THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your licensed securities dealer, other licensed corporation, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all of your shares in First Pacific Company Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

FIRST PACIFIC

FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)
Website: http://www.firstpacific.com
(Stock Code: 00142)

CONTINUING CONNECTED TRANSACTIONS

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders of First Pacific Company Limited

Quam CAPITAL 華富嘉洛企業融資

A letter from the board of directors of First Pacific Company Limited is set out on pages 5 to 13 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages 14 to 15 of this circular. A letter from Quam Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, is set out on pages 16 to 51 of this circular.

A notice convening the Shareholders' Meeting of the Company to be held at 9:30 a.m. on Wednesday, 8 December 2010 at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong is set out on pages 60 to 61 of this circular. A form of proxy for use at the Shareholders' Meeting is enclosed. Whether or not you intend to attend and vote at the Shareholders' Meeting or any adjourned meeting in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the principal office of First Pacific Company Limited (Attention: Corporate Secretarial Department) at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for holding the Shareholders' Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Shareholders' Meeting or any adjourned meeting should you so wish.

18 November 2010

CONTENTS

In this circular, the following terms and expressions shall have the following meanings, unless the context otherwise requires.

"2011-2013 Noodles Business Transactions"	the continuing connected transactions relating to the Noodles Business proposed to be entered into by members of the Indofood Group, as referred to in Table A on page 6 of the letter from the Board section of this circular;
"2011-2013 Noodles Caps"	the proposed Annual Caps for the 2011-2013 Noodles Business Transactions in respect of each of the financial years ending 31 December 2011, 2012 and 2013, particulars of which are set out in Table A on page 6 of the letter from the Board section of this circular;
"2010 Plantations Business Transactions"	the continuing connected transactions relating to the Plantations Business entered into by members of the Indofood Group in respect of the financial year ending 31 December 2010, as announced in the June 2010 Announcement;
"2011-2013 Plantations Business Transactions"	the continuing connected transactions relating to the Plantations Business proposed to be entered into by members of the Indofood Group, as referred to in Table B on page 9 of the letter from the Board section of this circular;
"2011-2013 Plantations Caps"	the proposed Annual Caps for the 2011-2013 Plantations Business Transactions in respect of each of the financial years ending 31 December 2011, 2012 and 2013, particulars of which are set out in Table B on page 9 of the letter from the Board section of this circular;
"Annual Cap(s)"	the estimated maximum annual value in relation to a continuing connected transaction, as required by Rule 14A.35(2) of the Listing Rules;
"AS"	PT Adithya Suramitra, an associate of Mr. Anthoni Salim;
"associate"	has the meaning ascribed thereto under the Listing Rules;
"Board"	board of Directors;
"Company"	First Pacific Company Limited, an exempt company incorporated in Bermuda with limited liability and having its shares listed on the Exchange;

"Director(s)"	the director(s) of the Company;
"DUFIL"	Dufil Prima Foods Plc, an associate of Mr. Anthoni Salim;
"Exchange"	The Stock Exchange of Hong Kong Limited;
"FFI"	PT Fastfood Indonesia Tbk, an associate of Mr Anthoni Salim;
"Group"	the Company and its subsidiaries from time to time;
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China;
"ICBP"	PT Indofood CBP Sukses Makmur Tbk, a member of the Indofood Group;
"IGER"	IndoInternational Green Energy Resources Pte. Ltd;
"IGER Group"	IGER, MSA, SBN, MCP and LPI;
"IKU"	PT Indotek Konsultan Utama, an associate of Mr. Anthoni Salim;
"Independent Board Committee"	the independent committee of the board of directors of the Company established by the Company as required by Rule 14A.21 of the Listing Rules, to consider the terms of the 2011-2013 Noodles Business Transactions and the 2011-2013 Plantations Business Transactions and their respective Annual Caps, and to opine as to whether the terms of those transactions and the Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole, such independent board committee comprising the Independent Non-executive Directors;
"Independent Non-executive Directors"	Prof. Edward K.Y. Chen, Mr. Graham L. Pickles, Sir David W.C. Tang and Mr. Jun Tang;
"Independent Shareholders"	the Shareholders of the Company other than First Pacific Investments Limited, First Pacific Investments (B.V.I.) Limited and Mega Ring Investments Limited;
"Indofood"	PT Indofood Sukses Makmur Tbk, a company incorporated in Indonesia, which is a 50.1% owned subsidiary of the Group and which has its shares listed on the Indonesia Stock Exchange;
"Indofood Group"	Indofood and its subsidiaries from time to time;
"June 2010 Announcement"	the announcement of the Company dated 15 June 2010;

"June 2008 Circular"	the shareholders' circular of the Company dated 13 June 2008;
"Latest Practicable Date"	12 November 2010;
"Listing Rules"	the Rules Governing the Listing of Securities on the Exchange;
"LPI"	PT Lajuperdana Indah, a joint venture plantation company within the IGER Group between SIMP and the Salim Group;
"May 2008 Announcement"	the announcement of the Company dated 23 May 2008;
"MCP"	PT Mega Citra Perdana, a joint venture plantation company within the IGER Group between SIMP and the Salim Group;
"MSA"	PT Mentari Subur Abadi, a joint venture plantation company within the IGER Group between SIMP and the Salim Group;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers under the Listing Rules;
"Noodles Business"	the consumer branded products businesses in respect of noodles carried on by the Indofood Group;
"November 2010 Announcement"	the announcement of the Company dated 8 November 2010;
"Pinehill"	Pinehill Arabian Food Ltd., an associate of Mr. Anthoni Salim;
"Plantations Business"	the plantations business carried on by the Indofood Group;
" Quam Capital" or "Independent Financial Adviser"	Quam Capital Limited which has been appointed by the Company under Rule 14A.21 of the Listing Rules to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the 2011-2013 Noodles Business Transactions and the 2011-2013 Plantations Business Transactions and their respective Annual Caps, are fair and reasonable and in the interests of the Company and its Shareholders as a whole and to advise the Independent Shareholders how to vote at the Shareholders' Meeting in respect of the resolutions to be proposed to approve those matters;
"RMK"	PT Rimba Mutiara Kusuma, an associate of Mr. Anthoni Salim;
"Salim Group"	Mr. Anthoni Salim, and companies controlled by him;
"SAWAB"	Salim Wazaran Brinjikji Limited, an associate of Mr. Anthoni Salim;

"SAWAHI"	Salim Wazaran Hilaby Co., an associate of Mr. Anthoni Salim;
"SAWATA"	Salim Wazaran Abu Elata, an associate of Mr. Anthoni Salim;
"SAWAZ Group"	those counterparties to the 2011–2013 Noodles Business Transactions which operate in the Middle East and Africa, and which comprise SAWAB, SAWATA, SAWAHI and the joint venture entities relating to Sudan, Morocco, Tunisia, Turkey, Ethiopia and Kenya;
"SBN"	PT Swadaya Bhakti Negaramas, a joint venture plantation company within the IGER Group between SIMP and the Salim Group;
"SFO"	the Securities and Futures Ordinance, (Cap 571 of the laws of Hong Kong);
"Shareholders"	the shareholders of the Company;
"Shareholders' Meeting"	the special general meeting of the Independent Shareholders to be convened by a notice to be contained in this circular, at which resolutions will be proposed to consider and, if thought fit, approve the 2011-2013 Noodles Business Transactions and the 2011-2013 Noodles Caps and the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps;
"SIMP"	PT Salim Ivomas Pratama, a member of the Indofood Group;
"STP"	PT Sarana Tempa Perkasa, an associate of Mr. Anthoni Salim;
"US$"	the lawful currency of the United States of America; and
"%"	percentage.

In this circular, unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US$1.00 = Rupiah 9,100 = HK$7.8. Percentages and figures expressed in millions have been rounded.

FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)
Website: http://www.firstpacific.com
(Stock Code: 00142)

Chairman:
Anthoni Salim

Executive Directors:
Manuel V. Pangilinan *(Managing Director and CEO)*
Edward A. Tortorici
Robert C. Nicholson

Non-Executive Directors:
Napoleon L. Nazareno
Ambassador Albert F. del Rosario
Tedy Djuhar
Ibrahim Risjad
Benny S. Santoso

Independent Non-Executive Directors:
Professor Edward K.Y. Chen, *GBS, CBE, JP*
Graham L. Pickles
Sir David W.C. Tang, *KBE*
Jun Tang

Registered Office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Hong Kong Principal Office:
24th Floor
Two Exchange Square
8 Connaught Place
Central
Hong Kong

18 November 2010

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

(1) NOODLES BUSINESS TRANSACTIONS TO BE ENTERED INTO AND BECOME EFFECTIVE IMMEDIATELY FOLLOWING EXPIRY OF EXISTING NOODLES BUSINESS TRANSACTIONS; AND NEW ANNUAL CAPS FOR 2011, 2012 AND 2013

Indofood will enter into the new framework agreements listed in Table A below relating to the 2011-2013 Noodles Business Transactions. The arrangements under the new framework agreements as described in Table A below will commence on 1 January 2011 and it is proposed that the new frameworks agreements will be entered into on or around that date.

The new framework agreements will replace the agreements relating to the existing noodles business transactions described in the May 2008 Announcement and the June 2008 Circular, which were approved by the Independent Shareholders at a special general meeting of the Company held on 30 June 2008, and which will expire with effect from 31 December 2010.

The proposed Annual Caps for 2011, 2012 and 2013 in respect of the new framework agreements are set out in Table A below.

Table A – 2011-2013 Noodles Business Transactions and 2011-2013 Noodles Caps

				2011-2013 Noodles Caps (*US$ millions*)		
Trans action No.	**Name of entity of the Indofood Group "Party A"**	**Name of Connected Party "Party B"**	**Nature of Agreement/Arrangement**	**For the Year Ending 31 December 2011**	**For the Year Ending 31 December 2012**	**For the Year Ending 31 December 2013**
(1)	Indofood/ ICBP	DUFIL	Party A: 1. grants an exclusive licence in respect of the "Indomie" trademark in Nigeria and provides technical assistance services in connection with noodle manufacturing operations in Nigeria (***see Note); and 2. sells and supplies ingredients, noodle seasonings and packaging used for instant noodle products.	50.8	61.5	74.3
(2)	Indofood/ ICBP	Pinehill	Party A: 1. grants an exclusive licence in respect of "Indomie", "Supermi" and "Pop Mie" trademarks in certain countries in the Middle East; 2. provides technical assistance services in connection with noodle manufacturing operations in certain countries in the Middle East; and 3. sells and supplies ingredients, noodle seasonings and packaging used for instant noodle products.	130.0	154.9	189.0
(3)	Indofood/ ICBP	SAWAZ Group	Party A: 1. grants a non-exclusive licence in respect of the "Indomie" trademark in certain countries in the Middle East and Africa; 2. provides technical assistance services in connection with noodle manufacturing operations in certain countries in the Middle East and Africa; and 3. sells and supplies ingredients, noodle seasonings and packaging used for instant noodle products.	14.8	26.1	37.1
			Aggregated Annual Caps	**195.6**	**242.5**	**300.4**

****Note:*

The underlying agreements relating to the grant of an exclusive licence in respect of "Indomie" trademark in Nigeria and provision of technical assistance services are required to be approved and registered with the National Office for Technology Acquisition and Promotion in Nigeria ("NOTAP"). However, in order to meet NOTAP's approval requirements, the underlying agreements have to each bear the date 1 November 2008. These underlying agreements will expire on 31 December 2010 but may be extended for an additional term of three years. The Company will re-comply with Rule 14A.36(2) of the Listing Rules prior to the end of the three year period, if the relevant framework agreement is to be extended.

Under each of the 2011-2013 Noodles Business Transactions agreements, the duties and obligations of Indofood are performed either by Indofood or by ICBP.

The existing agreements in respect of the existing noodles business transactions will expire on 31 December 2010 and new agreements will be entered into which will be effective from 1 January 2011 on substantially the same terms except for the pricing. The duration of each such agreement will not exceed three years, except that transaction numbered (1) in Table A above can be extended beyond three years subject to prior re-compliance with the applicable provisions of the Listing Rules, as referred to below. The proposed Annual Caps for transaction numbered (1)-1 in Table A above are only being approved for a period of three years, from 2011 to 2013. The Company will re-comply with Rule 14A.36(2) prior to the end of the three year period, if the relevant agreement is to be extended beyond three years. Under the agreement, either party may terminate the agreement upon three months prior written notice at any time. The Company would procure the termination of the agreement on or prior to 31 December 2013, and not permit it to be extended, if Rule 14A.36(2) had not been complied with prior to any proposed extension of the agreement.

As at the Latest Practicable Date, none of the Annual Caps in respect of the existing Noodles Business transactions have been exceeded.

Each of the 2011-2013 Noodles Business Transactions referred to in Table A above constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules because:

(i) Mr. Anthoni 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. Anthoni Salim.

The 2011-2013 Noodles 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.

The 2011-2013 Noodles Caps specified in Table A above are estimated transaction values based on the previously announced Annual Caps for 2008-2010 in respect of the existing agreements in relation to the existing noodles business transactions which will expire on 31 December 2010; the experience of the Indofood Group during that period in relation to those existing agreements; and projected activity levels between the relevant parties for 2011-2013, taking into account the historical values of the relevant transactions and the need to accommodate expansion of the noodles market in the Middle East and Africa. The framework agreements will provide that the pricing/fee chargeable in respect of each of the Noodles Business transactions in Table A above will reflect normal commercial terms and will be on an arm's length basis and based on normal market conditions. The consideration under the Noodles Business transactions would be payable in accordance with credit terms to be agreed between the parties, in cash.

Under Rule 14A.25 of the Listing Rules, for the purposes of compliance with Chapter 14A of the Listing Rules, the 2011-2013 Noodles Caps have been aggregated on an annual basis and, on this basis, one or more of the percentage ratios in respect of the 2011-2013 Noodles Caps in respect of each relevant year exceeds 5%. Accordingly, the 2011-2013 Noodles Business Transactions, the relevant agreements to be entered into in relation to them and the 2011-2013 Noodles Caps are subject to the reporting, announcement and Independent Shareholders' approval requirements of the Listing Rules and the entry into of the 2011-2013 Noodles Business Transactions is conditional on Independent Shareholders' approval being obtained.

(2) PLANTATIONS BUSINESS TRANSACTIONS TO BE ENTERED INTO AND BECOME EFFECTIVE IMMEDIATELY FOLLOWING EXPIRY OF EXISTING PLANTATIONS BUSINESS TRANSACTIONS; AND NEW ANNUAL CAPS FOR 2011, 2012 AND 2013

Indofood will enter into the new framework agreements described in Table B below relating to the 2011-2013 Plantations Business Transactions (other than transaction numbered (1) in Table B, which is a lease entered into on 1 June 1996 with a term of 20 years). The arrangements under those new framework agreements will commence on 1 January 2011 and it is proposed that the new framework agreements will be entered into on or around that date.

The new framework agreements will replace the agreements relating to the existing plantations business transactions described in the May 2008 Announcement and the June 2008 Circular, which were approved by the Independent Shareholders at a special general meeting of the Company held on 30 June 2008 and which will expire with effect from 31 December 2010. Those new framework agreements will also replace the agreements relating to the 2010 Plantations Business Transactions, referred to in the June 2010 Announcement, which will also expire with effect from 31 December 2010.

The proposed Annual Caps for 2011, 2012 and 2013 in respect of the new framework agreements and the Annual Cap for the lease are set out in Table B below.

Table B – 2011-2013 Plantations Business Transactions and 2011-2013 Plantations Caps

Trans action No.	Name of entity of the Indofood Group "Party A"	Name of Connected Party "Party B"	Nature of Agreement/Arrangement	2011-2013 Plantations Caps (US$ millions) For the Year Ending 31 December 2011	For the Year Ending 31 December 2012	For the Year Ending 31 December 2013
(1)	SIMP	AS	Party B grants a 20 year lease to Party A for use of factory properties.	0.1	0.1	0.1
(2)	SIMP and its subsidiaries	STP	Party B provides pump services to Party A to load crude palm oil and other products to vessels.	0.9	1.1	1.2
(3)	SIMP and its subsidiaries	RMK	Party A: – buys heavy equipment and building materials from Party B; – rents trucks, office space, buildings and heavy equipment from Party B; and – uses transportation services from Party B.	10.9	14.7	19.7
(4)	SIMP and its subsidiaries	IGER Group	Party A: – provides research services; – sells seeds; – leases office space; and – buys fresh fruit bunches/crude palm oil/palm kernel.	89.4	135.3	217.3
(5)	LPI	IKU	Party B providing consulting/technical services for project development.	0.2	0.2	0.2
(6)	Indofood and its subsidiaries	LPI	Party A buys sugar from Party B	–	193.6	213.0
(7)	SIMP	FFI	Party A sells deep fat frying oil to Party B.	7.0	8.4	10.2
			Aggregate Annual Caps:	**108.5**	**353.4**	**461.7**

The new framework agreements to be entered into in respect of the 2011-2013 Plantations Business Transactions (other than the long term lease listed as transaction numbered (1) in Table B above) will each commence on 1 January 2011 and expire on 31 December 2013 and, accordingly, the duration of each such agreement will not exceed three years. The agreement relating to transaction numbered (1) in Table B above, which was approved by the Independent Shareholders at the special general meeting of the Company held on 30 June 2008, has a period of twenty years; it commenced on 1 June 1996 and will expire on 31 May 2016. The length of this lease agreement remains unchanged.

The new framework agreements will provide that the pricing/fee chargeable in respect of each of the transactions numbered (2) to (7) in Table B above shall 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 those Plantations Business transactions would be payable in accordance with credit terms to be agreed between the parties, in cash.

As at the Latest Practicable Date, none of the Annual Caps in respect of the existing Plantations Business transactions have been exceeded.

Each of the 2011-2013 Plantations Business Transactions referred to in Table B above constitutes a continuing connected transaction for the Company under Rule 14A.14 of the Listing Rules because:

(i) Mr. Anthoni Salim is the Chairman and a substantial shareholder of the Company and President Director and CEO of Indofood;

(ii) except as referred to in (iii) below, each of the counterparties is an associate of Mr Anthoni Salim; and

(iii) each of IGER, LPI, MSA, SBN and MCP is a connected person of the Company by virtue of Rule 14A.11(5) as Mr. Anthoni Salim and companies controlled by him control 10% or more of the voting power of each of them.

The 2011-2013 Plantations Business Transactions are conducted in the ordinary and usual course of business of the Indofood Group in relation to the development of plantations in Indonesia and are entered into on an arm's length basis with terms fair and reasonable to the relevant parties.

The 2011-2013 Plantations Caps as set out in Table B above are estimated transaction values based on the previously announced Annual Caps for 2008-2010 in respect of the existing agreements in relation to the existing plantations business transactions which will expire on 31 December 2010; the experience of the Indofood Group during that period in relation to those existing agreements; and projected activity levels for the financial years ending 31 December 2011, 2012 and 2013, taking into account the historic values of the relevant transactions and the continuing development of raw land into planted areas. The projected activity level is based on an estimate of the requirements of each plantation company in respect of its respective planting activities and operations.

Under Rule 14A.25 of the Listing Rules, for the purposes of compliance with Chapter 14A of the Listing Rules, the 2011-2013 Plantations Caps have been aggregated on an annual basis and, on this basis, one or more of the percentage ratios in respect of the 2011-2013 Plantations Caps in respect of each relevant year exceeds 5%. Accordingly, the 2011-2013 Plantations Business Transactions, the 20-year lease described in Table B above, the new agreements to be entered into in respect of them and the 2011-2013 Plantations Caps are subject to the reporting, announcement and Independent Shareholders' approval requirements under Rule 14A.18 of the Listing Rules and the entry into of the 2011-2013 Plantations Business Transactions is conditional on that approval being obtained.

APPOINTMENT OF INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Company has established the Independent Board Committee consisting of the Independent Non-executive Directors to advise the Independent Shareholders as to whether the:

(a) 2011-2013 Noodles Business Transactions and the 2011-2013 Noodles Caps; and

(b) 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps,

are fair and reasonable and in the interests of the Company and its Shareholders as a whole and to advise the Independent Shareholders as to how to vote at the Shareholders' Meeting to be convened to consider those matters.

The Company has appointed Quam Capital as the Independent Financial Adviser to make recommendations to the Independent Board Committee and the Independent Shareholders as to whether the terms of the transactions and the Annual Caps referred to in (a) and (b) above are fair and reasonable and whether they are in the interests of the Company and its Shareholders as a whole and to advise the Independent Shareholders how to vote at the Shareholders' Meeting.

Under Rule 14A.18 of the Listing Rules, any connected persons of the Company with a material interest in the transactions and the Annual Caps referred to in (a) and (b) above are required to abstain from voting at the Shareholders' Meeting on the resolutions approving the relevant matters. Accordingly, First Pacific Investments Limited, First Pacific Investments (B.V.I.) Limited and Mega Ring Investments Limited, all being associates of Mr. Anthoni Salim and which in aggregate hold 1,706,947,154 shares of the Company, representing approximately 43.6% of the issued share capital of the Company, will abstain from voting at the Shareholders' Meeting on such resolutions.

The Company confirms that Mr. Anthoni Salim, who has a material interest in the continuing connected transactions described in this circular, abstained from voting at the relevant board meeting in respect of the transactions and the Annual Caps referred to in (a) and (b) above, and in respect of continuing connected transactions which do not require Shareholders' approval and which were referred to in the November 2010 Announcement. None of the other Directors has a material interest in the continuing connected transactions described in this circular.

BENEFITS EXPECTED TO ACCRUE TO THE INDOFOOD GROUP AND THE COMPANY

The relevant members of the Indofood Group have entered into the continuing connected transactions as part of their on-going business arrangements in relation to the business and operations of the Indofood Group. The benefits which are expected to accrue to the Indofood Group and the Company as a result of the continuing connected transactions described in this circular include the continued expansion of the Indofood Group's business operations, revenue and operational profitability, the maximising of the production capacities of the distribution network and the increase of worldwide brand awareness of the Indofood Group.

VIEWS OF THE DIRECTORS

The Directors (other than the members of the Independent Board Committee who have expressed their opinion in a separate letter to the Independent Shareholders as set out on pages 14 and 15 of this circular) consider that the terms of each of the continuing connected transactions and their Annual Caps referred to in (a) and (b) above are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION IN RESPECT OF THE COUNTERPARTIES

In respect of the counterparties to the 2011-2013 Noodles Business Transactions:

Each of DUFIL, Pinehill and the SAWAZ Group, being counterparties to the Noodles Business Transactions, are engaged in the manufacturing of instant noodles; in the case of DUFIL, in Nigeria; in the case of Pinehill, in the Middle East; and in the case of the SAWAZ Group, in the Middle East and Africa.

The SAWAZ Group is a joint venture group of companies between the Salim Group and its partner in the Middle East and Africa, and is used as an investment or holding company in the joint venture companies to be established by the SAWAZ Group and the local partners in the respective countries.

In respect of the counterparties to the 2011-2013 Plantations Business Transactions:–

(a) MSA is a limited liability company incorporated in Indonesia which owns 13,849 hectares of plantation land, located in South Sumatra, Indonesia and 16,500 hectares of plantation land, located in Central Kalimantan, Indonesia;

(b) RMK, STP and AS are 100% owned by companies controlled by Mr. Anthoni Salim. RMK is a contractor and plywood and furniture manufacturer. STP provides pump services in Dumai, Indonesia. AS is a land owning company;

(c) IKU is engaged in the business of consultancy and engineering in Indonesia. IKU is considered to be one of the most reputable consultant companies which provides services in relation to engineering and project management in Indonesia. IKU is 100% owned by companies controlled by Mr. Anthoni Salim;

(d) LPI is an Indonesian incorporated limited liability company in the business of plantation development in Indonesia. It currently owns a sugar cane plantation in South Sumatra with a total certificated land of approximately 41,525 hectares, of which approximately 9,407 hectares is intended to be cultivated with sugar cane, and a sugar cane production factory which is expected to commence production by the end of 2010. It also owns a sugar cane production factory in Central Java which was rehabilitated and commissioned in 2009 in respect of which cane milling operations started in June 2010. LPI is a joint venture plantation company within the IGER Group between SIMP and the Salim Group;

(e) the IGER Group is comprised of IGER, LPI, MCP, MSA and SBN, which are joint venture companies between SIMP and the Salim Group; and

(f) FFI engages in food and restaurant operations. It is the master franchise holder of Kentucky Fried Chicken (KFC) brand in Indonesia and operates 370 restaurant outlets.

INFORMATION IN RESPECT OF THE COMPANY AND INDOFOOD

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

Indofood is a leading processed food company engaged in food manufacturing, processing, marketing and distribution. It is based in Jakarta, and is listed on the Indonesia Stock Exchange. Its consumer branded products subsidiary, ICBP, is listed on the Indonesia Stock Exchange and its Agribusiness subsidiaries, Indofood Agri Resources Ltd. and PT PP London Sumatra Indonesia Tbk are listed on the Singapore and Indonesia Stock Exchanges, respectively. Through its four complementary strategic business groups, Indofood offers and distributes a wide range of food products throughout Indonesia: Consumer Branded Products (noodles, dairy, food seasonings, snack foods and nutrition and special foods), Bogasari (flour and pasta), Agribusinesses (oil palm, rubber, sugar cane, cocoa and tea plantations, cooking oils, margarine and shortening) and Distribution. Indofood is one of the world's largest instant noodles manufacturers by volume, plantation companies by hectarage and the largest flour miller in Indonesia. Indofood's flourmill in Jakarta is one of the largest in the world in terms of production capacity in one location. It also has an extensive distribution network in Indonesia.

GENERAL INFORMATION

Your attention is drawn to the information set out in the Appendices to this circular.

Yours faithfully,
By Order of the Board
FIRST PACIFIC COMPANY LIMITED
Manuel V. Pangilinan
Managing Director and CEO

FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)
Website: http://www.firstpacific.com
(Stock Code: 00142)

18 November 2010

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to the circular with the same date as this letter issued by the Company to its shareholders (the "Circular"), which includes this letter. Terms defined in the Circular shall have the same meaning in this letter unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to give a recommendation to the Independent Shareholders in respect of the following:–

(a) the 2011-2013 Noodles Business Transactions and the 2011-2013 Noodles Caps; and

(b) the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps.

Having considered the 2011-2013 Noodles Business Transactions, the 2011-2013 Noodles Caps, the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps, as well as the advice and opinion of the Independent Financial Advisor in relation thereto set out on pages 16 to 51 of the Circular, the Independent Board Committee considers that the 2011-2013 Noodles Business Transactions, the 2011-2013 Noodles Caps, the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders of the Company as a whole.

Accordingly, the Independent Board Committee recommends that the Independent Shareholders vote in favour of the resolutions to be proposed at the Shareholders' Meeting to approve the 2011-2013 Noodles Business Transactions, the 2011-2013 Noodles Caps, the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps.

The Independent Board Committee draws the attention of the Independent Shareholders to:

(i) the letter from the Board contained in the Circular; and

(ii) the letter from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders which sets out the factors taken into account by the Independent Financial Adviser in arriving at its recommendation, and which is also contained in the Circular.

Yours faithfully,
Independent Board Committee

Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Independent Non-executive Director

Graham L. Pickles
Independent Non-executive Director

Sir David W.C. Tang, *KBE*
Independent Non-executive Director

Jun Tang
Independent Non-executive Director

The following is the full text of the letter of advice from Quam Capital, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of (1) the 2011-2013 Noodles Business Transactions and the 2011-2013 Noodles Caps; and (2) the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps.

Quam CAPITAL 華富嘉洛企業融資 Quam Capital Limited
A Member of The Quam Group

18 November 2010

To the Independent Board Committee and the Independent Shareholders
First Pacific Company Limited
24th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of (1) the 2011-2013 Noodles Business Transactions and the 2011-2013 Noodles Caps; and (2) the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps. Details of the terms of the 2011-2013 Noodles Business Transactions and the 2011-2013 Plantations Business Transactions are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to its Shareholders dated 18 November 2010 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meaning as defined in the Circular unless the context otherwise requires.

Messrs. Graham L. Pickles, Professor Edward K.Y. Chen, Sir David W.C. Tang and Jun Tang, the Independent Non-executive Directors, have been appointed as members of the Independent Board Committee to advise the Independent Shareholders as to whether each of the 2011-2013 Noodles Business Transactions and the 2011-2013 Plantations Business Transactions are within the Group's ordinary and usual course of business based on normal commercial terms; their respective terms and conditions together with the 2011-2013 Noodles Caps and the 2011-2013 Plantations Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and to advise the Independent Shareholders as to whether to vote in favour of the 2011-2013 Noodles Business Transactions, the 2011-2013 Plantations Business Transactions and the adoption of the 2011-2013 Noodles Caps and the 2011-2013 Plantations Caps. As the independent financial adviser, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders.

Quam Capital Limited is independent of and not connected with any members of the Group or any of their substantial shareholders, directors or chief executives, or any of their respective associates, and is accordingly qualified to give an independent advice in respect of the 2011-2013 Noodles Business Transactions, the 2011-2013 Plantations Business Transactions, the 2011-2013 Noodles Caps and the 2011-2013 Plantations Caps.

In formulating our recommendation, we have relied on the information and facts supplied by the Group and its advisers, and the opinions expressed by and the representations of the Executive Directors and management of the Group (including the Indofood Group). We have assumed that all the information and representations contained or referred to in the Circular were true and accurate in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time that they were made and continue to be true as at the date hereof. We have relied on the confirmation from the Executive Directors that each of the new agreements with expiry date of 31 December 2013 to be entered into in relation to the 2011-2013 Noodles Business Transactions and the 2011-2013 Plantations Business Transactions respectively will contain the same terms and conditions as stipulated under the respective drafts of such agreements (as referred to the Noodles Agreements and the Plantations Agreements defined in section (A)(1)(b) and section (B)(1)(c) below respectively) supplied by the Group. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Executive Directors and the management of the Group (including the Indofood Group) and the Company has confirmed to us that no material facts have been withheld or omitted from the information provided and referred to in the Circular, which would make any statement in the Circular misleading.

We consider that we have reviewed relevant information (including, but not limited to, the existing agreements in relation to the 2011-2013 Noodles Business Transactions and the 2011-2013 Plantations Business Transactions respectively and the respective drafts of the Noodles Agreements and the Plantations Agreements as discussed above) currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information and/or documents supplied by the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group and the counterparties to the 2011-2013 Noodles Business Transactions and the 2011-2013 Plantations Business Transactions as detailed in the Letter from the Board or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation in respect of (1) the 2011-2013 Noodles Business Transactions and the 2011-2013 Noodles Caps; and (2) the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps, we have taken into consideration the following principal factors and reasons:

A. Noodles Business

1. Background of and reasons for the 2011-2013 Noodles Business Transactions and the 2011-2013 Noodles Caps

(a) The Noodles Business and expansion strategy of the Indofood Group

The Indofood Group is engaged in food manufacturing, processing, marketing and distribution. It is based in Jakarta and the shares of Indofood are listed on the Indonesia Stock Exchange. The Indofood Group carries out its business through four complementary strategic business groups namely Consumer Branded Products (noodles, dairy, food seasonings, snack foods, nutrition and special foods), Bogasari (flour and pasta), Agribusinesses (oil palm, rubber, sugar cane, cocoa and tea plantations, cooking oils, margarine and shortening) and Distribution. The Consumer Branded Products business is conducted by ICBP, a subsidiary listed on the Indonesia Stock Exchange, while the Agribusiness of the Indofood Group is conducted by Indofood Agri Resources Ltd. and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk ("LSIP"), which are listed on the Singapore and Indonesia Stock Exchanges respectively. "Indomie", "Supermi" and "Pop Mie" are among the principal brands for its instant noodle products.

We were advised that the Indofood Group is the market leader in Indonesia and one of the largest instant noodle producers by volume in the world. One of Indofood's stated objectives is to continue to focus on organic growth through product innovations and distribution penetration. Hitherto, the Indofood Group leverages its own industry competence outside Indonesia by conducting businesses through local noodles manufacturing and marketing companies in the relevant markets. Developing a market with the expertise of the local noodles manufacturing and marketing companies is a key success factor to the Indofood Group, given that such companies cover the necessary set-up costs, production and distribution costs and the required advertising and promotion expenses to develop the new markets where the Indofood Group can then provide its services. In view of the above, we concur with the management of Indofood that such a strategy is beneficial to both the Company and the Shareholders.

(b) The 2011-2013 Noodles Business Transactions

The 2011-2013 Noodles Business Transactions comprise transactions with DUFIL (the "**DUFIL Transactions**"), Pinehill (the "**Pinehill Transactions**") and the SAWAZ Group (the "**SAWAZ Transactions**") in relation to the Noodles Business.

We noted that all existing agreements in relation to the existing noodles business transactions entered into by the Indofood Group will expire on 31 December 2010. Accordingly, it is proposed that upon approval of the Independent Shareholders, the Indofood Group will enter into new framework agreements for the relevant 2011-2013 Noodles Business Transactions with the respective counterparties (collectively, the "**Noodles Agreements**") commencing from 1 January 2011 to 31 December 2013. It is noted that the Noodles Agreements can be renewed for further three years upon expiration, subject to the Listing Rules and any applicable laws and regulations.

Pursuant to the Noodles Agreements, the Indofood Group and the relevant counterparties will enter into one or more detailed implementing agreements (the "**Noodles Implementing Agreements**") setting out detailed terms and conditions for the provision of the following supply and services by the Indofood Group, which are essential for the counterparties to produce and market instant noodle products under the brand names of the Indofood Group:

(1) the sale and supply of ingredients and noodle seasonings for instant noodle products;

(2) the sale and supply of packaging materials for the production of instant noodle products;

(3) the licensing of trademark for the use of the related trademark owned by Indofood; and

(4) the provision of technical assistance services in connection with instant noodle manufacturing operations.

(c) Principal business and expansion strategies of DUFIL, Pinehill and the SAWAZ Group

We were advised that DUFIL and Pinehill have been principally engaged in the manufacture, sale and distribution of instant noodles products in Nigeria (for DUFIL) and in the Middle East (for Pinehill) respectively for more than 15 years, while the SAWAZ Group is a group of joint venture companies established or to be established between the Salim Group and its business partner, which have been or are intended to be principally engaged in manufacture, sale and distribution of instant noodle products in certain countries in the Middle East and Africa. In recent years, DUFIL has expanded its export business to Ghana; whereas Pinehill has expanded its export business to certain countries in Africa except for those countries currently covered by DUFIL and the SAWAZ Group. We were also advised that as at the date of the Circular, save for the instant noodle products under the trademark of "Indomie", DUFIL had not conducted any manufacture, sale and distribution of instant noodle products under other trademarks; while the instant noodle products under the trademark of "Indomie", "Supermi" and "Pop Mie" manufactured by Pinehill and the SAWAZ Group in aggregate accounted for over 90% of their total sales volume.

We were also advised that the DUFIL Transactions and the Pinehill Transactions have long been revenue and profit contributors to the Group. As disclosed in the Company's annual report for the year ended 31 December 2009 (the "**2009 Annual Report**"), the Group's aggregate annual income derived from the existing noodles business transactions for the year ended 31 December 2009 amounted to about US$58.9 million. Furthermore, the management of Indofood confirmed that the gross profit margins of the Indofood Group generated from the existing noodles business transactions for the year ended 31 December 2009 and the nine months ended 30 September 2010 were higher than those derived from the Indofood Group's own sales of its instant noodles products manufactured in the domestic market of Indonesia for the relevant periods.

As advised by the management of Indofood, the SAWAZ Group has already commenced commercial operations in Syria and Egypt and expects to commence business in Sudan, Kenya and Yemen in 2011. The management of Indofood confirmed that the initial demand for the instant noodle products in Syria and Egypt met their expectation and the relevant gross profit margins for the year ended 31 December 2009 and the nine months ended 30 September 2010 were higher than those derived from the Indofood Group's own sales of its instant noodles products manufactured in the domestic market of Indonesia. The SAWAZ Group intends to further extend its market presence to other countries in the Middle East and Africa including Morocco, Tunisia, Turkey and Ethiopia in the next three years.

In view of the successful launch of instant noodles products through DUFIL, Pinehill and the SAWAZ Group in certain major countries in the Middle East and Africa under the brand names of Indofood, it is reasonable to expect that each of the 2011-2013 Noodles Business Transactions will continue to take place on a regular and frequent basis in the Group's ordinary and usual course of business in the foreseeable future. Thus, we concur with the Executive Directors' view that the continuing business relationship with DUFIL, Pinehill and the SAWAZ Group will play a significant role in helping the Group in the implementation of its expansion strategy in the Middle East and Africa, which in turn would further enhance the geographical expansion and presence of its Noodles Business.

(d) Conclusion

Based on the foregoing, we are of the view that the entering into of the Noodles Agreements together with the adoption of the 2011-2013 Noodles Caps are conducted in the ordinary and usual course of business of the Group and are in the interests of both the Company and the Shareholders as a whole in that respect.

2. Principal terms of the Noodles Agreements

The management of Indofood has confirmed to us that the Noodles Agreements and each category of transactions of similar nature contemplated thereunder will consist of similar terms and conditions and on normal commercial terms, and particularly, the price/fee to be charged by the Indofood Group/ICBP will be in line with the current pricing/fee structure adopted. We have reviewed the draft Noodles Agreements and noted that the terms of each of the Noodles Agreements in relation to DUFIL, Pinehill and the SAWAZ Group are similar.

Set out below are the principal terms of the 2011-2013 Noodles Business Transactions contemplated under the Noodles Agreements:

(a) Nature of the transactions

Pursuant to the Noodles Agreements, the Indofood Group/ICBP and each of DUFIL, Pinehill and the SAWAZ Group will enter into the Noodles Implementing Agreements for each of the following supplies and services commencing from 1 January 2011 and expiring on 31 December 2013:

(1) the sale and supply of ingredients and noodle seasonings for instant noodle products;

(2) the sale and supply of packaging materials for the production of instant noodle products;

(3) the licensing of trademark for the use of the related trademark owned by Indofood; and

(4) the provision of technical assistance services in connection with instant noodle manufacturing operations.

The Executive Directors have confirmed that the above supplies and services provided by the Indofood Group/ICBP to DUFIL, Pinehill and the SAWAZ Group have been and will be solely used for their production of instant noodle products for sale in their respective markets.

(b) Pricing basis

Pursuant to the Noodles Agreements, the Indofood Group/ICBP will enter into the Noodles Implementing Agreements with each of the counterparties setting out detailed terms and conditions for the provision of the aforesaid supplies and services. As a general principle, all Noodles Implementing Agreements shall be for a fixed period of not exceeding three years and reflect normal commercial terms. In the event that the duration is longer than three years, the Indofood Group will comply with the requirement under the Listing Rules to obtain an independent financial adviser's opinion. The selling prices/fees shall be determined by and mutually agreed between the relevant contracting parties from time to time based on prevailing market conditions which is expected to be no less favourable to the Indofood Group than to other independent third parties. The Executive Directors have confirmed to us that the transactions contemplated under the Noodles Agreement have comparable transactions with independent third parties. In such regard, we have reviewed the relevant recent invoices and agreement of similar transactions with independent third parties provided by the Group. The Executive Directors further confirmed that similar approach and basis will be used in setting the future prices/fees of the 2011-2013 Noodles Business Transactions such that, if applicable, the then prevailing prices/fees of similar comparable transactions will be used as market references to the 2011-2013 Noodles Business Transactions. We were advised that it is the intention of the Indofood Group/ICBP to set the expiry dates of the Noodles Implementing Agreements as at 31 December 2013. Given the above, we consider that the pricing basis is fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

3. Requirements of the Listing Rules

For each financial year of the Company during the terms of each of the Noodles Agreements relating to the 2011-2013 Noodles Business Transactions, the subject transactions will be subject to review by the Independent Non-executive Directors and the Company's auditors as required by the provisions of the Rules 14A.37 and 14A.38 of the Listing Rules respectively. The Independent Non-executive Directors must confirm in the annual report and accounts that the 2011-2013 Noodles Business Transactions have been entered into:

- in the ordinary and usual course of business of the Company;

- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and

- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Furthermore, the Listing Rules require that the Company's auditors must provide a letter to the Board (with a copy provided to the Exchange at least ten business days prior to the bulk printing of the annual report of the Company), confirming that the 2011-2013 Noodles Business Transactions:

- have received the approval of the Board;

- are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;

- have been entered into in accordance with the relevant agreement governing the transactions; and

- have not exceeded the annual caps disclosed in its previous announcement.

It was stated in the 2009 Annual Report that, pursuant to Rule 14A.37 of the Listing Rules, the Independent Non-executive Directors have confirmed that for the year ended 31 December 2009, each of the continuing connected transactions, including the existing noodles business transactions, has been entered into (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms or on terms no less favourable to Indofood Group than terms available to independent third parties; (3) in accordance with the relevant agreement except for the granting of an extension of payment terms to a connected party in settlement of invoices; and (4) on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditors of the Company have performed a review of the continuing connected transactions, including the existing noodles business transactions, for the year ended 31 December 2009 and have confirmed that such continuing connected transactions were conducted in the manner stated in Rule 14A.38 of the Listing Rules except for the granting of an extension of payment terms to a connected party in settlement of invoices.

Given the above, we are of the opinion that there will be sufficient procedures and arrangements in place to ensure that the 2011-2013 Noodles Business Transactions will be conducted on terms that are fair and reasonable and on normal commercial terms as far as the Independent Shareholders are concerned.

4. Annual Caps

(a) Overview of the instant noodles market

Set out in Table One below are the major consumers of instant noodles by country/union in terms of the consumption volume and their respective consumption volume for each of the five years ended 31 December 2009:

Table One

	For the year ended 31 December									
	2005		2006		2007		2008		2009	
	billion packets	*% (Note)*	*billion packets*	*% (Note)*	*billion packets*	*% (Note)*	*billion packets*	*% (Note)*	*billion packets*	*% (Note)*
China (including Hong Kong)	44.26	51.5	46.79	50.9	45.81	48.4	42.53	46.5	40.86	44.6
Indonesia	12.40	14.4	14.09	15.3	14.99	15.8	13.70	15.0	13.93	15.2
Japan	5.43	6.3	5.44	5.9	5.46	5.8	5.10	5.6	5.34	5.8
Nigeria	0.65	0.8	0.70	0.8	1.08	1.1	1.40	1.5	1.60	1.7
Gulf Cooperation Council Countries (including Saudi Arabia)	0.55	0.6	0.60	0.7	0.67	0.7	0.69	0.8	0.73	0.8
Global	85.99		91.96		94.69		91.39		91.54	

Source: World Instant Noodles Association

Note: These represent the proportion of the total global consumption volume.

As illustrated in Table One above, the global demand for instant noodles increased from 2005 to 2007 but dropped in 2008, which is mainly attributable to the global economic crisis in that year. China (including Hong Kong) has been the largest consumer in the world and consumed over 40% of global supply of instant noodles from 2005 to 2009. Notwithstanding the decrease in global demand of instant noodles in 2008, it is noted that the demand for instant noodles in Nigeria and Gulf Cooperation Council Countries (including Saudi Arabia), which are among the geographical locations of the target markets of DUFIL, Pinehill and the SAWAZ Group, continued to increase with a cumulative annual growth rate of about 25% and 7% respectively from 2005 to 2009. Based on our discussion with the management of Indofood regarding the principal factors driving the growth of the instant noodles market, in particular, in the Middle East and Africa, we noted that the continuous growth in global demand for instant noodles principally results from (1) the functional concept of convenience epitomised and embodied by the products; (2) the characteristics of easy preparation, preservability, affordability, rich taste and numerous flavour choices of instant noodles; (3) the increase in the global population; and (4) the fast-vanishing time, skill and knowledge of cooking.

In view of (1) the rising demand for convenience food and continuous innovation in product flavours and packaging; (2) the increasing popularity of instant noodles as a substitute staple food in the global market; (3) the growing population of the respective target markets of DUFIL, Pinehill and the SAWAZ Group in the recent years; and (4) the cumulative annual growth rate of consumption for instant noodles in Nigeria and Gulf Cooperation Council Countries (including Saudi Arabia) of about 25% and 7% respectively from 2005 to 2009 as discussed above, the management of Indofood expects that the growth rate of demand for instant noodles in the respective markets of DUFIL, Pinehill and the SAWAZ Group will continue to outpace the average growth rate of the global demand.

Given the above, it is considered to be reasonable for the Group to increase the estimated transaction volumes of the 2011-2013 Noodles Business Transactions in general, anticipating an increase in local demand for instant noodles products under the brand names of "Indomie" in the respective market of DUFIL and "Indomie", "Supermi" and "Pop Mie" in the respective markets of Pinehill and the SAWAZ Group.

(b) The 2011-2013 Noodles Caps

(i) The historical record of the transaction volumes of the DUFIL Transactions, the Pinehill Transactions and the SAWAZ Transactions

Set out below are details of the actual transacted amount of each of the DUFIL Transactions, the Pinehill Transactions and the SAWAZ Transactions for each of the two years ended 31 December 2009 and the nine months ended 30 September 2010 respectively; and the comparison of the transacted amount with the relevant annual cap for the two years ended 31 December 2009 set out in the June 2008 Circular (the "**Noodles Utilisation Rate(s)**"):

Table Two

	For the year ended 31 December		**For the nine months ended 30 September**
	2008	**2009**	**2010**
	US$ million	*US$ million*	*US$ million*
(1) DUFIL Transactions	22.9	14.8	15.9
Noodles Utilisation Rate:	47.5%	20.9%	Note
(2) Pinehill Transactions	27.5	41.7	37.7
Noodles Utilisation Rate:	47.6%	52.7%	Note
(3) SAWAZ Transactions	1.7	2.4	2.8
Noodles Utilisation Rate:	10.9%	7.3%	Note

Note: Due to the seasonal factors in the respective markets of DUFIL, Pinehill and the SAWAZ Group, we do not consider it appropriate to estimate the Noodles Utilisation Rates for the year ending 31 December 2010 by annualising the actual transacted amount for the nine months ended 30 September 2010, as such estimates may not be accurately reflective of the actual Noodles Utilisation Rates.

DUFIL Transactions

As illustrated above in Table Two, it is noted that the transacted amounts decreased by about 35% in 2009. We were advised that the downturn result in 2009 was mainly due to (1) the decrease in the sales of noodle seasonings and packaging materials outweighing the increase in the sales of premix ingredients to DUFIL given that DUFIL has been operating its own packaging factory and blending and packing factory since 2009; and (2) the unanticipated increase in market competition due to emergence of new competitors. These unexpected factors also contribute to the relatively low Noodles Utilisation Rates for the DUFIL Transactions in 2009.

Notwithstanding the above, based on our discussion with the management of Indofood, it is expected that certain new products under the brand name of "Indomie" to be launched in 2011, which involves new formulae of ingredients, noodle seasonings and packaging appearance that are required to be sourced from the Indofood Group, will significantly increase the sales volume of instant noodle products, the relevant ingredients, noodle seasonings and packaging materials.

Pinehill Transactions

There has been an upward trend for the transacted amounts of the Pinehill Transactions, and this was generally in line with the respective growing trend in the sales amount of the instant noodle products marketed by Pinehill for the recent financial years. It is also noted that the Noodles Utilisation Rates for the Pinehill Transactions was around 50% in both 2008 and 2009.

SAWAZ Transactions

It is noted that the Noodles Utilisation Rates of the SAWAZ Transactions remained low at about 11% and 7% in 2008 and 2009 respectively. According to the management of Indofood, such relatively low utilisation rates were primarily due to (1) the delay in the commencement of operations in Egypt, Sudan and Yemen resulting from the delay in construction of factories in those locations; and (2) that the SAWAZ Group sourced most of the ingredients and noodle seasonings from Pinehill instead of the Indofood Group.

Notwithstanding the above, based on our discussion with the management of Indofood and after taking into account that (1) the operation in Egypt has already commenced in 2010; (2) the factories in Sudan, Yemen and Kenya are expected to be ready for commercial production in 2011; and (3) given the expansion plan of the SAWAZ Group to enhance its market coverage to certain other countries in the Middle East and Africa, including Morocco, Tunisia, Turkey and Ethiopia, the transaction volume of the SAWAZ Transactions is expected to increase significantly in the next three years.

(ii) The bases of determination of the 2011-2013 Noodles Caps

The following table sets out the details of the 2011-2013 Noodles Caps:

Table Three

		For the year ending 31 December		
		2011	**2012**	**2013**
		US$ million	*US$ million*	*US$ million*
(1)	DUFIL Transactions	50.8	61.5	74.3
(2)	Pinehill Transactions	130.0	154.9	189.0
(3)	SAWAZ Transactions	14.8	26.1	37.1
Total		**195.6**	**242.5**	**300.4**

We noted that an upward trend is generally expected by the Executive Directors for each of the 2011-2013 Noodles Caps for the three years ending 31 December 2013. We have discussed with the management of Indofood regarding the underlying reasons and noted that they have principally taken into account (1) the expected increase in demand for instant noodle products in the targeted markets of DUFIL, Pinehill and the SAWAZ Group; (2) the sales volume projections in respect of the instant noodle products to be manufactured and sold by DUFIL, Pinehill and the SAWAZ Group in their respective markets for each of the three years ending 31 December 2013; (3) the projected annual level of supply of ingredients, noodle seasonings and packaging materials to DUFIL, Pinehill and the SAWAZ Group for the three years ending 31 December 2013 based on sales volume projections as mentioned above; (4) that the unit prices of the ingredients, noodle seasonings and packaging materials to be sold to DUFIL, Pinehill and the SAWAZ Group will increase along with the domestic inflation; (5) that the estimated royalty and technical service fees to be charged to DUFIL, Pinehill and the SAWAZ Group are based on the sales amount of the instant noodle products and fixed royalty and technical service rates for the three years ending 31 December 2013; and (6) the adoption of general buffers of 30% for the DUFIL Transactions, the Pinehill Transactions and the SAWAZ Transactions to accommodate unanticipated future variations in sales volume and price adjustments.

In our assessment of the respective reasonableness and fairness of the 2011-2013 Noodles Caps, we have reviewed the sales volume projections for the three years ending 31 December 2013 compiled by DUFIL, Pinehill and the SAWAZ Group and discussed with the management of Indofood the underlying bases and assumptions related thereto. We concur with the Executive Directors' view that it will be fair and reasonable and in the interests of both the Company and the Shareholders to set the 2011-2013 Noodles Caps at the proposed levels, after taking into consideration the following:

- the upward trend of demand for instant noodles in Nigeria and Gulf Cooperation Council Countries (including Saudi Arabia) with a cumulative annual growth rate of about 25% and 7% from 2005 to 2009 respectively as discussed in section (A)(4)(a) above;

- the continuing enhancement of production capacity of DUFIL with the plans to (1) launch additional production lines in 2011 and 2013; (2) establish a new production plant in 2011; and (3) replace low productivity machineries with advanced models which are expected to enhance the production rate, aiming to increase the production capacity of DUFIL by about 29% from 2009 to 2013 to capture the expected increases in demand in its core market of Nigeria which has the highest population in the Western African continent, with a population of about 154.7 million in 2009;

- the expansion plan of Pinehill to enhance its production capacity by installing new production lines in 2011 to 2013, in order to accommodate (1) the increasing domestic demand for instant noodle products; and (2) the launch of new instant noodle products with an aim to capture the market shares and brand recognition in the existing markets, namely Saudi Arabia which is one of the major countries in terms of population within the Middle East region with population of about 25.4 million in 2009;

- the expansion plan of the SAWAZ Group to (1) construct a number of factories and production lines from 2011 to 2013 to accommodate the increasing local demand for its targeted markets including Syria and Egypt; and (2) increase its market coverage to other major countries in the Middle East and Africa including Sudan, Yemen, Kenya, Morocco, Tunisia, Turkey and Ethiopia in 2011 and 2012;

- the expected significant increase in demand for premix ingredients for blending and packing production and reduction in demand for noodle seasonings by DUFIL and Pinehill since 2009, given that DUFIL and Pinehill are currently capable of producing noodle seasonings through their own production facilities;

- the significant increase in demand for packaging materials from DUFIL, Pinehill and the SAWAZ Group to accommodate the expected increase in their sales volume of instant noodle products following the launch of new products in 2011 to enhance their competitive advantages and market shares in their respective targeted markets;

- that the increases in the selling prices of ingredients, noodle seasonings and packaging materials of DUFIL, Pinehill and the SAWAZ Group ranging from about 3.5% to 5% are not considered to be excessive given that the inflation rate of the respective targeted markets of DUFIL, Pinehill and the SAWAZ Group ranged from approximately 2.9% to 19.3% in 2009; and

- that a general buffer of 30% is adopted after taking into account (1) the uncertainty in the growth rate of the unit selling prices in view of the increase in volatility in the price of crude oil and agricultural commodities, in particular, the all countries spot price of crude oil increased in four out of the last five years with growth rates ranging from about 8% to 99%; (2) the uncertainty in the growth rate of demand for instant noodle products in the existing market of DUFIL, Pinehill and the SAWAZ Group; and (3) the possibility of experiencing higher than expected demand of instant noodles products in the potential new markets of the SAWAZ Group.

(iii) Conclusion

Based on the factors and reasons discussed above, we are of the view that the 2011-2013 Noodles Caps are set by the Executive Directors after careful and due consideration and are fair and reasonable so far as the Shareholders are concerned and in the interests of both the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):–

- that the supplies and services under the DUFIL Transactions, the Pinehill Transactions and the SAWAZ Transactions are essential for DUFIL, Pinehill and the SAWAZ Group to produce and market instant noodle products under the brand names of the Indofood Group in the Middle East and Africa markets;

- that the DUFIL Transactions, the Pinehill Transactions and the SAWAZ Transactions facilitate the Indofood Group's ability to leverage the expertise in the Middle East and Africa markets, which in turn would enhance the geographical presence of the Noodles Business;

- that the pricing terms as provided under each of the Noodles Agreements are fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole;
- the control and review procedures and arrangements in place to safeguard the interests of the Company and the Shareholders in relation to the 2011-2013 Noodles Business Transactions; and
- that the 2011-2013 Noodles Caps have been set by the Executive Directors, after careful and due considerations, at a level which will be in the interests of both the Company and the Shareholders, in view of the positive growth factors as discussed in details above,

we consider that the Noodles Agreements will be entered into within the ordinary and usual course of business of the Group based on normal commercial terms and their respective terms and conditions together with the 2011-2013 Noodles Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the Shareholders' Meeting to approve the 2011-2013 Noodles Business Transactions and the adoption of the 2011-2013 Noodles Caps.

B. Plantations Business

1. Background of and reasons for the 2011-2013 Plantations Business Transactions and the 2011-2013 Plantations Caps

(a) The existing agribusiness and expansion strategy of the Indofood Group

The Indofood Group conducts vertically integrated agribusinesses in Indonesia through Indofood Agri Resources Ltd., a listed company in Singapore and LSIP, a listed company in Indonesia and their respective subsidiaries (the "**Indofood Plantation Group**"). The Indofood Plantation Group, a major producer of edible oils and fats in Indonesia with widely accepted and recognised brands, is principally engaged in research and development, oil palm seed breeding, cultivation of oil palm plantations, production and refining of crude palm oil and crude coconut oil, cultivation of rubber and sugar canes plantations and marketing and selling of other related products. The Indofood Plantation Group also manages and cultivates cocoa, coconut, tea, and coffee plantations, and processing, marketing and selling of related agricultural products.

As advised by the management of Indofood, the Indofood Plantation Group had planted area of 232,650 hectares as of 30 September 2010, of which 196,455 hectares and 21,699 hectares are planted with oil palm and rubber, respectively, while the remainder of 14,496 hectares are planted with other crops such as sugar cane, cocoa, tea, and coconut. As stated in the 2009 Annual Report, it is noted that one of its business strategies is to expand oil palm and sugar plantation area by new planting. In order to achieve the stated objective, the management of Indofood intends to continue the plantation progress with new planting of about 20,000 hectares per annum. This expansion is being made after considering (1) the upward trend of price of the crude palm oil, the rising wages, production costs and inflation in recent years; (2) the large reserve of unplanted land bank; (3) that the progress of planting program was adversely affected following the global financial crisis in 2008; (4) the objective to achieve self-sufficiency for its production of edible oils and fats business through vertical integration of the agribusiness; and (5) boosting competitiveness by leveraging economies of scale for higher productivity and reducing unit cost of production.

(b) The Indofood Plantation Group's contribution to the Indofood Group's success in business developments and expansions

The Indofood Plantation Group is based in Indonesia and owns plantation land for oil palm and sugar cane cultivation. We were advised that majority of the crude palm oil required for production of the edible oils and fats is sourced internally. It is the intention of the Indofood Group to continue this vertically integrated business model in the coming three years.

We were advised that the 2011-2013 Plantations Business Transactions are essential and imperative to the integrated supply chains of crude palm oil and sugar within the Indofood Group, aiming to (1) vertically integrate the production of edible oils and fats and consumer branded products business of the Indofood Group and the oil palm and sugar cane plantation business of the Indofood Plantation Group; (2) ensure necessary equipments and facilities in place for the cultivation of oil palm plantations; (3) secure reliable sources of high-quality crude palm oil attributable to the self-developed high quality seeds to fulfil the internal demand from the Indofood Group; (4) facilitate the transportation of crude palm oil and fresh fruit bunches to the production facilities of the Indofood Plantation Group; (5) utilise the technology developed by the research facilities of the Indofood Plantation Group to improve the yield rate and quality of palm oil; and (6) enhance productivity and achieve cost efficiency.

In view of the foregoing, we concur with the view of the management of Indofood that the vertical integration strategy as described above is beneficial to the overall business of the Indofood Group.

(c) The 2011-2013 Plantations Business Transactions

We noted that all existing agreements in relation to the existing plantations business transactions entered into by the Indofood Group will expire on 31 December 2010, save for the Leasing Transaction (as defined in subsection (i) below). Accordingly, it is proposed that upon approval of the Independent Shareholders, the Indofood Group will enter into new framework agreements for the 2011-2013 Plantations Business Transactions with the respective counterparties commencing from 1 January 2011 to 31 December 2013 except for the Leasing Transaction (as defined in subsection (i) below) which bears a term of 20 years expiring on 31 May 2016 (collectively, the "**Plantations Agreements**"). It is noted that the Plantations Agreements can be renewed for a further three years upon expiration, subject to the Listing Rules and any applicable laws and regulations.

Details of the 2011-2013 Plantations Business Transactions are set out as follows:

(i) Lease of land from AS by SIMP (the "**Leasing Transaction**")

SIMP, a subsidiary of Indofood, is principally engaged in oil palm plantations, crude palm oil milling, production of branded cooking oil and other related products. AS, a wholly-owned subsidiary of the Salim Group, owns a particular land in North Jakarta which is the present site of one of the refinery facilities of SIMP.

The agreement in relation to the Leasing Transaction entered into between SIMP and AS is for a term of 20 years, which came into effect in 1996. Notwithstanding this, since 1984, the relevant land is being utilised by SIMP for the establishment of its refinery facilities. We were advised that the total annual rental charge is about Rp550 million (equivalent to about US$0.1 million), amounting to Rp11 billion (equivalent to about US$1.2 million) for the entire 20-year term, which has already been settled in full by SIMP in 1996. We were advised that the Indofood Group has no present intention to relocate its refinery facilities elsewhere; while AS also currently has no intention to dispose of or use any part of the aforesaid land for its business operation prior to the expiration of the agreement in relation to the Leasing Transaction.

In view of the above, and after taking into account its cost and time effectiveness in terms of savings on facilities relocation and rental payment and for the avoidance of operation interruption, and that, as advised by the management of Indofood, SIMP and AS have no intention to alter any terms of the Leasing Transaction, we concur with the view of the Executive Directors that the continuing of the Leasing Transaction is beneficial to SIMP.

(ii) Provision of pumping and loading services by STP to SIMP and its subsidiaries (the "**Pumping Services**")

As advised by the management of Indofood, STP is a wholly owned subsidiary of the Salim Group and is principally engaged in the pumping service business at Dumai port in Indonesia, where the bulk storage tanks of SIMP are located. We were also advised that SIMP and its subsidiaries (the "**SIMP Group**") have been utilising the pumping facilities owned by STP to infuse or extract crude palm oil into or from its storage tanks for more than 10 years.

Having considered the proximity of location and the favourable service fee levied by STP facilitating the storage and transportation process of crude palm oil at a cost effective rate, we concur with the view of the Executive Directors that the Pumping Services are beneficial to the SIMP Group.

(iii) Provision of various services by RMK to the SIMP Group (the "**RMK Services**")

We were advised by the management of Indofood that RMK, a wholly-owned subsidiary of the Salim Group, is principally engaged in the trading and rental of heavy equipment and building materials, which are applicable to SIMP Group's oil palm plantation activities. The various services provided by RMK to the SIMP Group are (1) lease of heavy equipments; (2) purchase of heavy equipments; (3) lease of office space and buildings; (4) purchase of building materials; (5) transportation services by truck/tugboat/barge for the transportation of crude palm oil and fresh fruit bunches; and (6) lease of trucks.

We were advised that it would be more cost effective for the SIMP Group to lease and purchase the necessary heavy equipments from RMK for their plantation activities purposes, given that unit whole-sale prices will be offered by RMK to the SIMP Group even when making their purchases in small quantities, which are not available from any independent suppliers.

As advised by the management of Indofood, the SIMP Group has been leasing an office unit from RMK for administrative purposes since 2004 at a cost effective rate. In order to accommodate the expansion of the oil palm plantation business, the SIMP Group has also leased another office in 2010 from RMK. As confirmed by the management of Indofood, the SIMP Group has no present intention to relocate its offices elsewhere; while RMK has no present intention to dispose of or use such offices for its business operation in the short to medium term. In view of the above, and after taking into account the cost and time effectiveness in terms of savings on office relocation and rental payment, and for the avoidance of business interruption, we concur with the view of the Executive Directors that the lease of office spaces from RMK is beneficial to the Indofood Group.

For the construction of plantation offices, warehouse and other buildings which are required by their respective estates for management of new plantation area, the SIMP Group has to purchase building materials (mostly plywood). We were advised that the selection of RMK by the SIMP Group as its supplier of building materials is mainly attributable to the satisfactory quality and prices of its building materials. Given (1) that the selling price of plywood from RMK is lower than independent suppliers; (2) the close proximity between the SIMP Group and RMK; and (3) the consistency of the quality of the building materials required by the SIMP Group, we concur with the view of the Executive Directors that the purchase of building materials from RMK is beneficial to the Indofood Group.

We were advised that the transportation services of crude palm oil and fresh fruit bunches are provided by way of truck, tugboat or barge. Given (1) that the transportation fee offered by RMK is lower than independent suppliers; (2) the close proximity between the SIMP Group and RMK; and (3) that RMK is familiar with the requirement of the quality standard of the SIMP Group following a long term business relationship, we concur with the view of the Executive Directors that the use of the transportation services from RMK is beneficial to the SIMP Group.

In light of the above, we concur with the Executive Directors' view that the RMK Services are beneficial to the Indofood Group.

(iv) Transactions between the IGER Group and the SIMP Group (the "**IGER Transactions**")

We were advised that the SIMP Group is principally engaged in, among others, the breeding of seedlings and the research on plantation technology. One of the objectives of the SIMP Group is to develop high quality seedlings for the production of high quality and high yield palm oil in the plantation land of the Indofood Plantation Group. The IGER Group comprises of joint venture companies between SIMP and the Salim Group and is principally engaged in, among others, the oil palm plantation business. The transactions between the IGER Group and the SIMP Group are (1) research services provided by the SIMP Group; (2) sale of oil palm seedlings to the IGER Group; (3) purchase of crude palm oil, fresh fruit bunches and palm kernel by the SIMP Group; and (4) lease of office space owned by the SIMP Group to the IGER Group.

According to the management of Indofood, it is the current intention of the SIMP Group that upon the maturity of the IGER Group's oil palm plantations, it will source the crude palm oil produced by the IGER Group for the processing of its edible oils and fats. In view of that (1) a stable supply of high quality and high yield rate seedlings can be secured for use in the oil palm plantation of the IGER Group; (2) a stable supply of high quality and high yield rate crude palm oil can be secured, which in turn ensures the quality standard of the edible oils and fats to be produced by the SIMP Group; and (3) the SIMP Group is capable to provide various research services including, but not limited to, land and soil feasibility study, drainage and water management and fertiliser recommendation to build up an optimal environment for the oil palm plantation with an aim to develop high quality and high yield rate palm oil seedlings, we concur with the view of the Executive Directors that the IGER Transactions can vertically integrate the production of high quality edible oils and fats and are therefore beneficial to the Indofood Group.

We were advised that the SIMP Group owns an available office space which the SIMP Group currently has no intention to dispose of or use any part of the aforesaid office spaces for its business operation. Given that (1) the lease of office space to the IGER Group can utilise excess resources of the SIMP Group and generate additional income; and (2) the rental fee charged to the IGER Group is considered to be fair and reasonable as detailed in section (B)(2)(c) below, we concur with the view of the Executive Directors that the lease of office space is beneficial to the SIMP Group.

(v) Provision of consulting and technical services for project development by IKU to LPI (the "**Consulting Services**")

We were advised that IKU provides various consulting and technical services for project development including, but not limited to, soil survey, integrated environment feasibility study, placement of engineers, environment management and preparation of monitoring report to build up an optimal environment and monitor the environmental impact of the sugar cane plantation. We were also advised that IKU employs a team of qualified engineers who are capable to prepare such reports. The management of Indofood believes that the Consulting Services are essential and imperative to the quality and yield of sugar cane of LPI as well as the compliance with the relevant Indonesian laws and regulations. In this regard, we concur with the Executive Directors' view that the Consulting Services are beneficial to the Indofood Group.

(vi) Purchase of sugar from LPI by the Indofood Group (the "**Sugar Transactions**")

LPI is principally engaged in the business of sugar cane plantation development in Indonesia. LPI owns a sugar cane plantation in South Sumatra with total planted area of approximately 10,800 hectares as of September 2010 and a sugar cane production factory is expected to commence production in 2011. LPI also owns a sugar cane production factory in Central Java which was renovated and commissioned in 2009 and has started sugar cane milling operations in June 2010. The Indofood Group is principally engaged in, among others, the production of consumer branded products which require sugar as one of the raw materials. After taking into account the above and (1) that the sugar produced by LPI with satisfactory quality is expected to be available starting from 2012; and (2) the available production capacity of LPI following production of the new factory of LPI in 2011, the management of Indofood considers that the Sugar Transactions are essential to secure adequate sugar supply to fulfil the internal demand of sugar in view of the expected increase in demand for the consumer branded products of the Indofood Group. In this regard, we concur with the Executive Directors' view that the Sugar Transactions are beneficial to the Indofood Group.

(vii) Sale of deep frying oil from the SIMP Group to FFI (the "**Oil Transactions**")

As stated in the Letter from the Board, FFI is principally engaged in food and restaurant operations. It is the master franchise holder of Kentucky Fried Chicken (KFC) brand in Indonesia and operates 370 restaurant outlets. SIMP is principally engaged in, among others, the production of edible oils and fats. Considering that the entering into of the Oil Transactions will expand the customer base and revenue source of the SIMP Group, we concur with the Executive Directors' view that the Oil Transactions are beneficial to the SIMP Group.

(d) Conclusion

Given the above, we consider that the entering into of the Plantations Agreements together with the adoption of the 2011-2013 Plantations Caps are conducted in the ordinary and usual course of the Group's business and are in the interests of both the Company and the Shareholders as a whole.

2. Principal terms of the 2011-2013 Plantations Business Transactions

The Executive Directors confirmed to us that each of the transactions contemplated under the Plantations Agreements will be conducted on normal commercial terms, and particularly, the price/fee to be charged/paid by the Indofood Group (including the SIMP Group) will be in line with the current pricing/fee structure adopted.

Set out below are the principal terms of the Plantations Agreements:

(a) Pumping Services

(i) Nature of the transactions

STP agrees to provide services for pumping and channelling the crude palm oil and palm kernel into and out of the storage tanks of the SIMP Group for a term of three years commencing on 1 January 2011 and expiring on 31 December 2013.

(ii) Pricing basis

Pursuant to the relevant Plantations Agreements, the service fees regarding the Pumping Services shall be determined by and mutually agreed between the relevant contracting parties from time to time and based on prevailing market conditions which is expected to be no less favourable to the SIMP Group than to independent third parties. The Executive Directors have confirmed to us that the Pumping Services have comparable transactions with independent third parties. In such regard, we have reviewed the relevant agreement of similar transactions conducted by an independent third party provided by the Group. The Executive Directors further confirmed that similar approach and basis will be used in setting the future service fees of the Pumping Services such that, if applicable, the then prevailing services fees of similar comparable transactions will be used as market references to the Pumping Services. Considering that the service fees will be determined with reference to the prevailing market conditions, we consider that the pricing basis is fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

(b) RMK Services

(i) Nature of the transactions

RMK agrees to provide the following services to the SIMP Group: (1) lease of heavy equipments; (2) purchase of heavy equipments; (3) lease of office space and buildings; (4) purchase of building materials; (5) transportation services by truck/tugboat/barge for the transportation of crude palm oil and fresh fruit bunches; and (6) lease of trucks, for the oil palm plantation businesses for a term of three years commencing on 1 January 2011 and expiring on 31 December 2013.

(ii) Pricing basis

The SIMP Group and RMK will enter into separate implementing agreements for each of the services to be provided (the "**RMK Implementing Agreements**") which set out detailed terms and conditions of the RMK Services. As a general principle, each of the RMK Implementing Agreements shall be for a fixed period of not exceeding three years, on normal commercial terms. The selling prices/fees shall be determined by and mutually agreed between the relevant contracting parties from time to time and based on prevailing market conditions which is expected to be no less favourable to the SIMP Group than to independent third parties. The Executive Directors have confirmed to us that the RMK Services have comparable transactions with independent third parties. In such regard, we have reviewed the relevant recent invoices and agreements of similar transactions with independent third parties provided by the Group. The Executive Directors further confirmed that similar approach and basis will be used in setting the future prices/fees of the RMK Services such that, if applicable, the then prevailing prices/fees of similar comparable transactions will be used as market references to the RMK Services. We were advised that it is the intention of the SIMP Group to set the expiry dates of the RMK Implementing Agreements as at 31 December 2013. Considering that the prices/fees will be determined with reference to the prevailing market conditions, we consider that the pricing basis is fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

(c) IGER Transactions

(i) Nature of the transactions

The transactions between the SIMP Group and the IGER Group are (1) research services provided by the SIMP Group; (2) sale of oil palm seedlings to the IGER Group; (3) purchase of crude palm oil, fresh fruit bunches and palm kernel by the SIMP Group; and (4) lease of office space from the SIMP Group to the IGER Group, for a term of three years commencing on 1 January 2011 and expiring on 31 December 2013.

The Executive Directors have confirmed that all seedlings to be supplied by either PT Sarana Inti Pratama ("SAIN") or LSIP to the IGER Group will be solely used in their plantation land.

(ii) Pricing basis

The SIMP Group and the IGER Group will enter into separate implementing agreements for each of the services to be provided (the "**IGER Implementing Agreements**") which set out detailed terms and conditions of the IGER Transactions. As a general principle, each of the IGER Implementing Agreements shall be for a fixed period of not exceeding three years, on normal commercial terms. The selling prices/fees shall be determined by and mutually agreed between the relevant contracting parties from time to time based on prevailing market conditions which are expected to be no less favourable to the SIMP Group than to independent third parties. The Executive Directors have confirmed to us that, save for the research services provided by the SIMP Group, the IGER Services have comparable transactions with independent third parties. In such regard, save for the research services, we have reviewed the relevant recent invoices and agreements of similar transactions with independent third parties provided by the Group. The Executive Directors further confirmed that similar approach and basis will be used in setting the future prices/fees of the IGER Transactions such that, if applicable, the then prevailing prices/fees of similar comparable transactions will be used as market references to the IGER Transactions. Notwithstanding the above, we were advised that it is the current intention of the Directors to judge whether the pricing bases of the research services are on normal commercial terms and on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties by taking into account the profit margin of the SIMP Group to be generated by providing the research services to the IGER Group as compared to the profit margin of the SIMP Group with reference to the estimated cost, including but not limited to staff cost and administrative cost, to be incurred in relation to the provision of the related research services. We were further advised that it is the intention of the SIMP Group to set the expiry dates of the IGER Implementing Agreements as at 31 December 2013. Considering that the prices/fees will be determined with reference to the prevailing market conditions, we consider that the pricing basis is fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

(d) Consulting Services

(i) Nature of the transaction

IKU agrees to provide certain consulting and technical services for project development (including soil survey, integrated environment feasibility study, mapping for plantation, placement of engineer, environment management and preparation of monitoring report and other related services) to LPI in order to build up an optimal environment and monitor the environmental impact of the sugar cane plantation for a term of three years commencing on 1 January 2011 and expiring on 31 December 2013.

(ii) Pricing basis

The service fees regarding the Consulting Services shall be determined by and mutually agreed between the relevant parties by entering into a letter of work instruction which specifies the scope, the procedure, the time schedule and the service fees quotation. Pursuant to the relevant agreement, the fees will be determined by the parties involved through arm's length negotiations with reference to prevailing market conditions which are expected to be no less favourable to LPI than to independent third parties. The Executive Directors have confirmed to us that the Consulting Services have comparable transactions with independent third parties. In such regard, we have reviewed the relevant agreements of similar transactions with independent third parties provided by the Group. The Executive Directors further confirmed that similar approach and basis will be used in setting the future service fees of the Consulting Services such that, if applicable, the then prevailing service fees of similar comparable transactions will be used as market references to the Consulting Services. Considering that the fees will be determined with reference to the prevailing market conditions, we consider that the pricing basis is fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

(e) Sugar Transactions

(i) Nature of the transaction

LPI agrees to sell and the Indofood Group agrees to purchase sugar in order to meet the sugar requirement of the Indofood Group for a term of three years commencing on 1 January 2011 and expiring on 31 December 2013.

(ii) Pricing basis

Pursuant to the relevant Plantations Agreement, the selling prices of the sugar shall be determined by and mutually agreed between the relevant contracting parties from time to time and based on prevailing market conditions which is expected to be no less favourable to the Indofood Group than to independent third parties. The Executive Directors have confirmed to us that the Sugar Transactions have comparable transactions with independent third parties. In such regard, we have reviewed the relevant recent invoices of similar transactions with independent third parties provided by the Group. The Executive Directors further confirmed that similar approach and basis will be used in setting the future prices of the Sugar Transactions such that, if applicable, the then prevailing prices of similar comparable transactions will be used as market references to the Sugar Transactions. Considering that the selling prices will be determined with reference to the prevailing market conditions, we consider that the pricing basis is fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

(f) Oil Transactions

(i) Nature of the transaction

The SIMP Group agrees to sell and FFI agrees to purchase deep frying oil for a term of three years commencing on 1 January 2011 and expiring on 31 December 2013.

(ii) Pricing basis

The selling prices of the deep frying oil shall be determined by and mutually agreed between the relevant contracting parties from time to time and based on prevailing market conditions which is expected to be no less favourable to the SIMP Group than to independent third parties. The Executive Directors confirmed to us that the Oil Transactions have comparable transactions with independent third parties. In such regard, we have reviewed the relevant recent invoices of similar transactions with independent third parties provided by the Group. The Executive Directors further confirmed that similar approach and basis will be used in setting the future selling prices of the Oil Transactions such that, if applicable, the then prevailing selling prices of similar comparable transactions will be used as market references to the Oil Transactions. Considering that the selling prices will be determined with reference to the prevailing market conditions, we consider that the pricing basis is fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

(g) Conclusion

In light of the foregoing, we are of the opinion that the respective terms and conditions of the Plantations Agreements are fair and reasonable, on normal commercial terms and in the interests of both the Company and the Shareholders as a whole.

3. Requirements of the Listing Rules

For each financial year of the Company during the terms of each of the Plantations Agreements relating to the 2011-2013 Plantations Business Transactions, the subject transactions will be subject to review by the Independent Non-executive Directors and the Company's auditors as required by the provisions of the Rules 14A.37 and 14A.38 of the Listing Rules respectively. The Independent Non-executive Directors must confirm in the annual report and accounts that the 2011-2013 Plantations Business Transactions have been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Furthermore, the Listing Rules require that the Company's auditors must provide a letter to the Board (with a copy provided to the Exchange at least ten business days prior to the bulk printing of the annual report of the Company), confirming that the 2011-2013 Plantations Business Transactions:

- have received the approval of the Board;
- are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;
- have been entered into in accordance with the relevant agreement governing the transactions; and
- have not exceeded the cap disclosed in its previous announcement.

It was stated in the 2009 Annual Report that, pursuant to Rule 14A.37 of the Listing Rules, the Independent Non-executive Directors have confirmed that for the year ended 31 December 2009, each of the continuing connected transactions, including the existing plantations business transactions, has been entered into (1) in the ordinary and usual course of business of the Company; (2) on normal commercial terms or on terms no less favourable to Indofood Group than terms available to independent third parties; (3) in accordance with the relevant agreement; and (4) on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditors of the Company have performed a review of the continuing connected transactions, including the existing plantations business transactions for the year ended 31 December 2009 and have confirmed that such continuing connected transactions were conducted in the manner stated in Rule 14A.38 of the Listing Rules.

Given the above, we are of the opinion that there will be sufficient procedures and arrangements in place to ensure that the 2011-2013 Plantations Business Transactions will be conducted on terms that are fair and reasonable and on normal commercial terms as far as the Independent Shareholders are concerned.

4. The 2011-2013 Plantations Caps

(a) Overview of demand of crude palm oil

Set out in Table Four below are the major consumers of crude palm oil by country in terms of the consumption volume and their respective consumption volume for each of the five reporting years ended 30 September 2010:

Table Four

	For the reporting year ended 30 September									
	2006		2007		2008		2009		2010	
	thousand metric tonnes	*% (Note)*	*thousand metric tonnes*	*% (Note)*	*thousand metric tonnes*	*% (Note)*	*thousand metric tonnes*	*% (Note)*	*thousand metric tonnes*	*% (Note)*
India	3,124	9.1	3,671	10.2	5,065	12.7	6,475	15.3	6,750	15.0
China	4,974	14.5	5,138	14.3	5,222	13.1	5,618	13.2	6,320	14.1
European Union	4,151	12.1	4,256	11.8	4,761	12.0	4,993	11.8	5,024	11.2
Indonesia	4,255	12.4	4,171	11.6	4,653	11.7	4,677	11.0	4,685	10.4
Malaysia	2,926	8.6	3,109	8.7	3,170	8.0	3,229	7.6	3,697	8.2
Pakistan	1,600	4.7	1,661	4.6	2,027	5.1	1,995	4.7	2,130	4.7
Others	13,198	38.6	13,952	38.8	14,902	37.4	15,433	36.4	16,335	36.4
Global	34,228		35,958		39,800		42,420		44,941	

Source: Trade Report of Oilseeds: World Market and Trade prepared by the United States Department of Agriculture

Note: These represent the proportion of the total global consumption volume.

As illustrated in Table Four above, India has been the largest consumer in the world in recent years, with its consumption volume growing at a cumulative annual growth rate of about 21% per annum during the five reporting years ended 30 September 2010. It is noted that notwithstanding the global financial crisis in 2008, the global palm oil consumption continued to increase during the reporting years ended 30 September 2009 and 2010 and achieved a cumulative annual growth rate of about 7% per annum during the five reporting years ended 30 September 2010.

Based on our review of the crude palm oil industry and discussion with the management of Indofood, we noted that the continuous growth in global demand for crude palm oil principally resulting from (i) the relatively higher prices of soybean oil, which is an alternative product of crude palm oil; (ii) the popularity of crude palm oil based edible vegetable oils; (iii) the strong demand for processed foods (especially instant noodles); (iv) the increase in the demand for crude palm oil as a renewable energy source; and (v) the continuing economic and demographic growth in key markets.

(b) *The historical record of the transaction volumes of the 2011-2013 Plantations Business Transactions*

Set out below are details of the actual transacted amount of each of the 2011-2013 Plantations Business Transactions for each of the two financial years ended 31 December 2009 and the nine months ended 30 September 2010 respectively; and the comparison of the transacted amount with the relevant annual caps as set out in the June 2008 Circular (the "**Plantation Utilisation Rate(s)**"):

Table Five

Type of the 2011-2013 Plantations Business Transactions	**For the year ended 31 December 2008** *US$ million*	**2009** *US$ million*	**For the nine months ended 30 September 2010** *US$ million*
(1) Leasing Transaction	0.1	0.1	0.0
Plantation Utilisation Rate:	100%	100%	Note 1
(2) Pumping Services	0.4	0.4	0.3
Plantation Utilisation Rate:	50%	44%	Note 1
(3) RMK Services *(Note 2)*	0.9	0.6	0.3
Plantation Utilisation Rate:	33%	18%	Note 1
(4) IGER Transactions *(Note 2)*	0.7	0.4	0.9
Plantation Utilisation Rate:	7%	3%	Note 1
(5) Consulting Services	0.0	0.0	–
Plantation Utilisation Rate:	0%	0%	Note 1
(6) Sugar Transactions *(Note 3)*	n.a.	n.a.	n.a.
Plantation Utilisation Rate:	n.a.	n.a.	n.a.
(7) Oil Transactions *(Note 2)*	n.a.	n.a.	1.0
Plantation Utilisation Rate:	n.a.	n.a.	Note 1

Notes:

1. Given that the transaction amount of the 2011-2013 Plantations Business Transactions are not evenly distributed for each month, we do not consider it appropriate to estimate the Plantation Utilisation Rates for the year ending 31 December 2010 by annualising the actual transacted amount for the nine months ended 30 September 2010, as such estimates may not be accurately reflective of the actual Plantation Utilisation Rates.

2. Certain transactions contemplated under the RMK Services, the IGER Transactions and the Oil Transactions are new continuing connected transactions of the Group entered into on 15 June 2010, details of which are set out in the June 2010 Announcement.

3. The Sugar Transactions are new continuing connected transactions of the Group, subject to the approval of the Independent Shareholders.

As illustrated in Table Five above, save for the Leasing Transaction, the Plantation Utilisation Rate for the other 2011-2013 Plantations Business Transactions were relatively low for both 2008 and 2009. We have discussed with the management of Indofood regarding the above and were advised that the above circumstance was mainly due to delay in the planting program of the IGER Group following the global financial crisis in 2008.

Given the aforesaid unexpected external factors and short history of all the 2011-2013 Plantations Business Transactions (save for the Leasing Transaction) which were only initially commenced in 2007 contributing to the relatively low Plantation Utilisation Rates, we concur with the Executive Directors' view that the generally low Plantation Utilisation Rates and the actual historical transacted amount deviations from the forecasts for the relevant 2011-2013 Plantations Business Transactions, on the whole, are acceptable.

(c) The bases of determination of the 2011-2013 Plantations Caps

The following table sets out the details of the 2011-2013 Plantations Caps:

Table Six

		For the year ending 31 December		
		2011	**2012**	**2013**
		US$ million	*US$ million*	*US$ million*
(1)	Leasing Transactions	0.1	0.1	0.1
(2)	Pumping Services	0.9	1.1	1.2
(3)	RMK Services	10.9	14.7	19.7
(4)	IGER Transactions	89.4	135.3	217.3
(5)	Consulting Services	0.2	0.2	0.2
(6)	Sugar Transactions	–	193.6	213.0
(7)	Oil Transactions	7.0	8.4	10.2
Total		**108.5**	**353.4**	**461.7**

(i) Leasing Transaction

We noted that the annual caps in respect of the Leasing Transaction remains the same at US$0.1 million for the three years ending 31 December 2013. In this regard, we have discussed with the management of Indofood on the underlying reasons and noted that the management of Indofood has principally taken into account (1) the area of the relevant land; (2) the rental rate of the land as specified in the underlying agreement; and (3) the lease period of 20 years.

In our assessment of the respective reasonableness and fairness of the annual caps of the Leasing Transaction, we have reviewed the agreement in relation to the Leasing Transaction and also discussed with the management of Indofood the underlying bases and assumptions related thereto as detailed above. We concur with the Executive Directors' view that it will be reasonable and in the interests of both the Company and the Shareholders to set the respective annual caps at the proposed levels, after taking into consideration the following:

- that the refinery facilities of SIMP were established on the relevant land since 1984 and have been operating over 25 years in good condition;

- that SIMP currently has no plan to relocate its refinery facilities and the 20-year rental for its lease of the relevant land has been fully paid in advance, and therefore the rental charge per annum of about US$0.1 million was fixed for each of the three years ending 31 December 2013; and

- that the estimated rental fees are in accordance with the rental fee specified in the underlying agreement.

(ii) Pumping Services

We noted that a gradual growth in the annual caps of the Pumping Services is generally expected by the Executive Directors for the three years ending 31 December 2013. In this regard, we have discussed with the management of Indofood on the underlying reasons and noted that the aforesaid increases are generally in line with the estimated gradual increase in the production of crude palm oil of the Indofood Group in the relevant periods, and the management has principally taken into account (1) the internal demand of crude palm oil from the Indofood Group for its edible oils and fats production business; (2) the increase in plantation areas and production of crude palm oil according to the projected plantation program of the Indofood Plantation Group for the three years ending 31 December 2013; (3) the market price of the pumping service fee; and (4) the adoption of general buffers of 30% to accommodate unanticipated future variations in the plantation program and production of crude palm oil and the service fee in relation to the provision of the Pumping Services.

In our assessment of the respective reasonableness and fairness of the annual caps of the Pumping Services, we have reviewed (1) the estimate of production of crude palm oil and demand for pumping services for the three years ending 31 December 2013; and (2) the market rates for similar pumping services provided by an independent service provider in the same location. We have also discussed with the management of Indofood the underlying bases and assumptions related thereto as detailed above. We concur with the Executive Directors' view that it will be reasonable and in the interests of both the Company and the Shareholders to set the respective annual caps at the proposed levels, after taking into consideration the following:

- that the SIMP Group is expected to use the Pumping Services to transport crude palm oil of about 260,000 metric tonnes, 290,000 metric tonnes and 310,000 metric tonnes in 2011, 2012 and 2013 respectively;

- that the expected growth rate in production of crude palm oil of 10% is not excessive when compared with the cumulative annual growth rate of the revenue of LSIP, which is principally engaged in the plantation business, of about 14% from 2006 to 2009;

- that the pumping service fees are considered to be fair and reasonable as detailed in section (B)(2)(a)(ii) above;

- the estimated increase in the service fee of 10% per annum, which is in line with the five-year average inflation rate of Indonesia of about 9%; and

- that a general buffer of 30% is adopted after taking into account (1) the uncertainty in the growth rate of the unit selling prices; (2) the uncertainty in the growth rate of production of crude palm oil; and (3) the uncertainty in the growth rate of planted area of the SIMP Group.

(iii) RMK Services

We noted that a gradual growth in the annual caps of the RMK Services is expected by the Executive Directors for the three years ending 31 December 2013. In this regard, we have discussed with the management of Indofood the underlying reasons and noted that the management has principally taken into account (1) the estimated number and model of heavy equipment required to be purchased and leased; (2) the estimated number of building materials required for the construction of facilities in the plantation areas; (3) the projected plantation plans of the SIMP Group for the three years ending 31 December 2013; (4) the additional office spaces to be required to accommodate the expansion of plantation areas; (5) the expected increase in the leasing rate or purchase price of the heavy equipment and building materials, the rental rates of the office space and transportation service fees along with the domestic inflation; and (6) the adoption of general buffers of 30% to accommodate unanticipated future variations in the plantation program and the fees/charges for each of the transactions contemplated under the RMK Services.

In our assessment of the respective reasonableness and fairness of the annual caps of the RMK Services, we have reviewed (1) the projected heavy equipment and building materials requirement schedule for the three years ending 31 December 2013 compiled by the SIMP Group; (2) the estimated production plans of the SIMP Group; and (3) the market rate for rental of similar offices in the same district and transportation service. We have also discussed with the management of Indofood the underlying bases and assumptions related thereto as detailed above. We concur with the Executive Directors' view that it will be reasonable and in the interests of both the Company and the Shareholders to set the respective annual caps at the proposed levels, after taking into consideration the following:

- that over 70% of the annual caps for the three years ending 31 December 2013 are attributable to the transportation services by truck/tugboat/barge for the transportation of crude palm oil and fresh fruit bunches;

- the current intention of the Indofood Group to develop about 20,000 hectares of raw land into planted area each year, representing growth rate of around 8% to 9% per annum from 2011 to 2013;

- that, as advised by the management of Indofood, the increase in number and model of heavy equipment and building materials required for each year is in line with the increase in the planted area of the IGER Group from 2011 to 2013;

- that, as advised by the management of Indofood, the quantity of fresh fruit bunches and crude palm oil that require transportation services are estimated based on the internal production estimation compiled by the SIMP Group from 2011 to 2013;

- the current intention of the Indofood Group to seek for additional office spaces from RMK;

- that the pricing terms of the RMK Services are considered to be fair and reasonable as detailed in section (B)(2)(b)(ii) above;

- that, as estimated by the management of the Indofood, the rental rate, transportation cost and unit purchase prices will increase by 10% per annum, which is in line with the five-year average inflation rate of Indonesia of about 9%; and

- that a general buffer of 30% is adopted after taking into account (1) the uncertainty in the growth rate of the prices/fees to be charged in relation to the RMK Services; (2) the uncertainty in the growth rate of demand for the provision of the RMK Services; and (3) the uncertainty in the growth rate of planted area of the SIMP Group.

(iv) IGER Transactions

We noted that a substantial growth in the annual caps is generally expected by the Executive Directors for the IGER Transactions for the three years ending 31 December 2013. In this regard, we have discussed with the management of Indofood regarding the underlying reasons for the aforesaid growth, and noted that the management has principally taken into account (1) the internal demand for crude palm oil and palm kernel from the Indofood Group for use in its edible oils and fats business; (2) the projected plantation program and production plans of the IGER Group for the three years ending 31 December 2013; (3) the estimated cost, including but not limited to staff cost and administrative cost, to be incurred in relation to the provision of the related research services; (4) the expected increase in the prices of the seedlings, crude palm oil, fresh fruit bunches and palm kernel along with the domestic inflation; (5) the relatively high quality and high yield rates of seedlings produced by the SIMP Group; and (6) the adoption of general buffers of 30% to accommodate unanticipated future variations in plantation program, the production plans and the related costs of seedlings, crude palm oil, fresh fruit bunches and palm kernel.

In our assessment of the respective reasonableness and fairness of the annual caps of the IGER Transactions, we have reviewed (1) the industry outlook of crude palm oil market as detailed in sub-section (a) above; (2) the three-year projected plantation program and production plans of the IGER Group; and (3) the prevailing selling prices for seedlings, crude palm oil, fresh fruit bunches and palm kernel to independent third parties by the IGER Group. We have also discussed with the management of Indofood regarding the underlying bases and assumptions related thereto as detailed above. We concur with the Executive

Directors' view that it will be fair and reasonable and in the interests of both the Company and the Shareholders to set the respective annual caps at the proposed levels, after taking into consideration the following:

- that over 90% of the annual caps for the three years ending 31 December 2013 are attributable to the purchase of crude palm oil, fresh fruit bunches and palm kernel from the IGER Group to the SIMP Group;
- that the Indofood Plantation Group intends to develop about 20,000 hectares of unplanted land bank into planted area each year, representing growth rate of around 8% to 9% per annum from 2011 to 2013 in order to fulfil its internal demand for crude palm oil from a cost-effective aspect;
- that, as confirmed by the management of Indofood, the IGER Group is intended to purchase seedlings from either SAIN or LSIP, with reference to the plantation program adopted by the IGER Group from 2011 to 2013;
- that, as confirmed by the management of Indofood, the quantity of crude palm oil, fresh fruit bunches and palm kernel produced by the IGER Group are in accordance with the production plans adopted by the IGER Group from 2011 to 2013, which will be supplied to the SIMP Group for further processing;
- the estimated increase in the unit selling price of seedlings, crude palm oil, fresh fruit bunches and palm kernel of 10% per annum, which is in line with the five-year average domestic inflation rate of about 9%;
- that the unit selling prices of seedlings, crude palm oil, fresh fruit bunches and palm kernel are considered to be fair and reasonable as detailed in section (B)(2)(c)(ii) above; and
- a general buffer of 30% is adopted after taking into account (1) the uncertainty in the growth rate of the prices/fees to be charged in relation to the IGER Transactions; (2) the uncertainty in the growth rate of demand for the seedlings, crude palm oil, fresh fruit bunches and palm kernel; and (3) the uncertainty in the growth rate of planted area of the IGER Group.

(v) Consulting Services

We noted that the annual caps of the Consulting Services are expected by the Executive Directors to remain steady for the three years ending 31 December 2013. In this regard, we have discussed with the management of Indofood the underlying reasons and noted that the management has principally taken into account (1) the expected services required from IKU in the development of the sugar cane plantation area of LPI; (2) the projected plantation program of LPI for the three years ending 31 December 2013; (3) the area of the plantation land of LPI; and (4) the adoption of general buffers of 30% to accommodate unanticipated future variations in the plantation program and cost associated with the provision of the Consulting Service.

In our assessment of the respective reasonableness and fairness of the respective annual caps of the Consulting Services, we have reviewed the three-year projected plantation program of LPI. We have also discussed with the management of Indofood the underlying bases and assumptions related thereto as detailed above. We concur with the Executive Directors' view that it will be fair and reasonable and in the interests of both the Company and the Shareholders to set the respective annual caps at the proposed levels, after taking into consideration the following:

- the purpose of and the benefits to be derived from the Consulting Services as discussed in section (B)(1)(c)(v) above;
- the current intention of the Indofood Group to increase its sugar cane planted area from the existing 10,800 hectares to about 20,000 hectares by 2013;
- that the consulting service fee is considered to be fair and reasonable as detailed in section (B)(2)(d)(ii) above; and
- a general buffer of 30% is adopted after taking into account (1) the uncertainty in the growth rate of the cost involved in relation to the Consulting Services; and (2) the uncertainty in the growth rate of planted area of LPI.

(vi) Sugar Transactions

We noted that the annual caps for the Sugar Transactions are set by the Executive Directors for the two years ending 31 December 2013 only. In this regard, we have discussed with the management of Indofood regarding the underlying reasons for the aforesaid growth, and noted that the management has principally taken into account (1) the internal demand for sugar from the Indofood Group for use in its production of consumer branded products for the two years ending 31 December 2013; (2) the projected plantation program and production plans of LPI; (3) the expected increase in the selling prices of the sugar along with the domestic inflation; and (4) the adoption of general buffer of 30% to accommodate unanticipated future variations in plantation program and the selling price of sugar.

In our assessment of the respective reasonableness and fairness of the annual caps of the Sugar Transactions, we have reviewed (1) the projected plantation program and production plans of LPI; (2) the projected demand of sugar from the Indofood Group; and (3) the prevailing selling prices for sugar. We have also discussed with the management of Indofood regarding the underlying bases and assumptions related thereto as detailed above. We concur with the Executive Directors' view that it will be fair and reasonable and in the interests of both the Company and the Shareholders to set the respective annual caps at the proposed levels, after taking into consideration the following:

- that LPI intends to expand total sugar cane planted area from 10,800 hectares to about 20,000 hectares by end of 2013, representing a growth rate of about 85%;

- the expansion plan of LPI to commence production of a sugar cane milling factory in South Sumatra in 2011 in addition to its existing sugar cane milling factory in Central Java to achieve total milling capacity of 11,000 tonnes sugar cane per day;

- that sugar with satisfactory quality is expected to be available for sale to the Indofood Group starting from 2012;

- that, as confirmed by the management of Indofood, the quantity of sugar to be sourced by the Indofood Group is in accordance with its estimated requirement for the two years ending 31 December 2013;

- the estimated increase in the unit selling price of sugar of 10% per annum, which is in line with the five-year average domestic inflation rate of about 9%;

- that the unit selling prices of sugar are considered to be fair and reasonable as detailed in section (B)(2)(e)(ii) above; and

- a general buffer of 30% is adopted after taking into account (1) the uncertainty in the growth rate of the selling prices of sugar; (2) the uncertainty in the growth rate of demand for the sugar by the Indofood Group; and (3) the uncertainty in the growth rate of planted area of LPI.

(vii) Oil Transactions

We noted that a substantial growth in the annual caps is generally expected by the Executive Directors for the Oil Transactions for the three years ending 31 December 2013. In this regard, we have discussed with the management of Indofood regarding the underlying reasons for the aforesaid growth, and noted that the management has principally taken into account (1) the consumption estimation for deep frying oil from FFI for use in its restaurant chain in Indonesia; (2) the prevailing market price of deep frying oil produced by the Indofood Group; (3) the expected increase in the prices of the deep frying oil along with the domestic inflation; and (4) the adoption of general buffers of 30% to accommodate unanticipated future variations in the demand for and the selling price of deep frying oil.

In our assessment of the respective reasonableness and fairness of the annual caps of the Oil Transactions, we have reviewed (1) the estimated requirement of deep frying oil by FFI for the three years ending 31 December 2013; and (2) the prevailing market prices for deep frying oil produced by the Indofood Group to independent third parties. We have also discussed with the management of Indofood regarding the underlying bases and assumptions related thereto as detailed above. We concur with the Executive Directors' view that it will be fair and reasonable and in the interests of both the Company and the Shareholders to set the respective annual caps at the proposed levels, after taking into consideration the following:

- that, as confirmed by the management of Indofood, the quantity of deep frying oil to be sold to FFI is in accordance with its internal consumption estimation from 2011 to 2013;

- the estimated increase in the unit selling price of deep frying oil of 10% per annum, which is in line with the five-year average domestic inflation rate of about 9%;

- that the unit selling prices of deep frying oil are considered to be fair and reasonable as detailed in section (B)(2)(f)(ii) above; and

- a general buffer of 30% is adopted after taking into account (1) the uncertainty in the growth rate of the selling prices of deep frying oil; (2) the uncertainty in the growth rate of demand for the deep frying oil by FFI.

(d) Conclusion

Based on the factors and reasons discussed above, we are of the view that the 2011-2013 Plantations Caps are set by the Executive Directors after due and careful consideration and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of both the Company and the Shareholders as a whole.

RECOMMENDATION

Having considered the principal factors and reasons discussed above and in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):–

- the nature of the 2011-2013 Plantations Business Transactions;

- that the 2011-2013 Plantations Business Transactions, which will be conducted on normal commercial terms, are in line with the Indofood Group's adopted business expansion strategies and are expected to facilitate the growth of the Indofood Group's agribusinesses;

- that the respective pricing basis as provided under the Plantations Agreements is fair and reasonable;

- the control and review procedures and arrangements in place to safeguard the interests of the Company and the Shareholders in relation to the 2011-2013 Plantations Business Transactions; and

- that the 2011-2013 Plantations Caps have been set by the Executive Directors, after careful and due considerations, at a level which will be in the interests of both the Company and the Shareholders, in view of the factors as discussed in details above,

we consider that the Plantations Agreements will be entered into within the ordinary and usual course of business of the Group based on normal commercial terms and their respective terms and conditions together with the 2011-2013 Plantations Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the Shareholders' Meeting to approve the 2011-2013 Plantations Business Transactions and the adoption of the 2011-2013 Plantations Caps.

Yours faithfully,
For and on behalf of
Quam Capital Limited
Richard D. Winter
Managing Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Interests of Directors in the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which:

(a) were required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or

(b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or

(c) were required, pursuant to the Model Code, to be notified to the Company and the Exchange were as follows:

(a) Long positions in shares in the Company

Name	Ordinary shares	Approximate percentage of issued share capital *(%)*	Ordinary share options
Anthoni Salim	1,706,947,154 (C)(i)	43.58	–
Manuel V. Pangilinan	41,405,305 (P)	1.06	31,831,556
Edward A. Tortorici	36,659,323 (P)	0.94	11,483,256
Robert C. Nicholson	12,914 (P)	0.00	26,337,388
Ambassador Albert F. del Rosario	721,431 (P)	0.02	3,330,719
Benny S. Santoso	–	–	6,324,150
Graham L. Pickles	–	–	3,330,719
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	–	–	4,743,113
Sir David W.C. Tang, *KBE*	–	–	3,238,719
Napoleon L. Nazareno	–	–	3,330,000
Jun Tang	–	–	3,330,000

(C) = Corporate interest, (P) = Personal interest

(i) Anthoni Salim indirectly owns 100% of First Pacific Investments (B.V.I.) Limited and Mega Ring Investments Limited which, in turn, are interested in 632,226,599 shares and 284,491,191 shares respectively in the Company. Anthoni Salim's indirect interests in First Pacific Investments (B.V.I.) Limited and Mega Ring Investments Limited are held through Salerni International Limited (a company of which Anthoni Salim directly holds 100% of the issued share capital). Anthoni Salim also owns 56.8% of First Pacific Investments Limited which, in turn, is interested in 790,229,364 shares in the Company. Of this, 10.0% is held by Anthoni Salim directly, and 46.8% by Salerni International Limited. The remaining 43.2% interest in First Pacific Investments Limited is owned as to 30.0% by Sutanto Djuhar, 10.0% by Tedy Djuhar and 3.2% by a company controlled by Ibrahim Risjad, Tedy Djuhar and Ibrahim Risjad are Non-executive Directors of the Company.

(b) Long positions in shares in associated corporations

- Manuel V. Pangilinan owned 21,242,404 common shares(P) in Metro Pacific Investments Corporation (MPIC), 211,033 common shares(P) in Philippine Long Distance Telephone Company (PLDT) and 360 preferred shares(P) in PLDT as beneficial owner and a further 15,417 common shares in PLDT as nominee, 2,011,250 common shares(P) and 1,893,750 share options in Philex Mining Corporation (Philex) as well as 25,000 common shares(P) in Manila Electric Company (Meralco).

- Edward A. Tortorici owned 69,596 common shares(C) and 10,660,000 common shares(P) in MPIC, 104,874 common shares(P) in PLDT and 100 common shares(P) in Philex.

- Robert C. Nicholson owned 1,250 common shares(P) and 3,750,000 share options in Philex, 10,000,000 share options in MPIC, as well as US$400,000 of bonds due 2017 issued by FPMH Finance Limited and US$200,000 of bonds due 2020 issued by FPT Finance Limited, both of which are wholly-owned subsidiaries of the Company.

- Tedy Djuhar owned 15,520,335 ordinary shares(C) in Indofood.

- Ibrahim Risjad owned 6,406,180 ordinary shares(C) in Indofood.

- Anthoni Salim owned 632,370 ordinary shares(P) in Indofood and a direct interest of 2,007,788 shares(C) in Indofood Agri Resources Ltd. (IndoAgri) through his controlled corporations other than the Company and an indirect interest of 998,200,000 IndoAgri shares through the Company's group companies.

- Ambassador Albert F. del Rosario owned 140,005 common shares(P) and 1,560 preferred shares(P) in PLDT, 7,966,624 common shares(P) and 5,000,000 share options in MPIC, 675,100 common shares(P) in Philex, 26,700 common shares(P) in Meralco, 32,231,970 preferred shares in Prime Media Holdings, Inc. (PMH) as nominee, 4 common shares(P) in PMH as beneficial owner, 4,922 common shares(P) in Costa de Madera Corporation, 15,000 common shares(P) in Metro Pacific Land Holdings Inc., and 80,000 common shares(P) in Metro Strategic Infrastructure Holdings, Inc.

- Napoleon L. Nazareno owned 6,648 common shares(P) in MPIC, 13,927 common shares(P) and 495 preferred shares(P) in PLDT, as well as 110,000 common shares(P) in Meralco.

(C) = Corporate interest, (P) = Personal interest

As at the Latest Practicable Date, other than as disclosed, none of the Directors and chief executive of the Company were interested, or were deemed to be interested, in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of the SFO) which:

(a) were required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or

(b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or

(c) were required, pursuant to the Model Code, to be notified to the Company and the Exchange.

(ii) Interests of Substantial Shareholders and other persons

The register of interests in shares and short positions of substantial shareholders maintained under Section 336 of the SFO shows that as at the Latest Practicable Date, the Company had been notified that the following persons were interested in 5% or more of the Company's issued share capital:

(a) Salerni International Limited ("Salerni"), which was incorporated in the British Virgin Islands, was interested in 1,706,947,154 shares (long position) as at the Latest Practicable Date, representing approximately 43.58% of the Company's issued share capital at that date, by way of its 46.80% interest in First Pacific Investments Limited ("FPIL-Liberia"), its 100% interest in First Pacific Investments (B.V.I.) Limited ("FPIL-BVI") and 100% interest in Mega Ring Investments Limited ("Mega Ring"). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of Salerni and, accordingly, is taken to be interested in the shares owned by Salerni.

(b) FPIL-Liberia, which was incorporated in the Republic of Liberia, beneficially owned 790,229,364 shares as at the Latest Practicable Date, representing approximately 20.18% of the Company's issued share capital at that date. FPIL-Liberia is owned by Anthoni Salim (Chairman of the Company) and Tedy Djuhar (a Non-executive Director of the Company), Ibrahim Risjad (a Non-executive Director of the Company) and Sutanto Djuhar, in the proportion specified in note (i) of the table on page 53. Anthoni Salim is taken to be interested in the shares owned by FPIL-Liberia.

(c) FPIL-BVI, which was incorporated in the British Virgin Islands, beneficially owned 632,226,599 shares as at the Latest Practicable Date, representing approximately 16.14% of the Company's issued share capital at that date. Anthoni Salim, the Chairman of the Company, beneficially owns the entire issued share capital of FPIL-BVI and, accordingly, is taken to be interested in the shares owned by FPIL-BVI.

(d) Mega Ring, which was incorporated in the British Virgin Islands, beneficially owned 284,491,191 shares as at the Latest Practicable Date, representing approximately 7.26% of the Company's issued share capital at that date. Anthoni Salim, the Chairman of the Company, beneficially owns the entire issued share capital of Mega Ring and, accordingly, is taken to be interested in the shares owned by Mega Ring.

(e) Marathon Asset Management Limited (Marathon), a United Kingdom incorporated company, notified the Company that it held 208,871,173 shares of the Company in August 2008, representing approximately 6.48% of the Company's issued share capital at that time. As at the Latest Practicable Date, the Company has not received any other notification from Marathon of any change to such holding.

(f) Lazard Asset Management LLC (Lazard), a United States incorporated company, notified the Company that it held 232,267,400 shares of the Company as at 29 December 2009, representing approximately 6.02% of the Company's issued share capital at that time. As at the Latest Practicable Date, the Company has not received any other notification from Lazard of any change to such holding.

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following parties (other than the Directors or the chief executive of the Company) were, directly or indirectly, interested in ten per cent or more of the nominal value of any class of share capital (including any options in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name of members of the Group	**Name of shareholder**	**Approximate percentage of issued share capital held**
PT Indofood Fritolay Makmur	Seven-Up Netherland B.V	49.0%
DMCI-MPIC Water Company Inc.	DMCI Holdings, Inc.	44.6%
IndoInternational Green Energy Resources Pte. Ltd	Indogreen Energy Resources Pte. Ltd.	40.0%
PT Surya Rengo Containers	Rengo Company Ltd.	40.0%
Lucena Commercial Land Corporation	Landco Pacific Corporation	35.0%
PT Lajuperdana Indah	PT Bangun Sriwijaya Sentosa	32.0%

Name of members of the Group	Name of shareholder	Approximate percentage of issued share capital held
PT Indolakto	PT Perusahaan Dagang dan Industries Marison NV	29.5%
Riverside Medical Center, Inc.	Torre Hermanos Agro-Industrial Enterprises, Inc.	25.0%
PT Putridaya Usahatama	Pandi Kusuma	22.5%
PT Putridaya Usahatama	Siti Sundari Rita	12.5%
PT Multi Agro Kencana Prima	Koperasi Perkebunan Karet Panca Usaha Mitra	20.0%
PT Swadaya Bhakti Negaramas	PT Giat Sembada Sentosa	19.9%
PT Mentari Subur Abadi	PT Giat Sembada Sentosa	19.9%
PT Mega Citra Perdana	PT Purwa Wana Lestari	19.8%
Manila North Tollways Corporation	GlobalFund Holdings Inc.	16.5%
Manila North Tollways Corporation	Egis Projects S.A.	13.9%
PT Argha Giri Perkasa	PT Minamas Eramustika	13.6%
Indofood Singapore Holdings Pte. Ltd.	PT Mandiri Investama Sejati	12.9%
First Pacific Communications Holdings B.V.	Excella Trading Limited	12.5%
Pacsari Pte. Ltd.	Grace Shipping Ltd.	10.0%
PT Tani Andalas Sejahtera	Agus Suherman	10.0%

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company was aware of any other person, other than a Director or a chief executive of the Company, who had an interest or short position in the shares or underlying shares of equity derivatives and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in ten per cent or more of the nominal value of any class of share capital (including any option in respect of such capital) carrying rights to vote in all circumstances at general meetings of any other member of the Group.

(iii) Interests of directors or employee of a company which has an interest or short position in the underlying shares of the Company:

As at the Latest Practicable Date, so far as was known to the Directors, the following Directors were also directors or employees of a company which has an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company	Position
Anthoni Salim	Salerni International Limited	Director
Benny S. Santoso	Salerni International Limited	Director
Anthoni Salim	First Pacific Investments (B.V.I.) Limited	Director
Benny S. Santoso	First Pacific Investments (B.V.I.) Limited	Director
Anthoni Salim	First Pacific Investments Limited	Director, Vice President and Treasurer
Tedy Djuhar	First Pacific Investments Limited	Director and Vice President
Benny S. Santoso	First Pacific Investments Limited	Director
Anthoni Salim	Mega Ring Investments Limited	Director

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which was not expiring or determinable by the employer within one year without payment of compensation, other than statutory compensation.

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates have a controlling interest in a business which competes either directly or indirectly with the business of the Company.

Other than the continuing connected transactions disclosed by the Company in this Circular and in the announcements made by the Company, there are no contracts or arrangements subsisting as at the Latest Practicable Date in which a Director is materially interested or which is significant in relation to the business of the Group.

As at the Latest Practicable Date, no Director has any interest, direct or indirect, in any assets which have been, since the date to which the latest published audited accounts of the Company were made up (being 31 December 2009), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

6. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, none of the Directors are aware of any material adverse changes in the financial or trading position of the Company since the date to which the latest published audited accounts of the Company have been made up (being 31 December 2009).

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the principal office of the Company at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong during normal business hours on any week day (except public holidays) up to and including 8 December 2010:–

(i) the letter from the Board, the text of which is set out on pages 5 to 13 of this circular;

(ii) the letter from the Independent Board Committee, the text of which is set out on pages 14 to 15 of this circular;

(iii) the letter from Quam Capital, the text of which is set out on pages 16 to 51 of this circular;

(iv) this circular;

(v) the framework agreements referred to in Table A and Table B in the "Letter from the Board" section in this circular; and

(vi) the consent letter from Quam Capital referred to in the section headed "Expert and Consent" in this Appendix.

8. EXPERT AND CONSENT

(a) The following is the qualification of the expert who has given opinions or advice which is contained in this circular:

Name	**Qualification**
Quam Capital	A licensed corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO.

(b) As at the Latest Practicable Date, Quam Capital had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(c) Quam Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which they appear respectively.

(d) As at the Latest Practicable Date, Quam Capital has no interest, direct or indirect, in any assets which have been, since the date to which the latest published audited accounts of the Company were made up (being 31 December 2009), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

9. MISCELLANEOUS

(a) The Company Secretary of the Company is Ms. Nancy L.M. Li, MSc (Corporate Governance and Directorship), BA, FCS(PE), FCIS.

(b) The registered office of the Company is at Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda. The principal office of the Company is at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.

(c) The principal share registrar and transfer office is Butterfield Fulcrum Group (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke, HM08, Bermuda.

(d) The Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(e) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)
Website: http://www.firstpacific.com
(Stock Code: 00142)

NOTICE IS HEREBY GIVEN that a special general meeting of First Pacific Company Limited (the "**Company**") will be held at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong on Wednesday, 8 December 2010 at 9:30 a.m. for the purpose of considering and, if thought fit, passing (with or without modification) the following resolutions as ordinary resolutions of the Company:

THAT:

(a) each of the continuing connected transactions and the related new annual caps for each of the financial years ending 31 December 2011, 2012 and 2013 relating to the noodles business carried on by PT Indofood Sukses Makmur Tbk ("**Indofood**") and its subsidiaries, as described in Table A on page 6 of the letter from the board section of the circular of the Company dated 18 November 2010 (the "**Circular**"), be and are hereby approved and any director of the Company be and is hereby authorised to do all such further acts and things and execute and/or approve all such further documents which in his opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such transactions; and

(b) each of the continuing connected transactions and the related new annual caps for each of the financial years ending 31 December 2011, 2012 and 2013 relating to the plantations business carried on by Indofood and its subsidiaries, as described in Table B on page 9 of the letter from the board section of the Circular, be and are hereby approved and any director of the Company be and is hereby authorised to do all such further acts and things and execute and/or approve all such further documents which in his opinion may be necessary, desirable or expedient to implement and/or give effect to the terms of such transactions.

By order of the Board
FIRST PACIFIC COMPANY LIMITED
Nancy L.M. Li
Company Secretary

Hong Kong

18 November 2010

Notes:

1. Any shareholder entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.

2. A form of voting proxy for the special general meeting is enclosed. In order to be valid, the form of voting proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of the power of attorney or other authority must be deposited at the Company's principal office (Attention: Corporate Secretarial Department) at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, not less than 48 hours before the time appointed for holding the special general meeting or any adjournment thereof (as the case may be). Completion and return of the form of voting proxy will not preclude shareholders from attending and voting in person at the special general meeting or any adjourned meeting should they so wish.