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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 2018 AND 2019
FOR CERTAIN OF INDOFOOD GROUP'S PREVIOUSLY ANNOUNCED
FLOUR BUSINESS TRANSACTIONS,
PACKAGING BUSINESS TRANSACTIONS AND
NOODLES BUSINESS TRANSACTIONS**

AND

**NEW CONTINUING CONNECTED TRANSACTIONS AND
ANNUAL CAPS FOR 2018 AND 2019 RELATING TO
INDOFOOD GROUP'S FLOUR BUSINESS, DISTRIBUTION BUSINESS,
SNACK FOODS BUSINESS, PROPERTY BUSINESS AND
BEVERAGES BUSINESS**

Reference is made to the Company's announcements dated 6 September 2017 and 10 November 2016 and the Company's circular dated 30 December 2016, relating to continuing connected transactions of the Indofood Group.

This Announcement contains details of revised Annual Caps for 2018 and 2019 in respect of certain of the Indofood Group's previously announced Flour Business Transactions, Packaging Business Transactions and Noodles Business Transactions.

This Announcement also contains details of certain new continuing connected transactions (and the relevant agreements in relation to them) by members of the Indofood Group in relation to the Indofood Group's Flour Business, Distribution Business, Snack Foods Business, Property Business and Beverages Business, and their respective Annual Caps for 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 and their respective Annual Caps for 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 announcements dated 6 September 2017 (the "**6 September 2017 Announcement**") and 10 November 2016 (the "**10 November 2016 Announcement**") and together with the 6 September 2017 Announcement, the "**Previous Announcements**") 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 respective meanings given to them in the Previous Announcements.

Revised Annual Caps for 2018 and 2019 in respect of certain Flour Business Transactions and New Continuing Connected Transactions relating to the Indofood Group's Flour Business

As stated in the Previous Announcements, the existing Annual Caps for 2018 and 2019 in respect of the previously announced Flour Business Transactions were 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.

Based on levels of activity to date, the Annual Caps for the previously announced Flour Business Transactions shown in the table below as transactions numbered (1) to (10) have been revised to more closely reflect current projections of the activity levels between the relevant parties to those transactions for 2018 and 2019.

In addition, framework agreements will be entered into in respect of the two transactions shown in the table below numbered (11) and (12), which will constitute new continuing connected transactions for the Company relating to the Indofood Group's Flour Business. The arrangements under those framework agreements are expected to commence on or around the date of this announcement and expire on 31 December 2019.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2018 to 30 April 2018 (US\$ millions)	Existing Annual Cap as set out in the 6 September 2017 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 2018	For the year ending 31 December 2019	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	Bogasari	NIC	Bogasari sells flour to NIC.	5.7	48.6	58.2	26.0	31.0
(2)	Bogasari	FFI	Bogasari sells flour and spaghetti to FFI.	0.3	2.7	3.2	2.2	2.6
(3)	Bogasari	Tarumatex	Bogasari rents warehouse from Tarumatex.	-	0.6	0.8	-	-
(4)	Indofood and its subsidiaries	IKU	IKU provides consulting services to Indofood and its subsidiaries.	0.0	0.9	1.1	1.5	3.0
(5)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell/rent vehicles, provide vehicle services and sell spare parts to Indofood and its subsidiaries.	0.8	5.9	7.1	4.5	5.4
(6)	Indofood and its subsidiaries	SDM	Indofood and its subsidiaries use human resources outsourcing services from SDM.	1.8	11.0	14.2	8.2	9.8
(7)	Indofood and its subsidiaries	PTM	Indofood and its subsidiaries use human resources outsourcing services from PTM.	0.7	7.1	8.4	4.0	4.8
(8)	Bogasari	Indogrosir	Bogasari sells finished goods to Indogrosir.	3.4	18.8	22.5	12.0	14.4
(9)	Bogasari	Shanghai Resources	Bogasari sells pasta products to Shanghai Resources.	0.0	0.6	0.6	0.3	0.4
(10)	Bogasari	Indomaret and its subsidiaries	Bogasari sells finished goods to Indomaret and its subsidiaries.	1.4	18.0	21.6	13.8	16.6
(11)	Indofood and its subsidiaries	PT Indotirta Suaka ("PTIS")	Indofood and its subsidiaries sell by products to PTIS.	-	-	-	9.5	11.4
(12)	Indofood and its subsidiaries	Eastern Pearl Flour Mills ("EPFM")	EPFM is providing manufacturing services to Indofood and its subsidiaries.	-	-	-	6.2	10.1
Aggregated Transaction Amount/Annual Cap:				14.1	114.2	137.7	88.2	109.5

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 agreement entered into (or in the case of transactions numbered (11) and (12), to be entered into) in respect of each transaction provides that the pricing/fee chargeable in respect of each transaction 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.

One or more of the applicable percentage ratios in respect of each of the two new continuing connected transactions numbered (11) and (12) in the table above is 0.1% or more but none of the applicable percentage ratios is 5% or more. That is also the case if the two new continuing connected transactions numbered (11) and (12) in the table above are aggregated.

When the revised Annual Caps in respect of all the continuing connected transactions relating to the Indofood Group's Flour Business, numbered (1) to (12) in the table above, are aggregated, the aggregate Annual Caps for 2018 and 2019 are less than the aggregate Annual Caps for 2018 and 2019 announced in the 6 September 2017 Announcement. In respect of the aggregated Annual Caps for 2018 and the aggregated Annual Caps for 2019, 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 continuing connected transactions relating to the Indofood Group's Flour Business numbered (1) to (12) in the table above are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

Revised Annual Caps for 2018 and 2019 for one of the previously announced Packaging Business Transactions

As stated in the Previous Announcements, the existing Annual Caps for 2018 and 2019 in respect of the previously announced Packaging Business Transactions were 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 business.

Due to the expansion of the Packaging Business and based on levels of activity to date, the transaction amounts for 2018 and 2019 in respect of the Packaging Business Transaction specified below are expected to be higher than the existing Annual Caps for 2018 and 2019, respectively. Accordingly, those existing Annual Caps have been increased to more closely reflect current projections of the activity levels between the relevant parties to that Packaging Business Transaction for 2018 and 2019.

Parties to the agreement/arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2018 to 30 April 2018 (US\$ millions)	Existing Annual Cap as set out in the 6 September 2017 Announcement (US\$ millions)		Revised Annual Cap (US\$ millions)	
Name of Indofood Group entity	Name of connected party			For the year ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2018	For the year ending 31 December 2019
ICBP	NIC	ICBP sells packaging materials to NIC.	0.3	0.3	0.3	4.2	5.0

No changes have been made to the Annual Caps in respect of any of the other Packaging Business Transactions from those specified in the 6 September 2017 Announcement, or to the terms of any of those other Packaging Business Transactions referred to in the 6 September 2017 Announcement.

The transaction 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) NIC is an associate of Mr. Salim.

The transaction referred to in the table above is conducted in the ordinary and usual course of business of the Indofood Group and is entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreement in respect of that transaction provides that the pricing/fee chargeable in respect of that transaction 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 transaction referred to in the table above is payable in accordance with credit terms to be agreed between the parties, in cash.

One or more of the applicable percentage ratios in respect of the continuing connected transaction referred to in the table above relating to the Indofood Group's Packaging Business, and its increased Annual Caps for 2018 and 2019 specified in the table, is 0.1% or more but none of the applicable percentage ratios is 5% or more.

As a result of increasing the 2018 and 2019 Annual Caps for the transaction referred to in the table above, the 2018 Annual Cap for all the Packaging Business Transactions on an aggregated basis increases from US\$6.6 million (as specified in the 6 September 2017 Announcement) to US\$10.5 million and the 2019 Annual Cap for all the Packaging Business Transactions on an aggregated basis increases from US\$8.4 million (as specified in the 6 September 2017 Announcement) to US\$13.1 million.

In respect of the aggregated Annual Caps for 2018 for the Packaging Business Transactions and the aggregated Annual Caps for 2019 for the Packaging Business Transactions (in each case, increased as aforesaid), 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 increase of the 2018 and 2019 Annual Caps in respect of the Packaging Business Transaction referred to in the table above and all the Packaging Business Transactions on an aggregated basis is subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

Revised Annual Caps for 2018 and 2019 in respect of certain Noodles Business Transactions

As stated in the Previous Announcements, the existing Annual Caps for 2018 and 2019 in respect of the previously announced Noodles Business Transactions were 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 expansion of the noodles market in the Middle East and Africa.

Based on levels of activity to date, the Annual Caps for the previously announced Noodles Business Transactions shown in the table below as transactions numbered (1) and (2) have been revised to more closely reflect current projections of the activity levels between the relevant parties to those transactions for 2018 and 2019.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2018 to 30 April 2018 (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 2018	For the year ending 31 December 2019	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	Indofood/ICBP	Pinehill	Indofood/ICBP grants an exclusive licence in respect of the “Indomie”, “Supermi” and “Pop Mie” trademarks in certain countries in the Middle East, provides technical services in connection with instant noodle manufacturing operations and sells and supplies ingredients, noodle seasonings and packaging used for instant noodle products, to Pinehill.	12.2	135.5	157.9	133.0	130.1
(2)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell and rent vehicles, sell spare parts and provide vehicle services to Indofood and its subsidiaries.	0.4	3.3	3.4	5.8	31.2

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 agreement entered into in respect of each transaction provides that the pricing/fee chargeable in respect of each transaction 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 existing Noodles Business Transactions were approved by a resolution of the Company's independent shareholders passed at a special general meeting of the Company's shareholders held on 23 January 2017, convened by the Circular.

The revised annual caps for 2018 and 2019 for the transaction numbered (1) in the table above are both less than the respective annual caps previously announced and approved by the resolution of the Company's independent shareholders passed on 23 January 2017.

The revised annual caps for 2018 and 2019 for the transaction numbered (2) in the table above exceed the respective annual caps previously announced and approved by the resolution of the Company's independent shareholders, but the aggregate annual caps for 2018 and 2019 for all the Noodles Business Transaction (including the two transactions referred to in the table above with the revised annual caps for 2018 and 2019 referred to above) are the same as the aggregate annual caps for the Noodles Business Transactions previously announced and approved by the Company's independent shareholders.

Accordingly, the revised annual caps for 2018 and 2019 for the continuing connected transactions relating to the Indofood Group's Noodles Business numbered (1) and (2) in the table above are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

New continuing connected transactions relating to the Indofood Group's Distribution Business and their respective Annual Caps for 2018 and 2019

The Indofood Group expects to enter into framework agreements in respect of the following new continuing connected transactions relating to its Distribution Business, on or around the date of this announcement and expire on 31 December 2019:

Parties to the agreement/arrangement		Nature of agreement/ arrangement	Annual Cap (US\$ millions)	
Name of Indofood Group entity	Name of connected party		For the year ending 31 December 2018	For the year ending 31 December 2019
IAP	LPI	IAP buys sugar from LPI.	11.5	16.3
IAP	PT IDMarco Perkasa Indonesia ("IDP")	IAP pays commission fee to IDP.	1.2	1.8
IAP	PT Indo Natasha Gemilang ("ING")	IAP buys products from ING.	5.8	7.0
Aggregated transaction amount/Annual Cap:			18.5	25.1

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.

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

The existing Distribution Business Transactions were approved by a resolution of the Company's independent shareholders passed at a special general meeting of the Company's shareholders held on 23 January 2017, convened by the Circular.

In respect of the new continuing connected transactions relating to the Indofood Group's Distribution Business referred to in the table above on an aggregated basis, one or more of the applicable percentage ratios is 0.1% or more but none of the applicable percentage ratios is 5% or more. On an individual basis, the applicable percentage ratios for the transaction between IAP and IDP are all below 0.1%. For each of the other transactions on an individual basis, 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 new continuing connected transactions relating to the Indofood Group's Distribution Business referred to in the table above, are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

Continuing connected transactions relating to the Indofood Group's Snack Foods Business and their respective Annual Caps for 2018 and 2019

Transactions numbered (1) and (2) in the table below relating to the snack foods business carried on by the Indofood Group ("**Snack Foods 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 when those transactions were entered into. All the applicable percentage ratios in respect of each of those transactions individually, and in respect of all of those transactions on an aggregated

basis, were less than 0.1%. The arrangements under the existing framework agreement entered into in respect of each of the transactions numbered (1) and (2) in the table below, relating to the Indofood Group's Snack Foods Business, commenced on 1 January 2017 and have a duration of three years, expiring on 31 December 2019.

The existing Annual Caps for 2018 and 2019 for transactions numbered (1) and (2) in the table below relating to the Indofood Group's Snack Foods Business were 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).

Due to the expansion of the Snack Foods Business and based on levels of activity to date, the transaction amounts for 2018 and 2019 in respect of the transaction numbered (2) in the table below, relating to the Indofood Group's Snack Foods Business, is expected to be higher than its existing Annual Caps for 2018 and 2019. Accordingly, the Annual Caps for 2018 and 2019 for that transaction have been increased to more closely reflect current projections of activity levels in respect of that continuing connected transaction for 2018 and 2019.

In addition, a framework agreement will be entered into in respect of each of the transactions numbered (3) and (4) in the table below, relating to the Indofood Group's Snack Foods Business, each of which will constitute a new continuing connected transaction for the Company. The arrangements under each of those framework agreements are expected to commence on or around the date of this announcement and expire on 31 December 2019.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the period from 1 January 2018 to 30 April 2018 (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 ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	ICBP Biscuit Division	FFI	ICBP Biscuit Division sells biscuit crumb to FFI.	0.0	0.2	0.2	0.2 (not revised)	0.2 (not revised)
(2)	Indofood and its subsidiaries	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell and rent vehicles and sell spare parts and provide vehicle maintenance services to Indofood and its subsidiaries.	0.2	0.6	0.8	1.5	1.9
(3)	Indofood and its subsidiaries	PTIS	PTIS sells scrap products to Indofood and its subsidiaries.	-	-	-	1.0	1.5
(4)	ICBP Biscuit Division	SRIT	ICBP Biscuit Division sells biscuits to SRIT.	-	-	-	0.1	0.1
Aggregated transaction amount/Annual Cap:				0.2	0.8	1.0	2.8	3.7

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.

The transactions referred to in the table above, relating to the Indofood Group's Snack Foods Business, 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 agreement entered into in respect of each such transaction provides (or, in the case of transactions numbered (3) and (4) in the table above, will provide) that the pricing/fee chargeable in respect of each such transaction will be determined from time to time based on the written mutual agreement between the parties to the relevant transaction, with due regard to the prevailing market conditions. The consideration under each transaction referred to in the table above, relating to the Indofood Group's Snack Foods Business, is payable in accordance with credit terms to be agreed between the parties to the relevant transaction, in cash.

All of the applicable percentage ratios for each individual transaction relating to the Indofood Group's Snack Foods Business referred to in the table above are below 0.1%. When such transactions and their applicable Annual Caps are aggregated for 2018 and 2019, respectively, 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 continuing connected transactions referred to in the table above relating to the Indofood Group's Snack Foods Business on an aggregated basis are subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules.

Continuing connected transactions relating to the Indofood Group's Property Business and their respective Annual Caps for 2018 and 2019

Transactions numbered (1) to (4) in the table below relating to the property business carried on by the Indofood Group ("**Property 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 when those transactions were entered into. All the applicable percentage ratios in respect of each of those transactions individually, and in respect of all of those transactions on an aggregated basis, were less than 0.1%. The arrangements under the existing framework agreement entered into in respect of each of the transactions numbered (1) to (4) in the table below, relating to the Indofood Group's Property Business, commenced on various dates at the beginning of 2017 and expire on 31 December 2019.

The existing Annual Caps for 2018 and 2019 for transactions numbered (1) to (4) in the table below relating to the Indofood Group's Property Business were 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).

A framework agreement will be entered into in respect of each of the transactions numbered (5) to (8) in the table below, relating to the Indofood Group's Property Business, each of which will constitute a new continuing connected transaction for the Company. The arrangements under each of those framework agreements are expected to commence on or around the date of this announcement and expire on 31 December 2019.

Transaction No.	Parties to the agreement/arrangement		Nature of agreement/arrangement	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 ending 31 December 2018	For the year ending 31 December 2019	For the year ending 31 December 2018	For the year ending 31 December 2019
(1)	PT Aston Inti Makmur ("AIM")	Indomaret	AIM rents space to Indomaret.	0.2	0.2	0.2 (not revised)	0.2 (not revised)
(2)	AIM	PT Central Asia Financial	AIM rents space to PT Central Asia Financial.	0.3	0.3	0.3 (not revised)	0.3 (not revised)
(3)	AIM	PT Cyberindo Mega Persada	AIM rents space to PT Cyberindo Mega Persada.	0.2	0.3	0.2 (not revised)	0.3 (not revised)
(4)	AIM	IDP	AIM rents space to IDP.	0.3	0.3	0.3 (not revised)	0.3 (not revised)
(5)	AIM	PT Ciptabuana Sukses Lestari	AIM rents space to PT Ciptabuana Sukses Lestari.	-	-	1.0	1.1
(6)	AIM	CAR	AIM rents space to CAR.	-	-	0.4	0.4
(7)	AIM	PT Transcosmos Indonesia	AIM rents space to PT Transcosmos Indonesia.	-	-	0.1	0.1
(8)	AIM	Bank INA Persada	AIM rents space to Bank INA Persada.	-	-	0.5	0.6
Aggregated transaction amount/Annual Cap:				1.0	1.1	3.0	3.3

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, relating to the Indofood Group’s Property Business, 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 agreement entered into in respect of each such transaction provides (or, in the case of transactions numbered (5) to (8) in the table above, will provide) that the pricing/fee chargeable in respect of each such transaction will be determined from time to time based on the written mutual agreement between the parties to the relevant transaction, with due regard to the prevailing market conditions. The consideration under each transaction referred to in the table above, relating to the Indofood Group’s Property Business, is payable in accordance with credit terms to be agreed between the parties to the relevant transaction, in cash.

All of the applicable percentage ratios for each individual transaction relating to the Indofood Group’s Property Business referred to in the table above are below 0.1%. When such transactions and their applicable Annual Caps are aggregated for 2018 and 2019, respectively, 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 continuing connected transactions referred to in the table above relating to the Indofood Group’s Property Business on an aggregated basis are subject to the reporting and announcement requirements, but not the Independent Shareholders’ approval requirement, under Chapter 14A of the Listing Rules.

New continuing connected transaction with the Salim Group relating to the Indofood Group’s Beverages Business and their respective Annual Caps for 2018 and 2019

The Indofood Group expects to enter into a framework agreement in respect of the following new continuing connected transaction relating to its Beverages Business:

Parties to the agreement/arrangement		Nature of agreement/ arrangement	Annual Cap (US\$ millions)	
Name of Indofood Group entity	Name of connected party		For the year ending 31 December 2018	For the year ending 31 December 2019
Indofood and its subsidiaries	PTM	PTM provides human resources outsourcing services to Indofood and its subsidiaries.	4.0	4.5

The transaction 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) the counterparty is an associate of Mr. Salim.

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

In respect of the new continuing connected transaction relating to the Indofood Group's Beverages Business referred to in the table above, 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 new continuing connected transaction relating to the Indofood Group's Beverages Business referred to in the table above results in the 2018 Annual Caps for all the Beverages Business – Salim Transactions on an aggregated basis increasing from US\$25.5 million (as specified in the 6 September 2017 Announcement) to US\$29.5 million and the 2019 Annual Caps for all the Beverages Business – Salim Transactions on an aggregated basis increasing from US\$28.7 million (as specified in the 6 September 2017 Announcement) to US\$33.2 million.

In respect of the aggregated Annual Caps for 2018 for the Beverages Business – Salim Transactions and the aggregated Annual Caps for 2019 for the Beverages Business – Salim Transactions (in each case, including the new continuing connected transaction referred to in the table above), 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 new continuing connected transaction with the Salim Group relating to the Indofood Group's Beverages Business referred to in the table above is subject to the reporting and announcement requirements, but not the Independent Shareholders' approval requirement, 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' prices 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 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 in this Announcement and their respective Annual Caps for 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 all the continuing connected transactions referred to in this Announcement (as a result of the counterparty to each such continuing connected transaction being an associate of Mr. Salim), has abstained from voting on the resolutions of the Board approving those continuing connected transactions and in respect of the revision of their existing Annual Caps for 2018 and 2019 (as applicable). 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 the continuing connected transactions with those counterparties and has abstained from voting on the resolutions of the Board approving the continuing connected transactions with those counterparties and the revision of their respective Annual Caps for 2018 and 2019 (as applicable). None of the other Directors has a material interest in the continuing connected transactions described above in this Announcement.

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

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.

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

In respect of the counterparties to the continuing connected transactions relating to the Indofood Group's Flour Business referred to in this Announcement:

- (i) 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;
- (ii) FFI is owned as to 36% by companies controlled by Mr. Salim and 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;
- (iii) Tarumatex is a textile manufacturer which produces fabrics, mostly used for clothes;
- (iv) 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 owned as to 100% by companies controlled by Mr. Salim;

- (v) 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. Indomobil is owned as to 57.1% by companies controlled by Mr. Salim;
- (vi) SDM is a human resources management service company that has experience in handling industrial relation and manpower cases;
- (vii) PTM is a human resources management service company that specializes in building maintenance system including hygiene care service, parks and general service;
- (viii) the principal business of Indogrosir is wholesaling of customer goods to modern and traditional retailers and end users. Indogrosir is owned as to 78.2% by companies controlled by Mr. Salim;
- (ix) Shanghai Resources is a trading company, with trading experience and a consumer network in the People’s Republic of China, particularly in respect of the trading of margarine and shortening;
- (x) the principal business of Indomaret is the operation of minimarkets in Indonesia. It is one of Indonesia’s largest minimarket operators by number of stores and is owned as to 79.8% by companies controlled by Mr. Salim;
- (xi) PTIS is an export-oriented integrated livestock agribusiness company established since 1987 and located in Pulau Bulan – Batam; and
- (xii) EPFM is owned as to 49% by companies controlled by Mr. Salim. It is engaged in milling wheat into flour. Built in the mid 1970s, Eastern Pearl Flour Mills has seen several owners and names, becoming a central part of the Interflour Group’s network in 2005. The two Eastern Pearl Flour Mills are located in Makassar on the west coast of the island of Sulawesi in East Indonesia, one ‘sea-side’ and the other newer ‘city-side’ mill joined by a sophisticated conveyor system. The city side mill began operations in 2002. The mills are the fourth largest in the world and located near key markets. A sales office in Jakarta and depots around Indonesia help Eastern Pearl Flour Mills to serve its customers throughout Indonesia.

Unless otherwise stated above, each counterparty to the continuing connected transactions referred to above relating to the Indofood Group’s Flour Business is 100% owned by companies controlled by Mr. Salim.

In respect of the counterparty to the previously announced Packaging Business Transaction in respect of which the Annual Caps for 2018 and 2019 are being revised, as referred to above in this Announcement, information in relation to NIC is given above, in sub-paragraph (i) of the paragraph dealing with the counterparties to the continuing connected transactions relating to the Indofood Group's Flour Business.

In respect of the counterparties to the continuing connected transactions relating to the Indofood Group's Noodles Business referred to in this announcement:

- (i) Pinehill is engaged in the manufacture of instant noodles and is owned as to 33.6% by companies controlled by Mr. Salim; and
- (ii) information in relation to Indomobil is given above, in sub-paragraph (v) of the paragraph dealing with the counterparties to the continuing connected transactions relating to the Indofood Group's Flour Business.

In respect of the counterparties to the new continuing connected transactions relating to the Indofood Group's Distribution Business referred to in this Announcement:

- (i) 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. LPI is 36% owned by companies controlled by Mr. Salim;
- (ii) IDP is engaged in e-commerce solutions for grocery shopping for stalls, shops and kiosks. IDP is 100% owned by companies controlled by Mr. Salim; and
- (iii) ING is a cosmetic distribution company that distributes cosmetics products, including, among others, Natasha, Aishaderm and Bio Karpela. ING is 100% owned by companies controlled by Mr. Salim.

In respect of the counterparties to the continuing connected transactions relating to the Indofood Group's Snack Foods Business referred to in this Announcement, information in relation to FFI, Indomobil and PTIS is given above, in sub-paragraphs (ii), (v) and (xi), respectively, of the paragraph dealing with the counterparties to the continuing connected transactions relating to the Indofood Group's Flour Business.

In respect of the counterparties to the continuing connected transactions relating to the Indofood Group's Property Business referred to in this Announcement:

- (i) information in relation to Indomaret is given above, in sub-paragraph (x) of the paragraph dealing with the counterparties to the continuing connected transactions relating to the Indofood Group's Flour Business;
- (ii) PT Central Asia Financial is a life insurance company focused on digital marketing, telemarketing, and community marketing. In 2015, PT Central Asia Financial launched the first e-commerce insurance in Indonesia. PT Central Asia Financial is owned as to 51.9% by companies controlled by Mr. Salim;
- (iii) PT Cyberindo Mega Persada is one of the pioneer cloud computing providers in Indonesia. PT Cyberindo Mega Persada is owned as to 32.8% by companies controlled by Mr. Salim;
- (iv) information in relation to IPD is given above, in sub-paragraph (ii) of the paragraph dealing with the counterparties to the new continuing connected transactions relating to the Indofood Group's Distribution Business;
- (v) PT Ciptabuana Sukses Lestari's main business activity is to promote the development of technology startup ecosystems in Indonesia. It organizes startup related community events and seminars; incubates early stage startup companies; and manages startups co-working spaces in Jakarta, Bandung and Yogyakarta. PT Ciptabuana Sukses Lestari is 100% owned by companies controlled by Mr. Salim;
- (vi) CAR is engaged in the business of providing insurance services in Indonesia. CAR is a leading life and health insurance company in Indonesia, with more than 82 sales offices and 53 service offices. CAR is owned as to 51.9% by companies controlled by Mr. Salim;
- (vii) PT Transcosmos Indonesia is engaged in the business of customer call centre management. PT Transcosmos Indonesia is owned as to 50% by companies controlled by Mr. Salim; and
- (viii) Bank INA Persada is engaged in banking businesses with a network of more than 20 branches in Indonesia. Bank INA Persada is owned as to 51.5% by companies controlled by Mr. Salim.

In respect of the counterparty to the new continuing connected transaction relating to the Indofood Group's Beverages Business referred to in this Announcement, information in relation to PTM is given above, in sub-paragraph (vii) of the paragraph dealing with the counterparties to the continuing connected transactions relating to the Indofood Group's Flour Business.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = Rupiah 14,000 = 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 June 2018

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