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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

(1) REVISED ANNUAL CAPS IN RESPECT OF THE INDOFOOD GROUP'S DAIRY BUSINESS TRANSACTIONS RELATING TO ASSOCIATES OF MR. SALIM FOR 2016

(2) PROVISION OF REVOLVING LOAN FACILITY TO CONNECTED SUBSIDIARIES RELATING TO THE INDOFOOD GROUP'S PLANTATIONS BUSINESS

REVISED ANNUAL CAPS IN RESPECT OF THE DAIRY BUSINESS TRANSACTIONS FOR 2016

Reference is made to the Company's announcement dated 15 October 2014 relating to certain continuing connected transactions in respect of the Indofood Group's noodles business, plantations business, insurance business, distribution business, flour business, beverage business and dairy business and the respective Annual Caps for 2014, 2015 and 2016.

This announcement contains details of the revised Annual Caps for 2016 in respect of the Dairy Business transactions relating to associates of Mr. Salim announced in the 2014 Announcement.

As a result of the expansion of the Dairy Business, the Annual Cap in respect of a continuing connected transaction between PT Indolakto and NIC for 2016 increases from US\$0.3 million (equivalent to approximately HK\$2.3 million) to US\$1.0 million (equivalent to approximately HK\$7.8 million). Accordingly, the aggregated Annual Cap in respect of the Dairy Business Transactions for 2016 increases from US\$6.1 million (equivalent to approximately HK\$47.6 million) to US\$6.8 million (equivalent to approximately HK\$53.0 million).

PROVISION OF REVOLVING LOAN FACILITY TO CONNECTED SUBSIDIARIES RELATING TO THE INDOFOOD GROUP'S PLANTATIONS BUSINESS

SIMP and the Borrowers propose to enter into a revolving loan agreement on 1 August 2016. Pursuant to the Revolving Loan Agreement, SIMP will agree to provide a revolving loan facility of up to US\$40 million (equivalent to approximately HK\$312 million) to the Borrowers, which are the Company's connected subsidiaries relating to the Indofood Group's plantations business.

LISTING RULES IMPLICATIONS

When the revised Annual Caps in respect of the Dairy Business Transactions for 2016 are aggregated, one or more of the percentage ratios exceeds 0.1% but none of the percentage ratios exceeds 5%. Accordingly, the Dairy Business Transactions and the revised aggregated Annual Cap for 2016 are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but not the independent shareholders' approval requirement.

One or more of the percentage ratios for the loan facility under the Revolving Loan Agreement exceeds 0.1% but none of the percentage ratios exceeds 5%. Accordingly, the loan facility under the Revolving Loan Agreement and the Annual Cap in respect thereof for 2016 are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but not the independent shareholders' approval requirement.

DIRECTORS' VIEWS

The Directors (including the Independent Non-executive Directors) consider that the Dairy Business Transactions and the provision of loan facility to the Borrowers under the Revolving Loan Agreement are in the ordinary and usual course of business of the Indofood Group and on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

REVISED ANNUAL CAPS IN RESPECT OF THE DAIRY BUSINESS TRANSACTIONS FOR 2016

Reference is made to the Company's announcement dated 15 October 2014 relating to certain continuing connected transactions in respect of the Indofood Group's noodles business, plantations business, insurance business, distribution business, flour business, beverage business and dairy business and the respective Annual Caps for 2014, 2015 and 2016.

This announcement contains details of the revised Annual Caps for 2016 in respect of the Dairy Business transactions relating to associates of Mr. Salim announced in the 2014 Announcement.

As stated in the 2014 Announcement, the previously announced Annual Caps for the Dairy Business Transactions were determined based on projected activity levels between the parties. As a result of the expansion of the Dairy Business, the Annual Cap in respect of the continuing connected transaction numbered (7) between PT Indolakto and NIC referred to in the table below for 2016 increases from US\$0.3 million (equivalent to approximately HK\$2.3 million) to US\$1.0 million (equivalent to approximately HK\$7.8 million). Accordingly, the aggregated Annual Cap in respect of the Dairy Business Transactions for 2016 increases from US\$6.1 million (equivalent to approximately HK\$47.6 million) to US\$6.8 million (equivalent to approximately HK\$53.0 million). The revised aggregated Annual Cap for 2016 has been determined based on the estimated activity levels between the parties, taking into account the historical values of the relevant transactions in 2014, 2015 and during the period from 1 January 2016 to 31 May 2016.

A summary of each of the Dairy Business Transactions, their respective historical amounts for 2014, 2015 and the period from 1 January 2016 to 31 May 2016, their existing Annual Caps for 2016 as set out in the 2014 Announcement and (if applicable) the revised Annual Caps for 2016 is set out in the table below.

Transaction No.	Parties to the agreement/arrangement		Nature of agreement/arrangement	Actual transaction amount for the year ended 31 December 2014	Actual transaction amount for the year ended 31 December 2015	Actual transaction amount for the period from 1 January 2016 to 31 May 2016	Existing Annual Cap for the year ending 31 December 2016	Revised Annual Cap for the year ending 31 December 2016
	Name of entity of the "Party A"	Name of connected party "Party B"		(US\$ millions)	(US\$ millions)	(US\$ millions)	(US\$ millions)	(US\$ millions)
(1)	Indofood and its subsidiaries	IKU	Party B provides consulting services to Party A	-	-	-	0.3	0.3 (not revised)
(2)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Party B sells/rents cars, provides car services and sells spare parts to Party A	0.1	0.1	0.0	1.3	1.3 (not revised)
(3)	Indofood and its subsidiaries	SDM	Party A uses human resources outsourcing services from Party B	0.2	0.3	0.2	0.5	0.5 (not revised)
(4)	PT Indolakto	Indomaret	Party A sells finished goods to Party B	1.3	1.3	0.6	2.3	2.3 (not revised)
(5)	PT Indolakto	Indogrosir	Party A sells finished goods to Party B	0.0	0.0	0.0	0.3	0.3 (not revised)
(6)	PT Indolakto	LS	Party A sells finished goods to Party B	0.4	0.5	0.2	0.7	0.7 (not revised)
(7)	PT Indolakto	NIC	Party A sells finished goods to Party B	0.1	0.2	0.3	0.3	1.0
(8)	PT Indolakto	FFI	Party A sells finished goods to Party B	0.1	0.0	-	0.4	0.4 (not revised)
Aggregated amount:				2.2	2.4	1.3	6.1	6.8

Each of the Dairy Business 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 of the Board, a substantial shareholder of the Company and the President Director and CEO of Indofood; and
- (ii) each of the counterparties is an associate of Mr. Salim.

Pricing policy and reasons for and benefits of entering into the Dairy Business Transactions

As disclosed in the 2014 Announcement, the consideration under the Dairy Business Transactions is payable in accordance with credit terms agreed between the parties in relation to each purchase order, in cash. The 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 Dairy Business Transactions with reference to normal commercial terms and on an arm's length basis between the Indofood Group and the connected parties and are in any event no less favourable than those prevailing in the market for the relevant goods and/or services of the same type and quality and those offered to independent third parties.

- (1) In relation to the transactions involving sales of goods by the Indofood Group, the Indofood Group compares the selling prices with those of similar products sold to independent third parties in similar quantities to ensure that the prices are no less favourable 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 will conduct 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 quotations for products or services of the same type and quality from qualified suppliers (which are mostly independent) with similar size, reputation, quality of services, capabilities (delivery, safety etc.) and track records;
 - (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.

Having considered the Dairy Business Transactions, the Indofood Group and the Company believe that the Dairy Business Transactions, which are on normal commercial terms, are beneficial to the Indofood Group and the Company for the continued expansion of the Indofood Group's business operations, revenue and operational profitability, the maximising of the production capacities of the distribution network and the increase of brand awareness of the Indofood Group.

PROVISION OF REVOLVING LOAN FACILITY TO CONNECTED SUBSIDIARIES RELATING TO THE INDOFOOD GROUP'S PLANTATIONS BUSINESS

SIMP and the Borrowers propose to enter into a revolving loan agreement on 1 August 2016. Pursuant to the Revolving Loan Agreement, SIMP will agree to provide a revolving loan facility of up to US\$40 million (equivalent to approximately HK\$312 million) to the Borrowers, which are the Company's connected subsidiaries relating to the Indofood Group's plantations business.

The principal terms of the Revolving Loan Agreement are set out as follows:

- Parties : SIMP as the lender
MSA, ASP, SBN, MCP, MPI, GS and LPI as the borrowers

- Principal amount : Up to US\$40 million (equivalent to approximately HK\$312 million), which may be borrowed jointly or severally by the Borrowers. Any repaid principal amount of the facility will refresh the facility amount available for drawing by any Borrower within the Term in accordance with the terms of the Revolving Loan Agreement.

- Term : The period from the date of the Revolving Loan Agreement to 31 December 2016, which may be extended by mutual agreement between the parties to the Revolving Loan Agreement.

- Interest Rate : The loan under the Revolving Loan Agreement shall bear interest at a rate not lower than either the average borrowing cost of SIMP or the interest rate incurred by SIMP for the specific borrowings by SIMP to fund the revolving loan, which shall be informed by SIMP to the relevant Borrower before the relevant loan is drawn. The interest shall be payable on a monthly basis until the relevant loan has been fully repaid.

Repayment : The relevant Borrower shall repay the principal loan amount and any accrued but unpaid interest thereon in full within six months from the drawdown date of the relevant loan, provided that any outstanding principal amount and any accrued but unpaid interest due under the Revolving Loan Agreement shall be fully repaid on the expiry of the Term.

The entering into of the Revolving Loan Agreement constitutes a continuing connected transaction for the Company under Rule 14A.31 of the Listing Rules because:

- (i) Mr. Salim is the Chairman of the Board, a substantial shareholder of the Company and the President Director and CEO of Indofood; and
- (ii) each of the Borrowers is a connected subsidiary of the Company by virtue of Rule 14A.16 of the Listing Rules, 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.

The Annual Cap in respect of the loan facility under the Revolving Loan Agreement for 2016 is US\$40 million (equivalent to approximately HK\$312 million), which was determined by reference to the principal amount of the loan facility under the Revolving Loan Agreement.

Reasons for and benefits of entering into the Revolving Loan Agreement

The loan facility under the Revolving Loan Agreement is a short term, temporary funding provided by SIMP to the Borrowers to finance the immediate and urgent working capital requirements of the Borrowers and to facilitate the smooth running of their operations. Each of the Borrowers is a consolidated subsidiary of SIMP under the control of SIMP. Therefore, SIMP is responsible for and has an interest in the performance of the Borrowers. Any disruption on the Borrowers' day-to-day operations due to financing shortage will have a direct impact on SIMP.

The terms of the Revolving Loan Agreement, including the principal amount of the loan and the interest rate charged on the loan, were arrived at after arm's length negotiations between SIMP and the Borrowers having taken into account the immediate and urgent working capital required for the Borrowers' day-to-day operations and SIMP's costs of borrowing in the market. The Indofood Group and the Company believe that the loan facility available under the Revolving Loan Agreement would provide the flexibility for the Borrowers to obtain finance at reasonable costs to meet their immediate and urgent working capital requirements as and when the circumstances so require.

LISTING RULES IMPLICATIONS

When the revised Annual Caps in respect of the Dairy Business Transactions for 2016 are aggregated, one or more of the percentage ratios exceeds 0.1% but none of the percentage ratios exceeds 5%. Accordingly, the Dairy Business Transactions and the revised aggregated Annual Cap for 2016 are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but not the independent shareholders' approval requirement.

One or more of the percentage ratios for the loan facility under the Revolving Loan Agreement exceeds 0.1% but none of the percentage ratios exceeds 5%. Accordingly, the loan facility under the Revolving Loan Agreement and the Annual Cap in respect thereof for 2016 are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, but not the independent shareholders' approval requirement.

DIRECTORS' VIEWS

The Directors (including the Independent Non-executive Directors) consider that the Dairy Business Transactions and the provision of loan facility to the Borrowers under the Revolving Loan Agreement are in the ordinary and usual course of business of the Indofood Group and on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Company confirms that Mr. Salim, who has a material interest in the Dairy Business Transactions and the Revolving Loan Agreement, has abstained from voting at the relevant Board meeting in respect of the Dairy Business Transactions and the Revolving Loan Agreement, in which the revised Annual Caps in respect of the Dairy Business Transactions and the provision of loan facility to the Borrowers under the Revolving Loan Agreement were considered and approved. None of the other Directors has a material interest in the Dairy Business Transactions and the Revolving Loan Agreement.

INFORMATION IN RESPECT OF THE COUNTERPARTIES TO THE CONTINUING CONNECTED TRANSACTIONS

In respect of the counterparties to the Dairy Business Transactions:

- (a) IKU is engaged in the business of consultancy and engineering in Indonesia. It 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;

- (b) 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;
- (c) SDM is a human resources management service company that has experience in handling industrial relation and manpower cases;
- (d) 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 and it has a subsidiary, PT Indosato Jaya Makmur;
- (e) the principal business of Indogrosir is wholesaling of customer goods to modern and traditional retailers and end users;
- (f) LS is engaged in the business of operating supermarkets in certain major cities in Indonesia;
- (g) 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; and
- (h) 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 565 restaurant outlets.

In respect of the counterparties to the Revolving Loan Agreement:

- (a) MSA is a limited liability company incorporated in Indonesia which owns approximately 13,849 hectares of plantation land, located in South Sumatra, Indonesia;
- (b) ASP is a limited liability company incorporated in Indonesia which owns approximately 16,500 hectares of plantation land, located in Central Kalimantan, Indonesia;
- (c) SBN is a limited liability company incorporated in Indonesia which owns approximately 8,946 hectares of plantation land located in South Sumatra, Indonesia;
- (d) MCP is a holding company which invests in plantation companies;

- (e) MPI is a limited liability company incorporated in Indonesia which owns approximately 15,980 hectares of plantation land, located in East Kalimantan, Indonesia;
- (f) GS is a limited liability company incorporated in Indonesia which owns approximately 10,485 hectares of plantation land located in East Kalimantan, Indonesia; and
- (g) LPI is an Indonesian incorporated limited liability company in the business of plantation development in Indonesia. It currently owns approximately 32,675 hectares of plantation land located in South Sumatra and Central Java, of which approximately 11,008 hectares is intended to be cultivated with sugar cane, and a sugar cane production factory.

INFORMATION IN RESPECT OF THE COMPANY AND INDOFOOD

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 PT Indofood CBP Sukses Makmur Tbk and agribusiness subsidiaries SIMP and PT PP London Sumatra Indonesia Tbk are also listed in Indonesia. Two other subsidiaries, Indofood Agri Resources Ltd. and China Minzhong Food Corporation Limited, are listed in Singapore and an agribusiness associate Roxas Holdings Inc. is listed in the Philippines. Through its five complementary Strategic Business groups, Indofood manufactures and distributes a wide range of food products: Consumer Branded Products (noodles, dairy, non-alcoholic beverages, snack foods, food seasonings and nutrition and special foods), Bogasari (flour and pasta), Agribusinesses (oil palm, rubber, sugar cane, cocoa and tea plantations, cooking oils, margarine and shortening), Distribution and Cultivation & Processed Vegetables (fresh and processed vegetables). 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.

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

DEFINITIONS

In this announcement, the following terms and expressions have the following meanings, unless the context requires otherwise:

“2014 Announcement”	the Company’s announcement dated 15 October 2014 relating to certain continuing connected transactions in respect of the Indofood Group’s noodles business, plantations business, insurance business, distribution business, flour business, beverage business and dairy business and the respective Annual Caps for 2014, 2015 and 2016;
“Annual Cap(s)”	the estimated maximum annual value in relation to a continuing connected transaction, as required by Rule 14A.53 of the Listing Rules;
“ASP”	PT Agrosubur Permai, a plantation joint venture company between SIMP and the Salim Group;
“associate”	has the meaning ascribed to it in the Listing Rules;
“Board”	board of Directors;
“Borrowers”	MSA, ASP, SBN, MCP, MPI, GS and LPI, each being a “Borrower”;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, and having its shares listed on the Stock Exchange;
“Dairy Business”	the dairy business carried on by the Indofood Group;
“Dairy Business Transactions”	the Dairy Business transactions relating to associates of Mr. Salim, as set out in the table above in this announcement;
“Director(s)”	the director(s) of the Company;
“FFI”	PT Fast Food Indonesia Tbk, an associate of Mr. Salim;
“Group”	the Company and its subsidiaries from time to time;
“GS”	PT Gunta Samba, a plantation joint venture company between SIMP and the Salim Group;

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;
“IKU”	PT Indotek Konsultan Utama, an associate of Mr. Salim;
“Indofood”	PT Indofood Sukses Makmur Tbk, a company incorporated in Indonesia, which is a 50.1% owned subsidiary of the Group and which has its shares listed on the Indonesia Stock Exchange;
“Indofood Group”	Indofood and its subsidiaries from time to time;
“Indogrosir”	PT Inti Cakrawala Citra, an associate of Mr. Salim;
“Indomaret”	PT Indomarco Prismatama, an associate of Mr. Salim;
“Indomobil”	PT Indomobil Sukses Internasional Tbk, an associate of Mr. Salim;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LPI”	PT Lajuperdana Indah, a plantation joint venture company among SIMP, the Salim Group and an independent third party;
“LS”	PT Lion Superindo, an associate of Mr. Salim;
“MCP”	PT Mega Cipta Perdana, a plantation joint venture company between SIMP and the Salim Group;
“MPI”	PT Multi Pacific International, a plantation joint venture company between SIMP and the Salim Group;
“Mr. Salim”	Mr. Anthoni Salim, the Chairman of the Board, a substantial shareholder of the Company and the President Director and CEO of Indofood;
“MSA”	PT Mentari Subur Abadi, a plantation joint venture company between SIMP and the Salim Group;
“NIC”	PT Nippon Indosari Corpindo Tbk, an associate of Mr. Salim;

“Revolving Loan Agreement”	the revolving loan agreement in respect of a loan facility up to US\$40 million (equivalent to approximately HK\$312 million) proposed to be entered into between SIMP and the Borrowers on 1 August 2016;
“Salim Group”	Mr. Salim and companies controlled by him;
“SBN”	PT Swadaya Bhakti Negaramas, a plantation joint venture company between SIMP and the Salim Group;
“SDM”	PT Sumberdaya Dian Mandiri, an associate of Mr. Salim;
“SIMP”	PT Salim Ivomas Pratama Tbk, a member of the Indofood Group;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Term”	the period from the date of the Revolving Loan Agreement to 31 December 2016, which may be extended by mutual agreement between the parties to the Revolving Loan Agreement;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

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. Percentages and figures expressed have been rounded.

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

Hong Kong, 29 July 2016

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

Executive Directors:

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

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