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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)

REVISED ANNUAL CAPS FOR 2016 FOR INDOFOOD GROUP'S DISTRIBUTION BUSINESS TRANSACTIONS AND DAIRY BUSINESS TRANSACTIONS

Reference is made to the Company's announcement dated 10 November 2016 (the "**10 November Announcement**") in relation to certain continuing connected transactions relating to the Indofood Group. Unless otherwise defined herein, all capitalized terms used in this Announcement shall have the meanings given to them in the 10 November Announcement.

Revision of Annual Caps in respect of Distribution Business Transactions for 2016

As stated in the Company's announcements dated 9 December 2013, 9 May 2014 and 15 October 2014 and in the 10 November Announcement, the existing Annual Caps for 2016 for the Distribution Business transactions are estimated transaction values based on projected activity levels between the relevant parties for 2016, taking into account the historical values of the relevant transactions.

Due to the expansion of the Distribution Business, the amounts transacted during 2016 in respect of two Distribution Business transactions are higher than the respective existing Annual Caps for those transactions, which were announced on 15 October 2014.

As at 31 October 2016:

- (a) the transaction amount in respect of transaction number (7) in Table C of the 10 November Announcement (between Indofood/its subsidiaries and SDM, in relation to the use by Indofood/its subsidiaries of the human resources outsourcing services of SDM) for the period from 1 January 2016 to 31 October 2016 was approximately US\$5.4 million, which exceeded the individual transaction Annual Cap for the year ending 31 December 2016, of US\$5.3 million; and
- (b) the transaction amount in respect of transaction number (9) in Table C of the 10 November Announcement (between IAP and Indogrosir in relation to the sale of finished goods by IAP to Indogrosir) for the period from 1 January 2016 to 31 October 2016 was approximately US\$27.8 million, which exceeded the individual transaction Annual Cap for the year ending 31 December 2016, of US\$26.1 million.

Conversely, Indofood has informed the Company that the existing Annual Caps for 2016 in respect of transactions (1) – (6) and (10) in Table C of the 10 November Announcement will not be fully utilised in 2016. The reason is that demand for the relevant goods and products by the respective counterparties to those transactions has been less than the level projected at the time those Annual Caps were determined in 2014.

Having regard principally to the two transactions in respect of which the 2016 Annual Caps have been exceeded, the Company has undertaken a review of the individual transaction Annual Caps for 2016 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 2016. The revisions were made based on the projected activity levels between the relevant parties for 2016, taking into account the transacted amount during the period from 1 January 2016 to 31 October 2016 and the projected activity level during the remainder of 2016. The revised Annual Caps are set forth in the table below, together with the respective existing Annual Caps. The Annual Caps in respect of transactions (7) – (9) have been increased and the Annual Caps in respect of transactions (1) – (6) and (10) have been reduced. The aggregated 2016 Annual Cap for all the Distribution Business transactions has not been changed.

Transaction No.	Parties to the agreement/ arrangement		Nature of agreement/arrangement	Existing Annual Cap for the year ending 31 December 2016 as set out in the Company's announcement dated 15 October 2014 (US\$ millions)	Revised Annual Cap for the year ending 31 December 2016 (US\$ million)
	Name of entity of the Indofood Group	Name of connected party			
(1)	IAP	LS	IAP distributes various consumer products to LS.	22.1	20.0
(2)	IAP	FFI	IAP sells chili and tomato sauces, seasonings and dairy products to FFI.	2.7	2.0
(3)	PDU	LS	PDU distributes various consumer products to LS.	2.2	2.0
(4)	Indofood and its subsidiaries	IKU	IKU provides consulting services to Indofood and its subsidiaries.	0.3	0.0
(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.	10.9	6.0
(6)	IASB	FFI	IASB sells drinking products to FFI.	11.1	8.0
(7)	Indofood and its subsidiaries	SDM	Indofood and its subsidiaries use human resources outsourcing services from SDM.	5.3	6.5
(8)	IAP	Indomaret	IAP sells finished goods to Indomaret.	133.3	135.4
(9)	IAP	Indogrosir	IAP sells finished goods to Indogrosir.	26.1	35.0
(10)	PDU	Indomaret	PDU sells finished goods to Indomaret.	13.3	12.4
(11)	PDU	Indogrosir	PDU sells finished goods to Indogrosir.	2.7	2.7
Aggregated Annual Cap:				230.0	230.0

Note: The relevant framework agreement in respect of transactions (1) to (5) and (7) commenced on 1 January 2014. In relation to transaction (6), IASB took over the 5-year (1 August 2012 to 31 July 2017) agreement in respect of this transaction in 2013 and this transaction became a continuing connected transaction for the Company from September 2013. Transactions (8) – (11) became continuing connected transactions for the Company in April 2014 upon the acquisition of a majority interest in PT Indoritel Makmur Internasional Tbk. and its subsidiaries by an associate of Mr. Salim, and Indomaret and Indogrosir becoming associates of Mr. Salim.

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 respective amendments of the 2016 Annual Caps in respect of transactions (1) and (5) – (10) 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 2016 Annual Caps in respect of transactions (2) – (4) 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 2016 for these transactions are disclosed in this Announcement for the sake of completeness.

The revised 2016 Annual Caps in respect of the Distribution Business transactions described in the table above supersede the revisions (proposed but not yet implemented) proposed in the 10 November Announcement. As the aggregated 2016 Annual Cap for the Distribution Business transactions is now not being increased, the proposals referred to in the 10 November Announcement to have the aggregated Annual Cap for 2016 increased and to have the increased aggregated 2016 Annual Cap approved by Independent Shareholders at the SGM are superseded.

The pricing policies set out on pages 30 to 33 of the 10 November Announcement apply to the continuing connected transactions referred to in this Announcement. In particular, the pricing policies set out in paragraphs (1)(a) to (c) on page 31 of the 10 November Announcement apply to continuing connected transactions referred to in this Announcement which involve sales of goods or services by the Indofood Group and the pricing policies set out in paragraph (2) on pages 31 to 32 of the 10 November Announcement apply to continuing connected transactions referred to in this Announcement which involve purchases of goods or services by the Indofood Group.

The Directors (including the independent non-executive Directors) are of the view that terms of the existing Distribution Business Transactions, and revised 2016 Annual Caps in respect of transactions (1) – (10) in the table above are fair and reasonable, and those transactions are on normal commercial terms and in the interests of the Company and its shareholders as a whole. Having regard to the under-utilisation of the existing 2016 Annual Cap in respect of certain Distribution Business transactions and to the activity levels during 2016, the Company has revised the 2016 Annual Caps in respect of transactions (1) – (10), by increasing the 2016 Annual Caps in respect of transactions (7) to (9) and reducing the 2016 Annual Caps in respect of transactions (1) to (6) and (10) in the table above so that their respective Annual Caps more closely reflect the projected transaction amounts for the remainder of 2016 and the activity levels during 2016.

Mr. Salim, who has a material interest in the Distribution Business transactions, has abstained from voting on the approvals of the Board in respect of the revision of the 2016 Annual Caps in respect of the Distribution Business transactions as described in the table 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 the Distribution Business transactions and has abstained from voting on the approvals of the Board in respect of the revision of the existing Annual Caps in respect of the Distribution Business transactions as described in the table above. None of the other Directors has a material interest in the continuing connected transactions described in this Announcement.

Revision of Annual Caps in respect of Existing Dairy Business Transactions for 2016

Due to the expansion of the Dairy Business, the amounts transacted during 2016 in respect of two Dairy Business transactions are higher than the respective existing Annual Caps for those transactions announced on 29 July 2016.

As at 31 October 2016:

- (a) the transaction amount in respect of transaction number (3) in Table G of the 10 November Announcement (between Indofood/its subsidiaries and SDM, in relation to the use by Indofood/its subsidiaries of the human resources outsourcing services of SDM) for the period from 1 January 2016 to 31 October 2016 was approximately US\$0.6 million, which exceeded the individual transaction Annual Cap for the year ending 31 December 2016 in effect on 31 October 2016, of US\$0.5 million; and
- (b) the transaction amount in respect of transaction number (4) in Table G of the 10 November Announcement (between PT Indolakto and Indomaret in relation to the sale of finished goods by PT Indolakto to Indomaret) for the period from 1 January 2016 to 31 October 2016 was approximately US\$2.8 million, which exceeded the individual transaction Annual Cap for the year ending 31 December 2016 in effect on 31 October 2016, of US\$2.3 million.

As announced in the 10 November Announcement, the 2016 Annual Cap for transaction number (3) in Table G of the 10 November Announcement has been increased from US\$0.5 million to US\$0.8 million and the 2016 Annual Cap for transaction number (4) in Table G of the 10 November Announcement has been increased from US\$2.3 million to US\$3.5 million.

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

Information in relation to the Company, Indofood and the counterparties to the continuing connected transactions referred to in this Announcement is set out in the sections of the 10 November Announcement headed “Information in respect of the Counterparties to the Continuing Connected Transactions” (on pages 36 to 39 of the 10 November Announcement) and “Information in respect of the Company and Indofood” (on page 40 of the 10 November Announcement) and remains accurate as at the date of this Announcement.

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, 5 December 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