 2019 Annual Caps for all the Distribution Business transactions have not been changed.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	IAP	LS	IAP distributes various consumer products to LS.	12.2	32.5	40.2	48.9	24.7	26.5	29.6
(2)	IAP	FFI	IAP sells chili and tomato sauces, seasonings and dairy products to FFI.	0.9	2.5	2.9	3.2	2.5 (not revised)	2.9 (not revised)	3.2 (not revised)
(3)	PDU	LS	PDU distributes various consumer products to LS.	1.0	2.5	2.9	3.2	2.5 (not revised)	2.9 (not revised)	3.2 (not revised)
(5)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell/rent cars, provide car services and sell spare parts to Indofood and its subsidiaries.	5.5	7.2	7.9	8.8	11.3	15.3	18.3
(7)	Indofood and its subsidiaries	SDM	Indofood and its subsidiaries use human resources outsourcing services from SDM.	5.2	8.0	8.9	9.9	11.7	15.2	19.7
(8)	IAP	Indomaret	IAP sells finished goods to Indomaret.	91.5	218.9	267.5	324.7	218.9 (not revised)	267.5 (not revised)	324.7 (not revised)
(9)	IAP	Indogrosir	IAP sells finished goods to Indogrosir.	26.4	49.9	57.4	65.9	49.9 (not revised)	57.4 (not revised)	65.9 (not revised)
(10)	PDU	Indomaret	PDU sells finished goods to Indomaret.	6.4	16.2	17.9	19.9	16.2 (not revised)	17.9 (not revised)	19.9 (not revised)

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(11)	PDU	Indogrosir	PDU sells finished goods to Indogrosir.	1.9	4.2	4.7	5.2	4.2 (not revised)	4.7 (not revised)	5.2 (not revised)
(12)	IAP	RMK	RMK rents space from IAP.	0.0	0.2	0.2	0.2	0.2 (not revised)	0.2 (not revised)	0.2 (not revised)
(13)	IAP	Indomaret	Indomaret rents space from IAP.	0.1	0.4	0.4	0.4	0.4 (not revised)	0.4 (not revised)	0.4 (not revised)
(14)	IAP	LS	LS rents space from IAP.	0.2	0.4	0.4	0.4	0.4 (not revised)	0.4 (not revised)	0.4 (not revised)
(15)	IAP	PT Indolife Pensiontama	IAP's pension plan assets are managed by PT Indolife Pensiontama.	0.2	0.7	0.7	0.7	0.7 (not revised)	0.7 (not revised)	0.7 (not revised)
Aggregated Transaction Amount/Annual Cap:				151.5	343.6	412.0	491.4	343.6 (not revised)	412.0 (not revised)	491.4 (not revised)

Each of the transactions referred to in the table above constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules because:

- (i) Mr. Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood; and
- (ii) each of the counterparties is an associate of Mr. Salim.

As referred to in the 10 November 2016 Announcement and the Circular, the transactions referred to in the table above are conducted in the ordinary and usual course of business of the Indofood Group and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreements provide that the pricing/ fee chargeable in respect of each of the transactions referred to in the table above will be determined from time to time based on the written mutual agreement between the parties, with due regard to the prevailing market conditions. The consideration under the transactions referred to in the table above is payable in accordance with credit terms to be agreed between the parties, in cash.

The respective amendments of the 2017, 2018 and 2019 Annual Caps in respect of transactions number (1), (5) and (7) in the table above are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirements, under Chapter 14A of the Listing Rules, by reason that in respect of each of these Annual Caps, one or more of the applicable percentage ratios is 0.1% or more but none of the applicable percentage ratios is 5% or more.

Revised and New Annual Caps in respect of 2017-2019 Flour Business Transactions

As stated in the 10 November 2016 Announcement, the existing Annual Caps for the 2017-2019 Flour Business Transactions are estimated transaction values based on projected activity levels between the relevant parties for the relevant periods, taking into account the historical values of the relevant transactions (if applicable) and the anticipated expansion of the flour market.

Due to the expansion of the Flour Business, the transaction amounts for 2017, 2018 and 2019 in respect of Flour Business transaction number (5) in Table E of the 10 November 2016 Announcement (between Indofood and its subsidiaries on the one hand and Indomobil and its subsidiaries on the other hand in relation to the sale/rental of cars, the provision of car services and the sale of spare parts by Indomobil and its subsidiaries to Indofood and its subsidiaries) and Flour Business transaction number (6) in Table E of the 10 November 2016 Announcement (between Indofood and its subsidiaries on the one hand and SDM on the other hand in relation to the use by Indofood and its subsidiaries of the human resources outsourcing services provided by SDM) are expected to be higher than the respective existing Annual Caps for the transactions.

In addition, an agreement will be entered into in respect of transaction number (10) below, which will constitute a new continuing connected transaction for the Company relating to the Flour Business. The arrangement under the agreement will commence on 6 September 2017 and will have a duration of approximately 2.3 years, expiring on 31 December 2019. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which any party to the agreement is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, the agreement will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier by any party to the agreement by giving not less than one month's notice to the other party in accordance with the terms of the agreement.

As a result of the above, the aggregated Annual Caps in respect of the Flour Business transactions increase from US\$75.6 million to US\$84.1 million for 2017, from US\$91.0 million to US\$114.2 million for 2018 and from US\$109.4 million to US\$137.7 million for 2019. The revised Annual Caps are set forth in the table below, together with the respective actual transaction amounts for the period from 1 January 2017 to 31 July 2017 (if applicable) and existing Annual Caps.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised/New Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	Bogasari	NIC	Bogasari sells flour to NIC.	9.0	40.5	48.6	58.2	40.5 (not revised)	48.6 (not revised)	58.2 (not revised)
(2)	Bogasari	FFI	Bogasari sells flour and spaghetti to FFI.	0.6	2.3	2.7	3.2	2.3 (not revised)	2.7 (not revised)	3.2 (not revised)
(3)	Bogasari	Tarumatex	Bogasari rents warehouse from Tarumatex.	-	0.5	0.6	0.8	0.5 (not revised)	0.6 (not revised)	0.8 (not revised)
(4)	Indofood and its subsidiaries	IKU	IKU provides consulting services to Indofood and its subsidiaries.	0.0	0.8	0.9	1.1	0.8 (not revised)	0.9 (not revised)	1.1 (not revised)
(5)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell/rent cars, provide car services and sell spare parts to Indofood and its subsidiaries.	1.1	3.2	3.9	4.8	5.0	5.9	7.1
(6)	Indofood and its subsidiaries	SDM	Indofood and its subsidiaries use human resources outsourcing services from SDM.	2.9	6.3	7.8	9.8	8.4	11.0	14.2
(7)	Indofood and its subsidiaries	PTM	Indofood and its subsidiaries use human resources outsourcing services from PTM.	1.3	5.9	7.1	8.4	5.9 (not revised)	7.1 (not revised)	8.4 (not revised)
(8)	Bogasari	Indogrosir	Bogasari sells finished goods to Indogrosir.	4.0	15.6	18.8	22.5	15.6 (not revised)	18.8 (not revised)	22.5 (not revised)
(9)	Bogasari	Shanghai Resources	Bogasari sells pasta products to Shanghai Resources.	-	0.5	0.6	0.6	0.5 (not revised)	0.6 (not revised)	0.6 (not revised)
(10)	Bogasari	Indomaret and its subsidiaries	Bogasari sells finished goods to Indomaret and its subsidiaries.	-	-	-	-	4.6	18.0	21.6
Aggregated Transaction Amount/Annual Cap:				18.9	75.6	91.0	109.4	84.1	114.2	137.7

Each of the transactions referred to in the table above constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules because:

- (i) Mr. Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood; and
- (ii) each of the counterparties is an associate of Mr. Salim.

As referred to in the 10 November 2016 Announcement, the transactions referred to in the table above are conducted in the ordinary and usual course of business of the Indofood Group and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreements provide that the pricing/fee chargeable in respect of each of the transactions referred to in the table above will be determined from time to time based on the written mutual agreement between the parties, with due regard to the prevailing market conditions. The consideration under the transactions referred to in the table above is payable in accordance with credit terms to be agreed between the parties, in cash.

When the revised/new Annual Caps in respect of the Flour Business transactions for each of 2017, 2018 and 2019 are aggregated, one or more of the applicable percentage ratios is 0.1% or more but none of the applicable percentage ratios is 5% or more. Accordingly, the Flour Business transactions and the revised aggregated Annual Caps for each of 2017, 2018 and 2019 are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirements, under Chapter 14A of the Listing Rules.

Revision of Annual Caps in respect of 2017-2019 Beverages Business – Salim Transactions

As stated in the 10 November 2016 Announcement, the existing Annual Caps for the 2017-2019 Beverages Business – Salim Transactions are estimated transaction values based on projected activity levels between the relevant parties for the relevant periods, taking into account the historical values of the relevant transactions (if applicable) and the need to accommodate the expansion of the beverages market.

Due to the expansion of the Beverages Business, the transaction amounts for 2017, 2018 and 2019 in respect of Beverages Business transaction number (1) in Table F of the 10 November 2016 Announcement (between IASB and SDM in relation to the use by IASB of the human resources outsourcing services provided by SDM) and Beverages Business transaction number (4) in Table F of the 10 November 2016 Announcement (between IASB on the one hand and Indomobil and its subsidiaries on the other hand in relation to the sale/rental of cars, the provision of car services and the sale of spare parts by Indomobil and its subsidiaries to IASB) are expected to be higher than the respective existing Annual Caps for the transactions.

As a result of the above, the aggregated Annual Caps in respect of the Beverages Business transactions relating to associates of Mr. Salim increase from US\$17.8 million to US\$19.0 million for 2017, from US\$19.6 million to US\$25.5 million for 2018 and from US\$22.0 million to US\$28.7 million for 2019. The revised Annual Caps are set forth in the table below, together with the respective actual transaction amounts for the period from 1 January 2017 to 31 July 2017 and existing Annual Caps.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	IASB	SDM	IASB uses human resources outsourcing services from SDM.	0.1	0.3	0.5	0.6	1.3	4.1	4.5
(2)	IASB	Indomaret	IASB sells finished goods to Indomaret.	0.0	3.0	3.8	5.0	3.0 (not revised)	3.8 (not revised)	5.0 (not revised)
(3)	IASB	Indogrosir	IASB sells finished goods to Indogrosir.	-	0.6	0.8	1.1	0.6 (not revised)	0.8 (not revised)	1.1 (not revised)
(4)	IASB	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell/rent cars, provide car services and sell spare parts to IASB.	0.2	0.8	0.8	0.8	1.0	3.1	3.6
(5)	IASB	LS	IASB sells drinking products to LS.	-	0.6	0.8	1.1	0.6 (not revised)	0.8 (not revised)	1.1 (not revised)
(6)	IASB and its subsidiaries	FFI	IASB and its subsidiaries sell drinking products to FFI.	4.6	12.5	12.9	13.4	12.5 (not revised)	12.9 (not revised)	13.4 (not revised)
Aggregated Transaction Amount/Annual Cap:				4.9	17.8	19.6	22.0	19.0	25.5	28.7

Each of the transactions referred to in the table above constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules because:

- (i) Mr. Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood; and
- (ii) each of the counterparties is an associate of Mr. Salim.

As referred to in the 10 November 2016 Announcement, the transactions referred to in the table above are conducted in the ordinary and usual course of business of the Indofood Group and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreements provide that the pricing/ fee chargeable in respect of each of the transactions referred to in the table above will be determined from time to time based on the written mutual agreement between the parties, with due regard to the prevailing market conditions. The consideration under the transactions referred to in the table above is payable in accordance with credit terms to be agreed between the parties, in cash.

When the revised Annual Caps in respect of the Beverages Business transactions relating to associates of Mr. Salim for each of 2017, 2018 and 2019 are aggregated, one or more of the applicable percentage ratios is 0.1% or more but none of the applicable percentage ratios is 5% or more. Accordingly, the Beverages Business transactions relating to associates of Mr. Salim and the revised aggregated Annual Caps for each of 2017, 2018 and 2019 are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirements, under Chapter 14A of the Listing Rules.

Revision of Annual Caps in respect of 2017-2019 Dairy Business Transactions

As stated in the 10 November 2016 Announcement, the existing Annual Caps for the 2017-2019 Dairy Business Transactions are estimated transaction values based on projected activity levels between the relevant parties for the relevant periods, taking into account the historical values of the relevant transactions and the need to accommodate the expansion of the dairy market.

Due to the expansion of the Dairy Business, the transaction amounts for 2017, 2018 and 2019 in respect of Dairy Business transaction number (2) in Table G of the 10 November 2016 Announcement (between Indofood and its subsidiaries on the one hand and Indomobil and its subsidiaries on the other hand in relation to the sale/rental of cars, the provision of car services and the sale of spare parts by Indomobil and its subsidiaries to Indofood and its subsidiaries) and Dairy Business transaction number (3) in Table G of the 10 November 2016 Announcement (between Indofood and its subsidiaries on the one hand and SDM on the other hand in relation to the use by Indofood and its subsidiaries of the human resources outsourcing services provided by SDM) are expected to be higher than the respective existing Annual Caps for the transactions.

As a result of the above, the aggregated Annual Caps in respect of the Dairy Business transactions increase from US\$17.6 million to US\$20.2 million for 2017, from US\$22.3 million to US\$25.7 million for 2018 and from US\$28.0 million to US\$32.7 million for 2019. The revised Annual Caps are set forth in the table below, together with the respective actual transaction amounts for the period from 1 January 2017 to 31 July 2017 and existing Annual Caps.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(2)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell/rent cars, provide car services and sell spare parts to Indofood and its subsidiaries.	0.0	5.1	7.1	9.9	6.6	9.2	12.9
(3)	Indofood and its subsidiaries	SDM	Indofood and its subsidiaries use human resources outsourcing services from SDM.	0.9	1.2	1.5	1.8	2.3	2.8	3.5
(4)	PT Indolakto	Indomaret	PT Indolakto sells finished goods to Indomaret.	2.4	5.9	7.1	8.4	5.9 (not revised)	7.1 (not revised)	8.4 (not revised)
(5)	PT Indolakto	Indogrosir	PT Indolakto sells finished goods to Indogrosir.	0.0	0.6	0.8	0.9	0.6 (not revised)	0.8 (not revised)	0.9 (not revised)
(6)	PT Indolakto	LS	PT Indolakto sells finished goods to LS.	0.4	1.8	2.1	2.6	1.8 (not revised)	2.1 (not revised)	2.6 (not revised)
(7)	PT Indolakto	NIC	PT Indolakto sells finished goods to NIC.	0.6	2.4	2.9	3.5	2.4 (not revised)	2.9 (not revised)	3.5 (not revised)
(8)	PT Indolakto	FFI	PT Indolakto sells finished goods to FFI.	0.2	0.6	0.8	0.9	0.6 (not revised)	0.8 (not revised)	0.9 (not revised)
Aggregated Transaction Amount/Annual Cap:				4.5	17.6	22.3	28.0	20.2	25.7	32.7

Each of the transactions referred to in the table above constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules because:

- (i) Mr. Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood; and
- (ii) each of the counterparties is an associate of Mr. Salim.

As referred to in the 10 November 2016 Announcement, the transactions referred to in the table above are conducted in the ordinary and usual course of business of the Indofood Group and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreements provide that the pricing/ fee chargeable in respect of each of the transactions referred to in the table above will be determined from time to time based on the written mutual agreement between the parties, with due regard to the prevailing market conditions. The consideration under the transactions referred to in the table above is payable in accordance with credit terms to be agreed between the parties, in cash.

When the revised Annual Caps in respect of the Dairy Business transactions for each of 2017, 2018 and 2019 are aggregated, one or more of the applicable percentage ratios is 0.1% or more but none of the applicable percentage ratios is 5% or more. Accordingly, the Dairy Business transactions and the revised aggregated Annual Caps for each of 2017, 2018 and 2019 are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirements, under Chapter 14A of the Listing Rules.

Revision of Annual Caps in respect of 2017-2019 Beverages Business – Asahi Transactions

As stated in the 10 November 2016 Announcement, the existing Annual Caps for the 2017-2019 Beverages Business – Asahi Transactions are estimated transaction values based on projected activity levels between the relevant parties for the relevant periods, taking into account the historical values of the relevant transactions and the need to accommodate the expansion of the beverages market.

Due to the expansion of the Beverages Business, the transaction amounts for 2017, 2018 and 2019 in respect of Beverages Business transaction number (4) in Table H of the 10 November 2016 Announcement (between ICBP on the one hand and AIB and its subsidiaries on the other hand in relation to the sale of lids by ICBP to AIB and its subsidiaries for product packaging) are expected to be higher than the respective existing Annual Caps for the transactions.

As a result of the above, the aggregated Annual Caps in respect of the Beverages Business transactions relating to associates of Asahi Group SEA increase from US\$319.0 million to US\$319.9 million for 2017, from US\$398.7 million to US\$400.9 million for 2018 and from US\$523.6 million to US\$526.7 million for 2019. The revised Annual Caps are set forth in the table below, together with the respective actual transaction amounts for the period from 1 January 2017 to 31 July 2017 and existing Annual Caps.

Transaction No.	Parties to the agreement/arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	IASB	Asahi Breweries	Secondment agreement to assign certain Japanese employees of Asahi Breweries who have certain skills and expertise to conduct beverages business.	0.2	0.5	0.6	0.6	0.5 (not revised)	0.6 (not revised)	0.6 (not revised)
(2)	Indofood	AIB	AIB rents office space from Indofood.	0.1	0.3	0.5	0.5	0.3 (not revised)	0.5 (not revised)	0.5 (not revised)

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2017 to 31 July 2017 (US\$ millions)	Existing Annual Cap as set out in the 10 November 2016 Announcement (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(3)	SRC	AIB and its subsidiaries	SRC sells carton box packaging to AIB and its subsidiaries for product packaging.	0.6	3.6	4.1	4.1	3.6 (not revised)	4.1 (not revised)	4.1 (not revised)
(4)	ICBP	AIB and its subsidiaries	ICBP sells lids to AIB and its subsidiaries for product packaging.	0.5	0.6	0.9	0.9	1.5	3.1	4.0
(5)	IASB and its subsidiaries	AIB and its subsidiaries	AIB and its subsidiaries sell drinking products to IASB and its subsidiaries.	65.4	312.8	391.2	516.0	312.8 (not revised)	391.2 (not revised)	516.0 (not revised)
(6)	IASB and its subsidiaries	PT Calpis Indonesia	PT Calpis Indonesia pays supply fee to IASB and its subsidiaries.	0.1	1.2	1.4	1.5	1.2 (not revised)	1.4 (not revised)	1.5 (not revised)
Aggregated Transaction Amount/Annual Cap:				66.9	319.0	398.7	523.6	319.9	400.9	526.7

Each of the transactions referred to in the table above constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules because:

- (i) the Indofood Group has a 51% interest in IASB;
- (ii) the remaining 49% shareholder of IASB, Asahi Group SEA, and the associates (as defined in the Listing Rules) of Asahi Group SEA, are connected persons of the Company; and
- (iii) Asahi Breweries, AIB and PT Calpis Indonesia are associates of Asahi Group SEA (all are subsidiaries of the same holding company, Asahi Group Holdings, Ltd.). Asahi Breweries, AIB and PT Calpis Indonesia are, therefore, connected persons of the Company.

As referred to in the 10 November 2016 Announcement, the transactions referred to in the table above are conducted in the ordinary and usual course of business of the Indofood Group and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreements provide that the pricing/ fee chargeable in respect of each of the transactions referred to in the table above will be determined from time to time based on the written mutual agreement between the parties, with due regard to the prevailing market conditions. The consideration under the transactions referred to in the table above is payable in accordance with credit terms to be agreed between the parties, in cash.

The 2017-2019 Beverages Business – Asahi Transactions are transactions with persons connected only at the subsidiary level of the Company on normal commercial terms. The Board has approved the 2017-2019 Beverages Business – Asahi Transactions, and the Directors (including the independent non-executive Directors) consider that the terms of the 2017-2019 Beverages Business – Asahi Transactions, including the revised Annual Caps, are fair and reasonable and that the entering into of the 2017-2019 Beverages Business – Asahi Transactions are on normal commercial terms and in the interests of the Company and its shareholders as a whole. Therefore, the 2017-2019 Beverages Business - Asahi Transactions and the aggregated Annual Caps for each of 2017, 2018 and 2019 are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but not the Independent Shareholders' approval requirement.

Packaging Business Transactions and Annual Caps for 2017, 2018 and 2019

Transactions number (1) to (4) in the table below relating to the packaging business carried on by the Indofood Group (the “**Packaging Business**”) are existing continuing connected transactions for the Indofood Group which were fully exempt from the disclosure requirements under Chapter 14A of the Listing Rules because when the Annual Caps in respect of those Packaging Business transactions were aggregated, all the applicable percentage ratios were less than 0.1%. The arrangements under the existing agreements in respect of the transactions numbered (1) to (4) in the table below commenced on 1 January 2017 and have a duration of three years, expiring on 31 December 2019.

The existing Annual Caps for 2017, 2018 and 2019 for the Packaging Business transactions are estimated transaction values based on projected activity levels between the relevant parties for the relevant periods, taking into account the historical values of the relevant transactions (if applicable) and the need to accommodate the expansion of the packaging market.

Due to the expansion of the Packaging Business, the transaction amounts for 2017, 2018 and 2019 in respect of Packaging Business transaction number (3) below (between Indofood and its subsidiaries on the one hand and SDM on the other hand in relation to the use by Indofood and its subsidiaries of the human resources outsourcing services provided by SDM) and Packaging Business transaction number (4) below (between Indofood and its subsidiaries on the one hand and PTM on the other hand in relation to the use by Indofood and its subsidiaries of the human resources outsourcing services provided by PTM) are expected to be higher than the respective existing Annual Caps for the transactions.

In addition, agreements will be entered into in respect of transactions number (5) to (7) below, which will constitute new continuing connected transactions for the Company relating to the Packaging Business. The arrangements under the agreements will commence on 6 September 2017 and will have a duration of approximately 2.3 years, expiring on 31 December 2019.

Subject to compliance with the then relevant requirements of the rules of any stock exchange to which any party to any of the agreements in respect of the transactions referred to in the table below is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the initial term or subsequent renewal term, each of the agreements will be automatically renewed for a successive period of three years thereafter (or such other period permitted under the Listing Rules), unless terminated earlier by any party to the relevant agreement by giving not less than one month's notice to the other party in accordance with the terms of the relevant agreement.

As a result of the above, the aggregated Annual Caps in respect of the Packaging Business transactions increase from US\$2.1 million to US\$4.4 million for 2017, from US\$2.3 million to US\$6.6 million for 2018 and from US\$2.9 million to US\$8.4 million for 2019. The revised Annual Caps are set forth in the table below, together with the respective actual transaction amounts for the year ended 31 December 2016 and for period from 1 January 2017 to 31 July 2017 (if applicable) and existing Annual Caps.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/ arrangement	Actual Transaction Amount (US\$ millions)		Existing Annual Cap (US\$ millions)			Revised/New Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party		For the year ended 31 December 2016	For the period from 1 January 2017 to 31 July 2017	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2017	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	SRC	FFI	SRC sells carton box packaging to FFI.	0.0	0.0	0.3	0.3	0.3	0.3 (not revised)	0.3 (not revised)	0.3 (not revised)
(2)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell/ rent cars, provide car services and sell spare parts to Indofood and its subsidiaries.	0.4	0.3	0.8	0.9	1.2	0.8 (not revised)	0.9 (not revised)	1.2 (not revised)
(3)	Indofood and its subsidiaries	SDM	Indofood and its subsidiaries use human resources outsourcing services from SDM.	0.0	0.0	0.2	0.2	0.2	0.6	0.7	0.8
(4)	Indofood and its subsidiaries	PTM	Indofood and its subsidiaries use human resources outsourcing services from PTM.	0.4	0.4	0.8	0.9	1.2	1.8	2.1	2.8
(5)	ICBP	NIC	ICBP sells packaging materials to NIC.	-	-	-	-	-	0.3	0.3	0.3
(6)	ICBP	Indomaret and its subsidiaries	ICBP sells packaging materials to Indomaret and its subsidiaries.	-	-	-	-	-	0.4	1.5	1.9
(7)	ICBP	LPI	ICBP sells packaging materials to LPI.	-	-	-	-	-	0.2	0.8	1.1
Aggregated Transaction Amount/Annual Cap:				0.8	0.7	2.1	2.3	2.9	4.4	6.6	8.4

Each of the transactions referred to in the table above constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules because:

- (i) Mr. Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood; and
- (ii) each of the counterparties is an associate of Mr. Salim.

The transactions referred to in the table above are conducted in the ordinary and usual course of business of the Indofood Group and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreements provide that the pricing/fee chargeable in respect of each of the transactions referred to in the table above will be determined from time to time based on the written mutual agreement between the parties, with due regard to the prevailing market conditions. The consideration under the transactions referred to in the table above is payable in accordance with credit terms to be agreed between the parties, in cash.

When the Annual Caps in respect of the Packaging Business transactions for each of 2017, 2018 and 2019 are aggregated, one or more of the applicable percentage ratios is 0.1% or more but none of the applicable percentage ratios is 5% or more. Accordingly, the Packaging Business transactions and the aggregated Annual Caps for each of 2017, 2018 and 2019 are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirements, under Chapter 14A of the Listing Rules.

Pricing Policies and Reasons for and Benefits of Entering into the Transactions

The pricing policies set out on pages 57 to 60 of the Circular, which are reproduced below, apply to the continuing connected transactions referred to in this Announcement.

The consideration under the continuing connected transactions referred to in the tables above is payable in accordance with credit terms agreed between the parties in relation to each purchase order, in cash. Indofood Group takes into account the following procedures and/or policies in negotiating with the connected parties to agree and determine the prices of the transactions with reference to normal commercial terms and on an arm's length basis between Indofood Group and the connected parties and are in any event no less favourable (as far as the Indofood Group is concerned) than those prevailing in the market for the relevant goods and/or services of the same type and quality and those offered to or by independent third parties.

- (1) In relation to the transactions involving sales of goods or services by Indofood Group:
- (a) in relation to products or services where there are comparable products or services in the market:
- the Sales & Marketing Department of the Indofood Group maintains a database of the market price of the products the Indofood Group sells and the services the Indofood Group provides;
 - such database tracks the historical selling price and rates of the Indofood Group, as well as competitors, for such products and services (in each case covering a period of approximately one year);
 - the information in the database is obtained from the Indofood Group’s internal sources (including information in respect of transactions entered into by different divisions of the Indofood Group) and publicly available information;
 - to the extent possible the competitors’ price being tracked are for the same products/services as those sold/provided by the Indofood Group; however, in some cases the products/services sold/provided by competitors would be of a slightly different specification, but in any event would be of the same type and sold/provided in the same market;
 - the proposed selling price to be quoted under a continuing connected transaction would be determined based on, among other things, production cost (raw material commodity price) and on a comparison with at least two comparable transactions (as per the market price database described above); the proposed selling price/service fee under a continuing connected transaction would be no less favourable (as far as the Indofood Group is concerned) than those in the transactions being compared; and
 - the Sales & Marketing Department of the Indofood Group reviews and updates such database on a monthly basis as required.
- (b) for products manufactured with specific specifications and operational services provided with specific scope in respect of which there are no comparable products or services in the market, the prices are determined by reference to estimates of Indofood Group’s costs of production plus a profit margin, which would be no lower than the profit margin which the Indofood party to the continuing connected transaction estimates to be enjoyed by other suppliers of similar products or services, such estimates being calculated by reference to the quoted selling price of such similar products or services of

the other suppliers and on the basis that the cost of production would not differ significantly between the Indofood party to the continuing connected transaction and such other suppliers. The Indofood Group's profit margins are subject to quarterly review and are consistent with the historical prices for such products or services offered to the connected parties; and

- (c) for license or services fees charged based on a certain percentage of the net sales of the connected parties, the percentage is compared to the percentage charged to independent third parties. The terms are subject to periodic review to ensure that they are no less favourable (as far as the Indofood Group is concerned) than those offered to independent third parties.
- (2) In relation to the transactions involving purchases of goods or services by the Indofood Group, the Indofood Group conducts the following bidding process to ensure that the price and terms offered by a connected party are fair, reasonable and comparable to those offered by independent third parties:
- (a) request and compare at least two quotations for products or services of the same type and quality from qualified suppliers; a supplier is classified as a qualified supplier if it meets the criteria set by the Central Procurement & Engineering Division of the Indofood Group (relating to the supplier's size, reputation, quality of services, capabilities (delivery, safety etc.) and track records). The Central Procurement & Engineering Division (which has in excess of fifty persons) of the Indofood Group assesses suppliers against these criteria by engaging in dialogue, and meeting with, relevant suppliers. Reviews of qualified suppliers are carried out on a quarterly basis. Most qualified suppliers are independent;
 - (b) review and evaluate each quotation to check if it meets the respective specification and scope of products or services; and
 - (c) negotiate with the suppliers to get the best price and service.

For the products or services from the sole manufacturer or sole distributor or sole service provider in respect of which substitutes are not available and there are no comparable products or services in the market, the prices are determined by reference to the price and cost analysis conducted by the Indofood Group to estimate the suppliers' costs of production with a profit margin that conforms with the profit margins that are customary for the type of products or services. When conducting a price and cost analysis, the Indofood Group:

- (a) monitors the historical price trend in the market by gathering historical price data from the relevant market through distribution channels and publicly available information, the Indofood Group's historical purchase price to date, the budgeted price and the current market price and their causes of variances;

- (b) gathers detailed information on production cost components and the suppliers' value added chains, especially for major materials based on the information on Indofood's own production costs from Indofood's database and an estimate of the costs of materials;
 - (c) gathers information on the supply and demand conditions in the market; and
 - (d) compares the quotation from each sole manufacturer or sole distributor or sole service provider to its other customers and the Indofood Group's historical purchase price to date.
- (3) In relation to the transactions involving leasing of real properties, the rents and terms are determined with reference to independent quotations from third party real property agency firms and the market terms of similar real properties in the same region for the same period. Alternatively, the price should be based on valuation reports on the relevant properties provided by independent valuers.

For all continuing connected transactions, the Indofood Group considers, among other things, the following factors in determining whether to enter into a transaction with an independent third party or with a connected person: the price offered by the connected party vis-a-vis the independent third party, the quality of the products or services offered by the connected party vis-a-vis the independent third party, quality and availability of after-sales services. In order to ensure that the Group conforms with the above pricing policies from time to time and that the continuing connected transactions are conducted on terms no less favourable than terms available to independent parties, the Group supervises the continuing connected transactions in accordance with the Group's internal control procedures. The relevant business units to which each Indofood party to a continuing connected transaction belongs conducts quarterly checks to review and assess whether the continuing connected transactions are conducted in accordance with the terms of the respective agreements, while the Sales & Marketing Department of the Indofood Group on a monthly basis updates the market price database referred to above for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the above pricing policies. In addition, as described in the section headed "Internal Control Procedures" on pages 56 and 57 of the Circular, Indofood's continuing connected transactions team collates monthly reports from all business units and prepares a monthly certification report which is provided to and commented on by the Company. Further, the Company's external auditors and the Audit and Risk Management Committee conduct annual reviews on the pricing and the Annual Caps of the Group's continuing connected transactions pursuant to requirements under the Listing Rules.

The Indofood Group and the Company believe that the continuing connected transactions referred to in the tables above, which are on normal commercial terms, are beneficial to the Indofood Group and the Company for the continuing expansion of the Indofood Group's business operations, revenue and operational profitability, the maximisation of the production capacities of the distribution network and the increase of worldwide brand awareness of the Indofood Group.

Directors' Views

The Directors (including the independent non-executive Directors) are of the view that the terms of the continuing connected transactions referred to in the tables above and their respective Annual Caps for 2017, 2018 and 2019 are fair and reasonable, and those transactions are on normal commercial terms, in the ordinary and usual course of business of the Indofood Group and in the interests of the Company and its shareholders as a whole.

Mr. Salim, who has a material interest in the Plantations Business transactions, the Distribution Business transactions, the Flour Business transactions, the Beverages Business transactions relating to associates of Mr. Salim, the Dairy Business transactions and the Packaging Business transactions described in this announcement above, has abstained from voting on the approvals of the Board in respect of the revision of the existing Annual Caps for 2017, 2018 and 2019 in respect of those transactions as described in the tables above. In addition, Mr. Benny Santoso, a non-executive Director, the President Commissioner of NIC and the Commissioner of FFI, is deemed to have a material interest in those transactions and has abstained from voting on the approvals of the Board in respect of the revision of the existing Annual Caps for 2017, 2018 and 2019 in respect of those transactions. None of the other Directors has a material interest in the continuing connected transactions described in this announcement above.

Information in respect of the Company, Indofood and the Counterparties to the Continuing Connected Transactions

The Company is a Hong Kong-based investment management and holding company with operations located in Asia-Pacific. Its principal business interests relate to telecommunications, consumer food products, infrastructure and natural resources.

Indofood is a leading Total Food Solutions company with operations in all stages of food manufacturing from the production of raw materials and their processing through to consumer products and distribution to the market. It is based and listed in Indonesia; its Consumer Branded Products subsidiary ICBP and agribusiness subsidiaries SIMP and PT PP London Sumatra Indonesia Tbk are also listed in Indonesia. A subsidiary, Indofood Agri Resources Ltd. is listed in Singapore, and an agribusiness associate Roxas Holdings, Inc. is listed in the Philippines. Through its four complementary Strategic Business groups, Indofood manufactures and distributes a wide range of food products: Consumer Branded Products (noodles, dairy, snack foods, food seasonings, nutrition and special foods, and (beverages), Bogasari (wheat flour and pasta), Agribusinesses (oil palm, rubber, sugar cane, cocoa and tea plantations, cooking oils, margarine and shortenings) and Distribution. Indofood is one of the world's largest manufacturers by volume of wheat-based instant noodles, one of the largest plantation companies by area and the largest flour miller in Indonesia. Indofood also has an extensive distribution network across Indonesia.

IAK and SRC are the operating subsidiaries of Indofood for the Indofood Group's packaging business.

IAP and PDU are the operating subsidiaries of Indofood for the Indofood Group's Distribution Business.

IASB is an operating subsidiary of Indofood for the distribution of non-alcoholic beverages.

Bogasari is a division of Indofood for the production of flour and pasta.

PT Indolakto is the operating subsidiary of Indofood for the Dairy Business and one of the leading producers of dairy products in Indonesia.

In respect of the counterparties to the Plantations Business transactions referred to in this announcement above:

- (i) ADS, STP and RMK are 100% owned by companies controlled by Mr. Salim. ADS was the owner of a piece of land in Pluit, Indonesia leased to SIMP as its factory premises, which was sold to the Indofood Group as announced by the Company on 7 June 2017. STP is engaged in pumping services. RMK provides various services, including the lease of heavy equipment, the sale of building materials, office space, trucks and tug boats rental, transportation services and road reinforcement services, in accordance with the requirements of its counterparties;
- (ii) the IGER Group is comprised of IGER, LPI, MCP, MSA, SBN, ASP, GS and MPI, which are joint venture plantation companies between SIMP and the Salim Group;
- (iii) IKU is engaged in the business of consultancy and engineering in Indonesia. IKU is considered one of the most reputable consultant companies which provides services in relation to engineering and project management in Indonesia. IKU is 100% owned by companies controlled by Mr. Salim;
- (iv) LPI is an Indonesian incorporated limited liability company in the business of plantation development in Indonesia. It currently owns approximately 32,652 hectares of plantation land located in South Sumatra and Central Java, of which approximately 12,718 hectares is cultivated with sugar cane, and a sugar cane production factory;
- (v) FFI is engaged in food and restaurant operations. It is the master franchise holder of the Kentucky Fried Chicken (KFC) brand in Indonesia. FFI operates approximately 575 restaurant outlets;

- (vi) the principal businesses of Indomobil and its subsidiaries are brand holding sole agent, vehicle sales distribution, after sales service, vehicle ownership financing, spare part distribution under the “IndoParts” brand, vehicle assembly, automotive parts/component manufacturing and other related support services. Indomobil manages brands including Audi, Foton, Hino, Kalmar, Manitou, Nissan, Renault, Renault Trucks, Suzuki, Volkswagen, Volvo, Volvo Trucks and Volvo Construction Equipment in Indonesia;
- (vii) Shanghai Resources is a trading company wholly-owned by Mr. Salim and companies controlled by him. It has trading experience and a consumer network in the People’s Republic of China, particularly in respect of the trading of margarine and shortening;
- (viii) NIC is owned as to 40% by companies controlled by Mr. Salim. It is the biggest reputable modern bakery in Indonesia with ten factories throughout Indonesia;
- (ix) CSNJ is engaged in the business of transportation and trading in Indonesia;
- (x) the principal business of Indomaret is the operation of minimarkets in Indonesia. It is one of the Indonesia’s largest minimarket operators by number of stores;
- (xi) the principal business of Indogrosir is wholesaling of customer goods to modern and traditional retailers and end users;
- (xii) MSA is a limited liability company incorporated in Indonesia which owns approximately 13,849 hectares of plantation land, located in South Sumatra, Indonesia;
- (xiii) MCP is a holding company which invests in plantation companies;
- (xiv) SBN is a limited liability company incorporated in Indonesia which owns approximately 8,946 hectares of plantation land located in South Sumatra, Indonesia;
- (xv) ASP is a limited liability company incorporated in Indonesia which owns approximately 16,500 hectares of plantation land, located in Central Kalimantan, Indonesia;
- (xvi) MPI is a limited liability company incorporated in Indonesia which owns approximately 14,723 hectares of plantation land, located in East Kalimantan, Indonesia; and
- (xvii) GS is a limited liability company incorporated in Indonesia which owns approximately 10,485 hectares of plantation land located in East Kalimantan, Indonesia.

In respect of the counterparties to the Distribution Business transactions referred to in this announcement above:

- (i) LS is engaged in the business of operating supermarkets in certain major cities in Indonesia;
- (ii) SDM is a human resources management service company that has experience in handling industrial relation and manpower cases;
- (iii) PT Indolife Pensiontama is engaged in life insurance and pension funds businesses and has 107 branches in Indonesia; and
- (iv) please see above for information on FFI, Indomobil, Indomaret, Indogrosir and RMK.

In respect of the counterparties to the Flour Business transactions referred to in this announcement above:

- (i) Tarumatex is a textile manufacturer which produces fabrics, mostly used for clothes;
- (ii) PTM is a human resources management service company that specializes in building maintenance system including hygiene care service, parks and general service; and
- (iii) please see above for information on NIC, FFI, IKU, Indomobil, SDM, Indogrosir, Shanghai Resources and Indomaret.

In respect of the counterparties to the Beverages Business relating to associates of Mr. Salim referred to in this announcement above, please see above for information on SDM, Indomaret, Indogrosir, Indomobil, LS and FFI.

In respect of the counterparties to the Dairy Business transactions referred to in this announcement above, please see above for information on Indomobil, SDM, Indomaret, Indogrosir, LS, NIC and FFI.

In respect of the counterparties to the Beverages Business relating to associates of Asahi Group SEA referred to in this announcement above:

- (i) Asahi Breweries, a company controlled by Asahi Group Holdings, Ltd., is a leading brewery and soft drink company based in Tokyo, Japan;
- (ii) AIB is a 49:51 joint venture between ICBP (a subsidiary of Indofood) and a wholly owned subsidiary of Asahi Group Holdings, Ltd. AIB is, therefore, an indirect subsidiary of Asahi Group Holdings, Ltd. AIB's principal activity is the manufacturer of non-alcoholic beverage products in Indonesia; and

(iii) PT Calpis Indonesia is engaged in production of carbonated and non-carbonated soft drinks made from milk and lactobacilli.

In respect of the counterparties to the Packaging Business transactions referred to in this announcement above, please see above for information on FFI, Indomobil, SDM, PTM, NIC, Indomaret and LPI.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = Rupiah 13,000 = HK\$7.80. Percentages and figures expressed in millions have been rounded.

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

Hong Kong, 6 September 2017

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

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*

Robert C. Nicholson

Christopher H. Young

Non-executive Directors:

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Ambassador Albert F. del Rosario

Independent Non-executive Directors:

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

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin