

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

CONTINUING CONNECTED TRANSACTIONS

**REVISED ANNUAL CAPS FOR 2023, 2024 AND 2025
FOR CERTAIN OF THE INDOFOOD GROUP'S PREVIOUSLY
ANNOUNCED TRANSACTIONS:**

- (1) BEVERAGES BUSINESS TRANSACTIONS**
- (2) DAIRY BUSINESS TRANSACTIONS**
- (3) PROPERTY BUSINESS TRANSACTIONS**

**NEW PROPERTY BUSINESS TRANSACTION
AND ANNUAL CAPS FOR 2024 AND 2025**

AND

**INDOFOOD GROUP'S SAUCE BUSINESS TRANSACTIONS
AND ANNUAL CAPS FOR 2023, 2024 AND 2025**

Reference is made to the Company's announcement dated 14 October 2022 (the "**October 2022 Announcement**") relating to continuing connected transactions of the Indofood Group.

This announcement contains details of:

- (a) the revised Annual Caps for 2023, 2024 and 2025 in respect of certain of the Indofood Group's previously announced transactions relating to its Beverages Business ("**Beverages Business Transactions**"), Dairy Business ("**Dairy Business Transactions**") and Property Business ("**Property Business Transactions**");
- (b) a new continuing connected transaction (and the relevant agreement in relation to it) by a member of the Indofood Group in relation to the Indofood Group's Property Business and its Annual Caps for 2024 and 2025; and
- (c) Indofood Group's sauce business transactions and their respective Annual Caps for 2023, 2024 and 2025.

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 2023, 2024 and 2025, 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 October 2022 Announcement. Unless otherwise defined herein, all capitalised terms used in this announcement shall have the respective meanings given to them in the October 2022 Announcement.

(1) REVISED ANNUAL CAPS FOR 2023, 2024 AND 2025 IN RESPECT OF A PREVIOUSLY ANNOUNCED BEVERAGES BUSINESS TRANSACTION OF THE INDOFOOD GROUP

Reference is made to the October 2022 Announcement which described, among other things, a series of continuing connected transactions of the Indofood Group relating to the beverages business transactions for the years ending 31 December 2023, 2024 and 2025 (the "**Existing Beverages Business Transactions**").

As stated in the October 2022 Announcement, the existing 2023, 2024 and 2025 Annual Caps in respect of the Existing Beverages 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.

Transaction numbered (1)¹ of the Existing Beverages Business Transactions relates to the use of human resources outsourcing services from the SDM Group by the Indofood Group for the years ending 31 December 2023, 2024 and 2025 (the “**Existing Beverages Business Transaction (1)**”).

The Indofood Group has been monitoring the transaction amount of the Existing Beverages Business Transaction (1), having regard to internal estimates of demand and operating conditions. Based on levels of activity to date, the transaction amounts for 2023, 2024 and 2025 in respect of the Existing Beverages Business Transaction (1) are expected to be higher than the existing Annual Caps for 2023, 2024 and 2025, respectively. Accordingly, the Annual Caps for the Existing Beverages Business Transaction (1) shown in Table A below have been increased to more closely reflect current projections of the activity levels between the relevant parties to the Existing Beverages Business Transaction (1) for 2023, 2024 and 2025.

As at the date of this announcement, the existing Annual Cap for the Existing Beverages Business Transaction (1) for the year ending 31 December 2023 has not been exceeded.

Table A – Revised 2023, 2024 and 2025 Annual Caps for the Existing Beverages Business Transaction (1)

Transaction No.	Parties to the agreement/arrangement		Nature of agreement/ arrangement	Actual Transaction Amount for the seven months period from 1 January 2023 to 31 July 2023 (US\$ millions)	Existing Annual Cap as set out in the October 2022 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 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
(1)	AIBM	SDM Group	AIBM uses human resources outsourcing services from the SDM Group.	1.0	1.8	2.0	2.3	2.3	2.5	2.9

No changes have been made to the Annual Caps for 2023, 2024 and 2025 in respect of the other Existing Beverages Business Transaction compared to that specified in the October 2022 Announcement, or to the terms of the other Existing Beverages Business Transaction referred to in the October 2022 Announcement.

¹ Transactions numbered (1)(a) and (1)(b) in the October 2022 Announcement are referred to as Transaction numbered (1) in this announcement. As disclosed in the October 2022 Announcement, transactions numbered (1)(a) and (1)(b) referred to therein were to be reported together going forward, as the counterparties to both transactions are part of the SDM Group.

The Existing Beverages Business Transaction (1) referred to in Table A 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 relevant members of the SDM Group is an associate of Mr. Salim.

The Existing Beverages Business Transactions 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. Each of the framework agreements entered into in respect of those transactions provides that the pricing/fee chargeable in respect of those transactions will be determined from time to time based on the written mutual agreement between the parties, with due regard to prevailing market conditions. The consideration under the Existing Beverages Business Transaction (1) referred to in Table A above is payable in accordance with credit terms to be agreed between the parties, in cash. Details of the pricing policies that apply to the Existing Beverages Business Transactions are set out in the section headed "Pricing Policies and Reasons for and Benefits of Entering into the Transactions" below in this announcement.

As a result of increasing the 2023, 2024 and 2025 Annual Caps for the Existing Beverages Business Transaction (1), the 2023, 2024 and 2025 Annual Cap for all the Existing Beverages Business Transactions on an aggregated basis increases from (i) US\$3.4 million (as specified in the October 2022 Announcement) to US\$3.9 million, (ii) US\$3.7 million (as specified in the October 2022 Announcement) to US\$4.2 million and (iii) US\$4.1 million (as specified in the October 2022 Announcement) to US\$4.7 million, respectively.

In respect of the aggregated 2023, 2024 and 2025 Annual Caps for the Existing Beverages Business Transactions, 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 2023, 2024 and 2025 Annual Caps in respect of the Existing Beverages Business Transaction (1) referred to in Table A above and all the Existing Beverages Business Transactions 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.

(2) REVISED ANNUAL CAPS FOR 2023, 2024 AND 2025 IN RESPECT OF A PREVIOUSLY ANNOUNCED DAIRY BUSINESS TRANSACTION OF THE INDOFOOD GROUP

Reference is made to the October 2022 Announcement which described, among other things, a series of continuing connected transactions of the Indofood Group relating to the dairy business transactions for the years ending 31 December 2023, 2024 and 2025 (the “**Existing Dairy Business Transactions**”).

As stated in the October 2022 Announcement, the existing 2023, 2024 and 2025 Annual Caps in respect of the Existing Dairy 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.

Transaction numbered (3)² of the Existing Dairy Business Transactions relates to the sale of finished goods by Indolakto to the Indomaret Group for the years ending 31 December 2023, 2024 and 2025 (the “**Existing Dairy Business Transaction (3)**”).

The Indofood Group has been monitoring the transaction amount of the Existing Dairy Business Transaction (3), having regard to internal estimates of demand and operating conditions. Due to the increased number of sales outlets and based on levels of activity to date, the transaction amounts for 2023, 2024 and 2025 in respect of the Existing Dairy Business Transaction (3) are expected to be higher than the existing Annual Caps for 2023, 2024 and 2025, respectively. Accordingly, the Annual Caps for the Existing Dairy Business Transaction (3) shown in Table B below have been increased to more closely reflect current projections of the activity levels between the relevant parties to the Existing Dairy Business Transaction (3) for 2023, 2024 and 2025.

As at the date of this announcement, the existing Annual Cap for the Existing Dairy Business Transaction (3) for the year ending 31 December 2023 has not been exceeded.

² Transactions numbered (3)(a) to (3)(c) in the October 2022 Announcement are referred to as Transaction numbered (3) in this announcement. As disclosed in the October 2022 Announcement, transactions numbered (3)(a) to (3)(c) referred to therein were to be reported together going forward, as the counterparties to all of these transactions are part of the Indomaret Group.

Table B – Revised 2023, 2024 and 2025 Annual Caps for the Existing Dairy Business Transaction (3)

Transaction No.	Parties to the agreement/arrangement		Nature of agreement/ arrangement	Actual Transaction Amount for the seven months period from 1 January 2023 to 31 July 2023 (US\$ millions)	Existing Annual Cap as set out in the October 2022 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 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
(3)	Indolakto	Indomaret Group	Indolakto sells finished goods to the Indomaret Group.	1.6	1.8	2.2	2.7	7.1	7.8	8.6

No changes have been made to the Annual Caps for 2023, 2024 and 2025 in respect of the other Existing Dairy Business Transactions compared to those specified in the October 2022 Announcement, or to the terms of the other Existing Dairy Business Transactions referred to in the October 2022 Announcement.

The Existing Dairy Business Transaction (3) referred to in Table B 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 relevant members of the Indomaret Group is an associate of Mr. Salim.

The Existing Dairy Business Transactions 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. Each of the framework agreements entered into in respect of those transactions provides that the pricing/ fee chargeable in respect of those transactions will be determined from time to time based on the written mutual agreement between the parties, with due regard to prevailing market conditions. The consideration under the Existing Dairy Business Transaction (3) referred to in Table B above is payable in accordance with credit terms to be agreed between the parties, in cash. Details of the pricing policies that apply to the Existing Dairy Business Transactions are set out in the section headed “Pricing Policies and Reasons for and Benefits of Entering into the Transactions” below in this announcement.

As a result of increasing the 2023, 2024 and 2025 Annual Caps for the Existing Dairy Business Transaction (3), the 2023, 2024 and 2025 Annual Cap for all the Existing Dairy Business Transactions on an aggregated basis increases from (i) US\$7.6 million (as specified in the October 2022 Announcement) to US\$12.9 million, (ii) US\$8.9 million (as specified in the October 2022 Announcement) to US\$14.5 million and (iii) US\$10.7 million (as specified in the October 2022 Announcement) to US\$16.6 million, respectively.

In respect of the aggregated 2023, 2024 and 2025 Annual Caps for the Existing Dairy Business Transactions, 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 2023, 2024 and 2025 Annual Caps in respect of the Existing Dairy Business Transaction (3) referred to in Table B above and all the Existing Dairy Business Transactions 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.

(3) REVISED ANNUAL CAPS FOR 2023, 2024 AND 2025 IN RESPECT OF A PREVIOUSLY ANNOUNCED PROPERTY BUSINESS TRANSACTION OF THE INDOFOOD GROUP AND NEW CONTINUING CONNECTED TRANSACTION RELATING TO THE INDOFOOD GROUP'S PROPERTY BUSINESS AND ITS ANNUAL CAPS FOR 2024 AND 2025

Reference is made to the October 2022 Announcement which described, among other things, a series of continuing connected transactions of the Indofood Group relating to the property business transactions for the years ending 31 December 2023, 2024 and 2025 (the “**Existing Property Business Transactions**”).

As stated in the October 2022 Announcement, the existing 2023, 2024 and 2025 Annual Caps in respect of the Existing Property 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.

Transaction numbered (4) of the Existing Property Business Transactions relates to the renting of space by Bank INA Perdana from AIM for the years ending 31 December 2023, 2024 and 2025 (the “**Existing Property Business Transaction (4)**”).

The Indofood Group has been monitoring the amount of the Existing Property Business Transaction (4). Due to the anticipated increase in rented premises by Bank INA Perdana and based on levels of activity to date, the transaction amounts for 2023, 2024 and 2025 in respect of the Existing Property Business Transaction (4) are expected to be higher than the existing Annual Caps for 2023, 2024 and 2025, respectively. Accordingly, the Annual Caps for the Existing Property Business Transaction (4) shown in Table C below have been increased to more closely reflect current projections of the activity levels between the relevant parties to the Existing Property Business Transaction (4) for 2023, 2024 and 2025.

As at the date of this announcement, the existing Annual Cap for the Existing Property Business Transaction (4) for the year ending 31 December 2023 has not been exceeded.

In addition, an agreement will be entered into in respect of the transaction shown in Table C below as transaction numbered (5), which will constitute a new continuing connected transaction for the Company relating to the Indofood Group's Property Business. The arrangements under that agreement are expected to commence on or around 1 January 2024 and expire on 31 December 2025.

Table C – Revised 2023, 2024 and 2025 Annual Caps for the Existing Property Business Transaction (4) and New Continuing Connected Transaction relating to the Indofood Group's Property Business

Transaction No.	Parties to the agreement/arrangement		Nature of agreement/arrangement	Actual Transaction Amount for the seven months period from 1 January 2023 to 31 July 2023 (US\$ millions)	Existing Annual Cap as set out in the October 2022 Announcement (as applicable) (US\$ millions)			Revised/New Annual Cap (as applicable) (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party			For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
(4)	AIM	Bank INA Perdana	Bank INA Perdana rents space from AIM.	0.4	0.8	0.9	1.0	1.0	1.1	1.3
(5)	AIM	PT. Datacenter Indonesia Sukses Perkasa	PT. Datacenter Indonesia Sukses Perkasa rents space from AIM.	-	-	-	-	-	0.6	0.8

Each of the transactions referred to in Table C 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 Table C 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 the Existing Property Business Transaction (4) and the agreement to be entered into in respect of transaction numbered (5) referred to in Table C above each 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 prevailing market conditions. The consideration under the transactions referred to in Table C above is payable in accordance with credit terms to be agreed between the parties, in cash. Details of the pricing policies that apply to the transactions referred to in Table C above are set out in the section headed "Pricing Policies and Reasons for and Benefits of Entering into the Transactions" below in this announcement.

As a result of increasing the 2023, 2024 and 2025 Annual Caps for the Existing Property Business Transaction (4) and the new 2024 and 2025 Annual Caps in respect of the new transaction numbered (5) referred to in Table C above, the 2023, 2024 and 2025 Annual Cap for all the continuing connected transactions relating to the property business transactions of the Indofood Group on an aggregated basis increases from (i) US\$1.4 million (as specified in the October 2022 Announcement) to US\$1.6 million, (ii) US\$1.5 million (as specified in the October 2022 Announcement) to US\$2.3 million and (iii) US\$1.6 million (as specified in the October 2022 Announcement) to US\$2.7 million, respectively.

When the increased 2023, 2024 and 2025 Annual Caps in respect of the Existing Property Business Transaction (4) is aggregated with the Annual Cap for 2024 and 2025 in respect of the new transaction numbered (5) referred to in Table C above and the existing 2023, 2024 and 2025 Annual Caps in respect of the other Existing Property Business Transactions, 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 2023, 2024 and 2025 Annual Caps in respect of the Existing Property Business Transaction (4), the new 2024 and 2025 Annual Caps in respect of the new transaction numbered (5) in Table C above and all the other Existing Property Business Transactions 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.

(4) INDOFOOD GROUP’S SAUCE BUSINESS TRANSACTIONS AND ANNUAL CAPS FOR 2023, 2024 AND 2025

Transactions numbered (1) and (2) in Table D below relating to the sauce business carried on by the Indofood Group (the “**Sauce Business**”) are existing continuing connected transactions for the Indofood Group which were fully exempt from the disclosure requirements under Chapter 14A of the Listing Rules, because when the Annual Caps in respect of those Sauce Business transactions were aggregated, all the applicable percentage ratios were less than 0.1%. The arrangements under the existing agreements in respect of the transactions numbered (1) and (2) in Table D below commenced on 1 January 2023 and have a duration of three years, expiring on 31 December 2025.

The existing Annual Caps for 2023, 2024 and 2025 for the Sauce Business transactions are estimated transaction values based on projected activity levels between the relevant parties for the relevant periods, taking into account the historical values of the relevant transactions and the need to accommodate the expansion of the sauce business market.

Due to the expansion of the Sauce Business, the transaction amounts for 2023, 2024 and 2025 in respect of Sauce Business transactions referred to in Table D below are expected to be higher than the respective existing Annual Caps for the transactions.

As a result of the above, the aggregated Annual Caps in respect of the Sauce Business transactions increased from US\$1.1 million to US\$1.8 million for 2023, from US\$1.1 million to US\$2.1 million for 2024 and from US\$1.3 million to US\$2.3 million for 2025. The revised Annual Caps for 2023, 2024 and 2025 for the Sauce Business transactions, together with the respective actual transaction amounts for the year ended 31 December 2022 and for the period from 1 January 2023 to 31 July 2023, and the existing Annual Caps, are set forth in Table D below.

Table D – Revised 2023, 2024 and 2025 Annual Caps for the Sauce Business transactions

Transaction No.	Parties to the agreement/arrangement		Nature of agreement/ arrangement	Actual Transaction Amount (US\$ millions)		Existing Annual Cap (US\$ millions)			Revised Annual Cap (US\$ millions)		
	Name of entity of the Indofood Group	Name of connected party		For the year ended 31 December 2022	For the seven months period from 1 January 2023 to 31 July 2023	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2023	For the year ending 31 December 2024	For the year ending 31 December 2025
(1)	ICBP	Indomobil and its subsidiaries	Indomobil and its subsidiaries sell and rent vehicles, sell spare parts, and provide service vehicle to ICBP.	0.4	0.5	0.7	0.7	0.8	1.2	1.4	1.5
(2)	ICBP	SDM Group	ICBP uses human resources services from the SDM Group.	0.2	0.1	0.4	0.4	0.5	0.6	0.7	0.8
Aggregated actual transaction amounts/Annual Caps:				0.6	0.6	1.1	1.1	1.3	1.8	2.1	2.3

Each of the transactions referred to in Table D 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 Table D above are conducted in the ordinary and usual course of business of the Indofood Group and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties. The framework agreements provide that the pricing/fee chargeable in respect of each of the transactions referred in Table D above will be determined from time to time based on the written mutual agreement between the parties, with due regard to prevailing market conditions. The consideration under the transactions referred to in Table D above is payable in accordance with credit terms to be agreed between the parties, in cash. Details of the pricing policies that apply to the transactions referred to in Table D above are set out in the section headed "Pricing Policies and Reasons for and Benefits of Entering into the Transactions" below in this announcement.

When the revised Annual Caps in respect of the Sauce Business transactions for each of 2023, 2024 and 2025 are aggregated, one or more of the applicable percentage ratios is 0.1% or more but none of the applicable percentage ratios is 5% or more. Accordingly, the Sauce Business transactions and the aggregated revised Annual Caps for each of 2023, 2024 and 2025 are subject to the reporting and announcement requirements, but not the independent shareholders' approval requirements, under Chapter 14A of the Listing Rules.

PRICING POLICIES AND REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

The pricing policies set out on pages 48 to 50 of the circular of the Company dated 24 November 2022 (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 Table A to Table D 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 Sales & Marketing Department of the Indofood Group maintains a database of the quoted selling prices of such other suppliers for products or services supplied in similar geographic locations. The information in the database is obtained from publicly available information. 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) where applicable, 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 page 47 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 auditor 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 this announcement, which are in the ordinary and usual course of business and 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 this announcement and their respective Annual Caps for 2023, 2024 and 2025, 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.

As each of Mr. Salim and Mr. Axton Salim (a Non-executive Director and an associate of Mr. Salim) has or is deemed to have 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), each of them has abstained from voting on the resolutions of the Board approving the new continuing connected transaction referred to as transaction numbered (5) in Table C above and in respect of the revision of the existing Annual Caps for 2023, 2024 and 2025 for the other continuing connected transactions referred to in this announcement. In addition, Mr. Benny S. Santoso (a Non-executive Director, the President Commission of NIC and the Commissioner of FFI) is deemed to have a material interest in the 2023-2025 Dairy Business Transactions, has abstained from voting on the resolution of the Board approving the revision of the existing Annual Caps for 2023, 2024 and 2025 for the Existing Dairy Business Transaction (3). Save for the aforementioned, none of the other Directors has a material interest in the continuing connected transactions described 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 holding company with investments located in Asia Pacific. The Company's principal investments are in consumer food products, telecommunications, 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 food and beverage products and their distribution to the market. It is based and listed in Indonesia while its consumer branded products subsidiary ICBP and agribusiness subsidiaries SIMP and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk are also listed in Indonesia. Another subsidiary, Indofood Agri Resources Ltd., is listed in Singapore, and an agribusiness associate, Roxas Holdings, Inc., is listed in the Philippines. Indofood manufactures and distributes a wide range of food and beverage products from its four complementary strategic business groups: Consumer Branded Products (noodles, dairy, snack foods, food seasonings, nutrition and special foods, and (beverages), Bogasari (wheat flour and pasta), Agribusinesses (seed breeding, oil palm cultivation and milling, branded cooking oils, margarine and shortening, and the cultivation and processing of rubber, sugar cane and other crops) 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.

AIBM is an operating subsidiary of Indofood for the production of non-alcoholic beverages.

Indolakto is the operating subsidiary of Indofood for the dairy business carried on by the Indofood Group and one of the leading producers of dairy products in Indonesia.

AIM is an operating subsidiary of Indofood for the Indofood Group's property business.

In respect of the counterparty to the continuing connected transaction relating to the Indofood Group's Beverages Business referred to in Table A above in this announcement:

- (i) SDM Group (comprises SDM and its subsidiary (PTM)) is a human resources management service company (in which Mr. Salim has an aggregate effective interest of 100.0% and an associate of Mr. Salim) that has experience in handling industrial relation and manpower cases. PTM is a subsidiary of SDM, and is a human resources management service company that specializes in building maintenance system including hygiene care service, parks and general service.

In respect of the counterparty to the continuing connected transaction relating to the Indofood Group's Dairy Business referred to in Table B above in this announcement:

- (i) Indomaret is a company in which the Salim Group has an economic interest of approximately 60.0% and the remaining 40.0% interest is owned by PT Indoritel Makmur Internasional Tbk., an Indonesian public company with its shares listed on the Indonesia Stock Exchange. Mr. Salim and his associate have an aggregate effective interest of approximately 65.11% in PT Indoritel Makmur Internasional Tbk. 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 its affiliates include Indogrosir and LS. The principal business of Indogrosir is wholesaling of customer goods to modern and traditional retailers and end users. Mr. Salim has an aggregate effective interest of approximately 49.0% in LS. The remaining effective interest of approximately 51.0% of LS is held by Koninklijke Ahold Delhaize N.V., a Dutch multinational retail and wholesaling company, listed on Euronext Amerstadam and Brussels. LS is engaged in the business of operating supermarket in certain major cities in Indonesia. The Indomaret Group comprises Indomaret and its affiliates (including Indogrosir and LS).

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

- (i) Bank INA Perdana is an Indonesian public company with its shares listed on the Indonesia Stock Exchange. It is engaged in banking businesses with a network of more than 44 branches in Indonesia.
- (ii) PT. Datacenter Indonesia Sukses Perkasa is established as part of DCI Platform, one of the leading data providers in Indonesia. It offers the same world-class, reliable, well-networked, and cloud-carrier-neutral data centers infrastructure services, with the plan to be certified as Tier IV datacenter. PT. Datacenter Indonesia Sukses Perkasa is a company in which Mr. Salim has an aggregate effective interest of approximately 98.6%.

In respect of the counterparties to the continuing connected transactions relating to the Indofood Group's sauce business referred to in Table D above in this announcement:

- (i) Indomobil is an Indonesian public company with its shares listed on the Indonesia Stock Exchange in which Mr. Salim has an aggregate effective interest of approximately 71.0% and an associate of Mr. Salim. 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, Volkswagen, Land Rover, KIA, Nissan, Suzuki, Hino, Volvo Trucks, Volvo Construction Equipment, Volvo Bus, Volvo Penta, Renault Trucks, Kalmar, Manitou, Morooka, John Deere and John Deere Engine in Indonesia.
- (ii) Please see above for information on the SDM Group.

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = Rupiah 15,000. Percentages and figures expressed in millions have been rounded.

By Order of the Board
First Pacific Company Limited
Chiu Wing Man, Fiona
General Counsel and Company Secretary

Hong Kong, 25 August 2023

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

Executive Directors:

Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*
Christopher H. Young

Non-executive Directors:

Anthoni Salim, *Chairman*
Benny S. Santoso
Axton Salim

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
Blair Chilton Pickerell