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## **FIRST PACIFIC COMPANY LIMITED**

### **第一太平有限公司**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

## **DISCLOSEABLE AND CONNECTED TRANSACTION**

### **IMPLEMENTATION AGREEMENT IN RELATION TO SALE OF INTEREST IN CHINA MINZHONG FOOD CORPORATION LIMITED**

#### **THE IMPLEMENTATION AGREEMENT**

Reference is made to the Company's announcements dated 31 December 2014 and 16 October 2015 in relation to the possible sale of a 52.94% interest in CMZ by Indofood to CMZ BVI.

The Board announces that on 6 September 2016, Indofood, CMZ BVI and Marvellous BVI entered into the Implementation Agreement in relation to certain amendments to the transaction proposed under the MOU and implementation of the amended transaction.

As at the date of this announcement, Indofood owns 543,252,517 CMZ Shares, representing approximately 82.88% of the existing issued share capital of CMZ.

#### **Amendments to the Transaction Structure**

The MOU contemplated the sale by Indofood to CMZ BVI of 347,000,000 CMZ Shares, representing approximately 52.94% of the existing issued share capital of CMZ, at S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) per CMZ Share. The MOU also contemplated that, following completion by CMZ BVI of the acquisition of those CMZ Shares from Indofood, CMZ BVI would make a mandatory general offer for all the remaining issued CMZ Shares (other than those already held by CMZ BVI and/or parties acting in concert with it), and that Indofood would undertake not to accept the mandatory general offer in respect of its remaining 196,252,517 CMZ Shares (representing approximately 29.94% of the existing issued share capital of CMZ).

Pursuant to the Implementation Agreement, Indofood, CMZ BVI and Marvellous BVI have agreed to amend the structure of the transaction contemplated by the MOU. Pursuant to the amended transaction structure, the offeror has been changed from CMZ BVI to Marvellous BVI. Marvellous BVI is indirectly owned as to approximately 92.99% by Mr. Anthoni Salim and as to approximately 7.01% by CMZ BVI. Mr. Salim is the Chairman of the Board, a substantial shareholder of the Company and the President Director and CEO of Indofood.

The Implementation Agreement provides that Marvellous BVI will, subject to satisfaction of the Pre-Conditions described below in this announcement, make a voluntary general offer under the Singapore Takeovers Code to acquire all the issued CMZ Shares, including all of the 543,252,517 Indofood CMZ Shares (representing approximately 82.88% of the existing issued share capital of CMZ), at the Offer Price of S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) per CMZ Share. The amended transaction structure supersedes the transaction structure originally contemplated under the MOU described above.

Marvellous BVI has stated that its intention is to privatize and delist CMZ, if possible, by way of the voluntary general offer and the compulsory acquisition of CMZ Shares not tendered for acceptance under the voluntary general offer, subject to the minimum acceptance threshold for exercise of the power of compulsory acquisition being achieved.

### **Principal Terms of the Offer**

The Implementation Agreement provides that the voluntary general offer to be made by Marvellous BVI will have the following principal terms:

- (1) The Offer will be extended to all CMZ Shares other than those already held by Marvellous BVI as at the date of the Offer.
- (2) The Offer Price for each CMZ Share will be S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88).
- (3) Accepting shareholders of CMZ may elect to receive the offer price of S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) either:
  - (a) fully in cash; or
  - (b) by a combination of cash in the amount of S\$0.7665 (equivalent to approximately US\$0.56 or HK\$4.4) and Exchangeable Bonds in the principal amount of S\$0.4335 (equivalent to approximately US\$0.32 or HK\$2.49), to be issued by Marvellous BVI.

- (4) The Exchangeable Bonds may be exchanged by their holders, at any time during the Exchange Period specified in the terms and conditions of the Exchangeable Bonds, for CMZ Shares at the exchange price of S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) per CMZ Share, which is equivalent to the Offer Price. Exchangeable Bonds in respect of which the exchange right has not been exercised during the Exchange Period will be mandatorily exchanged for CMZ Shares at the expiry of the Exchange Period. The Exchangeable Bonds are not transferrable by their holders.
- (5) The Offer is required to be conditional upon Marvellous BVI having received by the close of the Offer, valid acceptances of the Offer which will result in Marvellous BVI holding CMZ Shares conferring more than 50% of the voting rights attributable to all the issued CMZ Shares as at the close of the Offer.

#### **Pre-Conditions to the Offer**

The Implementation Agreement provides that Marvellous BVI's obligation to make the Offer is subject to and contingent upon, and will only take place following, the satisfaction of the following Pre-Conditions:

- (a) Indofood having obtained approval from its independent shareholders in accordance with Regulation Number IX.E.1 as attachment to the Decree of the Chairman of the Supervisory Board of Capital Market and Financial Institution number Kep-412/BL/2009, dated 25 November 2009 regarding Affiliated Transaction and Conflict of Interest on Certain Transaction; and
- (b) the Company having obtained approval from the Independent Shareholders in accordance with the Listing Rules.

The Implementation Agreement also provides that if either of the Pre-Conditions is not fulfilled on or before the Long-Stop Date, Marvellous BVI shall not be obliged to make the Offer and the Implementation Agreement will be terminated.

#### **Indofood's Acceptance of the Offer**

The Implementation Agreement provides that, subject to the fulfilment of the Pre-Conditions and the Offer having been made by Marvellous BVI, Indofood will, during the Offer period, accept the Offer in respect of all the Indofood CMZ Shares and elect to receive a combination of cash in the amount of S\$0.7665 (equivalent to approximately US\$0.56 or HK\$4.4) and Exchangeable Bonds in the principal amount of S\$0.4335 (equivalent to approximately US\$0.32 or HK\$2.49) per CMZ Share.

Accordingly, Indofood will receive consideration with an aggregate value of S\$651.9 million (equivalent to approximately US\$479.3 million or HK\$3.7 billion) for accepting the Offer in respect of all the Indofood CMZ Shares, comprising:

- (a) cash in the amount of approximately S\$416.4 million (equivalent to approximately US\$306.2 million or HK\$2.4 billion); and
- (b) Exchangeable Bonds in the aggregate principal amount of approximately S\$235.5 million (equivalent to approximately US\$173.2 million or HK\$1.35 billion).

The Exchangeable Bonds to be issued to Indofood under the Offer would be exchangeable, at the exchange price equivalent to the Offer Price, for 196,249,971 CMZ Shares, representing approximately 29.94% of the existing issued share capital of CMZ, which is consistent with the transaction contemplated under the MOU.

CMZ will cease to be a subsidiary of Indofood and the Company upon completion of the Transactions.

## **LISTING RULES IMPLICATIONS**

### **Discloseable Transaction**

The Transactions involve:

- (a) the disposal of the Indofood CMZ Shares (representing approximately 82.88% of the existing issued share capital of CMZ) by Indofood to Marvellous BVI as a result of Indofood's acceptance of the Offer in respect of all the Indofood CMZ Shares; and
- (b) the future acquisition of 196,249,971 CMZ Shares (representing approximately 29.94% of the existing issued share capital of CMZ) by Indofood on the exercise of the exchange feature under the Exchangeable Bonds to be issued to Indofood under the Offer.

The Transactions are required under Rule 14.24 of the Listing Rules to be classified by reference to the larger of the disposal and the acquisition. In this case, the disposal of the Indofood CMZ Shares is a larger transaction than the future acquisition of CMZ Shares on the exercise of the exchange feature under the Exchangeable Bonds.

As one or more of the applicable percentage ratios in relation to the disposal by Indofood of its 82.88% interest in CMZ is 5% or more, but all the applicable percentage ratios are less than 25%, the Transactions are classified as a discloseable transaction for the Company under the Listing Rules.

### **Connected Transaction**

Marvellous BVI is indirectly owned as to approximately 92.99% by Mr. Anthoni Salim and as to approximately 7.01% by CMZ BVI. Mr. Salim is the Chairman of the Board, a substantial shareholder of the Company and the President Director and CEO of Indofood. Therefore, Marvellous BVI is a connected person of the Company.

Accordingly, the Implementation Agreement and the Transactions are also classified as a connected transaction for the Company under the Listing Rules.

In addition, the entire share capital of CMZ BVI is currently held by Mr. Siek Wei Ting, Executive Director and Chief Financial Officer of CMZ, on trust for Mr. Lin Guo Rong, Executive Chairman and Chief Executive Officer of CMZ. CMZ is currently a subsidiary of Indofood and the Company. Therefore, CMZ BVI is a connected person of the Company at the subsidiary level. It is anticipated that on or before the despatch of the offer document in respect of the Offer, CMZ BVI will be beneficially owned by Mr. Lin Guo Rong as to 57.44%, Mr. Siek Wei Ting as to 24.54%, Mr. Wang Da Zhang as to 8.09% and Mr. Huang Bing Hui as to 9.93%.

As one or more of the applicable percentage ratios in relation to each of the disposal by Indofood of its 82.88% interest in CMZ to Marvellous BVI and the future acquisition of a 29.94% equity interest in CMZ on the exercise of the exchange feature under the Exchangeable Bonds is 5% or more and the total consideration in each case is not less than HK\$10 million (equivalent to approximately US\$1.3 million), the Implementation Agreement and the Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements applicable to connected transactions under Chapter 14A of the Listing Rules.

### **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the terms of the Implementation Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among other things, (i) further information on the Implementation Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee in respect of the terms of the Implementation Agreement and the transactions contemplated thereunder and as to how the Independent Shareholders should vote at the SGM; (iii) the advice of the independent financial adviser in respect of the terms of the Implementation Agreement and the transactions contemplated thereunder and as to how the Independent Shareholders should vote at the SGM; and (iv) the notice of the SGM, will be despatched to shareholders of the Company on or before 28 September 2016.

## **THE IMPLEMENTATION AGREEMENT**

Reference is made to the Company's announcements dated 31 December 2014 and 16 October 2015 in relation to the possible sale of a 52.94% interest in CMZ by Indofood to CMZ BVI.

The Board announces that on 6 September 2016, Indofood, CMZ BVI and Marvellous BVI entered into the Implementation Agreement in relation to certain amendments to the transaction proposed under the MOU and implementation of the amended transaction.

As at the date of this announcement, Indofood owns 543,252,517 CMZ Shares, representing approximately 82.88% of the existing issued share capital of CMZ.

### **Amendments to the Transaction Structure**

The MOU contemplated the sale by Indofood to CMZ BVI of 347,000,000 CMZ Shares, representing approximately 52.94% of the existing issued share capital of CMZ, at S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) per CMZ Share. The MOU also contemplated that, following completion by CMZ BVI of the acquisition of those CMZ Shares from Indofood, CMZ BVI would make a mandatory general offer for all the remaining issued CMZ Shares (other than those already held by CMZ BVI and/or parties acting in concert with it), and that Indofood would undertake not to accept the mandatory general offer in respect of its remaining 196,252,517 CMZ Shares (representing approximately 29.94% of the existing issued share capital of CMZ).

Pursuant to the Implementation Agreement, Indofood, CMZ BVI and Marvellous BVI have agreed to amend the structure of the transaction contemplated by the MOU. Pursuant to the amended transaction structure, the offeror has been changed from CMZ BVI to Marvellous BVI. Marvellous BVI is indirectly owned as to approximately 92.99% by Mr. Anthoni Salim and as to approximately 7.01% by CMZ BVI. Mr. Salim is the Chairman of the Board, a substantial shareholder of the Company and the President Director and CEO of Indofood.

The Implementation Agreement provides that Marvellous BVI will, subject to satisfaction of the Pre-Conditions described below in this announcement, make a voluntary general offer under the Singapore Takeovers Code to acquire all the issued CMZ Shares, including all of the 543,252,517 Indofood CMZ Shares (representing approximately 82.88% of the existing issued share capital of CMZ), at the Offer Price of S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) per CMZ Share. The amended transaction structure supersedes the transaction structure originally contemplated under the MOU described above.

Marvellous BVI has stated that its intention is to privatize and delist CMZ, if possible, by way of the voluntary general offer and the compulsory acquisition of CMZ Shares not tendered for acceptance under the voluntary general offer, subject to the minimum acceptance threshold for exercise of the power of compulsory acquisition being achieved. If CMZ is delisted from Singapore Exchange Securities Trading Limited, the CMZ Shares to be issued pursuant to the exchange feature under the Exchangeable Bonds will be unlisted shares.

## Principal Terms of the Offer

The Implementation Agreement provides that the voluntary general offer to be made by Marvellous BVI will have the following principal terms:

- (1) The Offer will be extended to all CMZ Shares other than those already held by Marvellous BVI as at the date of the Offer.
- (2) The Offer Price for each CMZ Share will be S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88), which is the same as the sale price stated in the MOU and was arrived at after arm's length negotiations on a willing seller, willing buyer basis. The Offer Price is subject to reduction by the amount of any distribution in respect of a CMZ Share the record date for which is on or after the date of announcement of the Offer but prior to the settlement date under the Offer.
- (3) Accepting shareholders of CMZ may elect to receive the offer price of S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) either:
  - (a) fully in cash; or
  - (b) by a combination of cash in the amount of S\$0.7665 (equivalent to approximately US\$0.56 or HK\$4.4) and Exchangeable Bonds in the principal amount of S\$0.4335 (equivalent to approximately US\$0.32 or HK\$2.49), to be issued by Marvellous BVI. The combination of cash and Exchangeable Bonds comprises approximately 63.9% of the Offer consideration in the form of cash and approximately 36.1% of the Offer consideration in the form of Exchangeable Bonds.
- (4) The Exchangeable Bonds may be exchanged by their holders, at any time during the Exchange Period specified in the terms and conditions of the Exchangeable Bonds, for CMZ Shares at the exchange price of S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) per CMZ Share, which is equivalent to the Offer Price. Exchangeable Bonds in respect of which the exchange right has not been exercised during the Exchange Period will be mandatorily exchanged for CMZ Shares at the expiry of the Exchange Period. The Exchangeable Bonds will constitute direct and unsecured obligations of Marvellous BVI and will rank *pari passu* and rateably without any preference or priority among themselves, and (subject to obligations preferred by mandatory provisions of law) will rank at least equally with all other outstanding unsecured and unsubordinated obligations of Marvellous BVI. The Exchangeable Bonds are zero coupon bonds and will not bear any interest. The Exchangeable Bonds are not transferrable by their holders. The original acquisition cost to Marvellous BVI of the CMZ Shares for which the Exchangeable Bonds will be exchanged is S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) per CMZ Share.

- (5) The Offer is required to be conditional upon Marvellous BVI having received by the close of the Offer, valid acceptances of the Offer which will result in Marvellous BVI holding CMZ Shares conferring more than 50% of the voting rights attributable to all the issued CMZ Shares as at the close of the Offer.

### **Pre-Conditions to the Offer**

The Implementation Agreement provides that Marvellous BVI's obligation to make the Offer is subject to and contingent upon, and will only take place following, the satisfaction of the following Pre-Conditions:

- (a) Indofood having obtained approval from its independent shareholders in accordance with Regulation Number IX.E.1 as attachment to the Decree of the Chairman of the Supervisory Board of Capital Market and Financial Institution number Kep-412/BL/2009, dated 25 November 2009 regarding Affiliated Transaction and Conflict of Interest on Certain Transaction; and
- (b) the Company having obtained approval from the Independent Shareholders in accordance with the Listing Rules.

The Implementation Agreement also provides that if either of the Pre-Conditions is not fulfilled on or before the Long-Stop Date or if the Offer lapses or is withdrawn or fails to become or be declared unconditional as to acceptances by 31 March 2017 (other than by reason of Indofood breaching its obligations under its undertaking described below or CMZ BVI or CMZ Management breaching their obligations under their undertakings described below), Marvellous BVI shall not be obliged to make the Offer and the Implementation Agreement will be terminated.

### **Indofood's Acceptance of the Offer**

The Implementation Agreement provides that, subject to the fulfilment of the Pre-Conditions and the Offer having been made by Marvellous BVI, Indofood will, during the Offer period, accept the Offer in respect of all the Indofood CMZ Shares and elect to receive a combination of cash in the amount of S\$0.7665 (equivalent to approximately US\$0.56 or HK\$4.4) and Exchangeable Bonds in the principal amount of S\$0.4335 (equivalent to approximately US\$0.32 or HK\$2.49) per CMZ Share.

Accordingly, Indofood will receive consideration with an aggregate value of S\$651.9 million (equivalent to approximately US\$479.3 million or HK\$3.7 billion) for accepting the Offer in respect of all the Indofood CMZ Shares, comprising:

- (a) cash in the amount of approximately S\$416.4 million (equivalent to approximately US\$306.2 million or HK\$2.4 billion); and
- (b) Exchangeable Bonds in the aggregate principal amount of approximately S\$235.5 million (equivalent to approximately US\$173.2 million or HK\$1.35 billion).



The Exchangeable Bonds to be issued to Indofood under the Offer would be exchangeable, at the exchange price equivalent to the Offer Price, for 196,249,971 CMZ Shares, representing approximately 29.94% of the existing issued share capital of CMZ, which is consistent with the transaction contemplated under the MOU.

### **Undertakings**

Pursuant to the Implementation Agreement, Indofood has, contemporaneously with the execution of the Implementation Agreement, executed an irrevocable undertaking in favour of Marvellous BVI, whereby Indofood has irrevocably undertaken, subject to the fulfilment of the Pre-Conditions and the Offer having been made by Marvellous BVI, to accept the Offer during the Offer period in respect of all the Indofood CMZ Shares and elect to receive a combination of cash in the amount of S\$0.7665 (equivalent to approximately US\$0.56 or HK\$4.4) and Exchangeable Bonds in the principal amount of S\$0.4335 (equivalent to approximately US\$0.32 or HK\$2.49) per CMZ Share as consideration for Indofood's acceptance of the Offer in respect of all the Indofood CMZ Shares.

Pursuant to the Implementation Agreement, CMZ BVI will and will procure that each member of the CMZ Management will, contemporaneously with the execution of the Implementation Agreement, execute an irrevocable undertaking in favour of Marvellous BVI, whereby CMZ BVI and each member of the CMZ Management will irrevocably undertake:

- (a) to tender all of their respective CMZ Management Shares in acceptance of the Offer; and
- (b) to receive the entire consideration payable by Marvellous BVI for the CMZ Management's Acceptance by way of interest-free promissory notes to be issued by Marvellous BVI to CMZ BVI with a principal amount of S\$38.6 million (equivalent to approximately US\$28.4 million or HK\$221.4 million), being the consideration for the 32,183,600 CMZ Management Shares at the Offer Price.

### **Earnest Sum**

In accordance with the provisions of the MOU, CMZ BVI paid the Earnest Sum to Indofood on 30 December 2015.

The Implementation Agreement provides that in the event the Offer becomes or is declared unconditional in accordance with its terms, CMZ BVI will transfer its rights in respect of the Earnest Sum to Marvellous BVI and the Earnest Sum paid by CMZ BVI to Indofood under the MOU (including the interest accrued on the Earnest Sum) shall be treated as part of the cash consideration payable by Marvellous BVI to Indofood for Indofood's acceptance of the Offer. Marvellous BVI shall be entitled to deduct such amount from the cash consideration due to Indofood for Indofood's acceptance of the Offer.

The Implementation Agreement also provides that in the event any of the Pre-Conditions is not satisfied by the Long-Stop Date or the Offer lapses or is withdrawn or fails to become or be declared unconditional as to acceptances by 31 March 2017 (other than by reason of Indofood breaching its obligations under Indofood's undertaking described above), Indofood shall be entitled to forfeit the Earnest Sum (including the interest accrued on the Earnest Sum) and CMZ BVI shall have no right or claim against Indofood or Marvellous BVI for the Earnest Sum, including the interest accrued on the Earnest Sum or any costs, expenses, damages, losses or otherwise.

## **REASONS FOR ENTERING INTO THE TRANSACTION AND EXPECTED BENEFITS**

The Board is of the view that it will take a longer time to achieve the expected return on Indofood's investment in CMZ than originally anticipated, principally due to the weak macroeconomic conditions globally, including in the PRC. However, the Board continues to believe in the mid and long term prospects of the PRC and CMZ, as well as in the possibility of realizing synergies between CMZ and Indofood and, as a result, proposes to retain a reduced equity interest in CMZ pursuant to the Exchangeable Bonds to be issued to Indofood as part of the consideration for accepting the Offer in respect of the Indofood CMZ Shares. The Board believes that the Transactions will strengthen the Group's financial position and are therefore beneficial to the Group.

The Directors (excluding the independent non-executive Directors, who will give their views after considering the recommendation from an independent financial adviser) are of the view that the Implementation Agreement and the transactions contemplated thereunder are on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company's shareholders as a whole.

## **FINANCIAL IMPACT OF THE TRANSACTIONS**

The Group is not expected to recognize any significant gain or loss from the Transactions because the proceeds from the Transactions are expected to be similar to Indofood's book carrying cost in CMZ.

The gross proceeds (before deduction of relevant transaction costs and expenses) from the Transactions are expected to be approximately S\$651.9 million (equivalent to approximately US\$479.3 million or HK\$3.7 billion), of which approximately S\$416.4 million (equivalent to approximately US\$306.2 million or HK\$2.4 billion) will be received in cash with the remaining approximately S\$235.5 million (equivalent to approximately US\$173.2 million or HK\$1.35 billion) to be settled by the Exchangeable Bonds. The Group will use the cash proceeds from the Transaction of approximately S\$416.4 million (equivalent to approximately US\$306.2 million or HK\$2.4 billion) for repaying the loan borrowed to finance the acquisition of CMZ.

## **LISTING RULES IMPLICATIONS**

### **Discloseable Transaction**

The Transactions involve:

- (a) the disposal of the Indofood CMZ Shares (representing approximately 82.88% of the existing issued share capital of CMZ) by Indofood to Marvellous BVI as a result of Indofood's acceptance of the Offer in respect of all the Indofood CMZ Shares; and
- (b) the future acquisition of 196,249,971 CMZ Shares (representing approximately 29.94% of the existing issued share capital of CMZ) by Indofood on the exercise of the exchange feature under the Exchangeable Bonds to be issued to Indofood under the Offer.

The Transactions are required under Rule 14.24 of the Listing Rules to be classified by reference to the larger of the disposal and the acquisition. In this case, the disposal of the Indofood CMZ Shares is a larger transaction than the future acquisition of CMZ Shares on the exercise of the exchange feature under the Exchangeable Bonds.

As one or more of the applicable percentage ratios in relation to the disposal by Indofood of its 82.88% interest in CMZ is 5% or more, but all the applicable percentage ratios are less than 25%, the Transactions are classified as a discloseable transaction for the Company under the Listing Rules.

### **Connected Transaction**

Marvellous BVI is indirectly owned as to approximately 92.99% by Mr. Anthoni Salim and as to approximately 7.01% by CMZ BVI. Mr. Salim is the Chairman of the Board, a substantial shareholder of the Company and the President Director and CEO of Indofood. Therefore, Marvellous BVI is a connected person of the Company.

Accordingly, the Implementation Agreement and the Transactions are also classified as a connected transaction for the Company under the Listing Rules.

In addition, the entire share capital of CMZ BVI is currently held by Mr. Siek Wei Ting, Executive Director and Chief Financial Officer of CMZ, on trust for Mr. Lin Guo Rong, Executive Chairman and Chief Executive Officer of CMZ. CMZ is currently a subsidiary of Indofood and the Company. Therefore, CMZ BVI is a connected person of the Company at the subsidiary level. It is anticipated that on or before the despatch of the offer document in respect of the Offer, CMZ BVI will be beneficially owned by Mr. Lin Guo Rong as to 57.44%, Mr. Siek Wei Ting as to 24.54%, Mr. Wang Da Zhang as to 8.09% and Mr. Huang Bing Hui as to 9.93%.

As one or more of the applicable percentage ratios in relation to each of the disposal by Indofood of its 82.88% interest in CMZ to Marvellous BVI and the future acquisition of a 29.94% equity interest in CMZ on the exercise of the exchange feature under the Exchangeable Bonds is 5% or more and the total consideration in each case is not less than HK\$10 million (equivalent to approximately US\$1.3 million), the Implementation Agreement and the Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements applicable to connected transactions under Chapter 14A of the Listing Rules.

## **INFORMATION IN RELATION TO CMZ**

CMZ is an integrated vegetable processing company in the PRC with three business segments which comprises of cultivation of vegetables, vegetable processing and branded products. CMZ's operations are strategically located across six provinces in the PRC. The company has industrialized farming facilities at three sites which allow the planting of vegetables without depending on erratic weather and climate conditions.

As at the date of this announcement, Indofood owns 543,252,517 CMZ Shares, representing approximately 82.88% of the existing issued share capital of CMZ. Immediately following completion of the Offer, Indofood will hold Exchangeable Bonds which would be exchanged, on exercise of the exchange feature, for 196,249,971 CMZ Shares, representing approximately 29.94% of the issued share capital of CMZ. CMZ will cease to be a subsidiary of Indofood and the Company upon completion of the Offer.

For its financial year ended 30 June 2016, the unaudited consolidated net profits before taxation of CMZ were approximately RMB163.5 million (equivalent to approximately US\$24.5 million or HK\$191.2 million) and the unaudited consolidated net profits after taxation of CMZ were approximately RMB132.8 million (equivalent to approximately US\$19.9 million or HK\$155.3 million).

For its financial year ended 30 June 2015, the audited consolidated net profits before taxation of CMZ were approximately RMB418.3 million (equivalent to approximately US\$62.7 million or HK\$489.2 million) and the audited consolidated net profits after taxation of CMZ were approximately RMB336.4 million (equivalent to approximately US\$50.4 million or HK\$393.4 million).

The audited consolidated net assets of CMZ shown in its audited consolidated financial statements as at 30 June 2015 were RMB5.1 billion (equivalent to approximately US\$764.6 million or HK\$6.0 billion).

The financial statements for CMZ are prepared in accordance with Singapore Financial Reporting Standards.

## **INFORMATION IN RELATION TO MARVELLOUS BVI**

Marvellous BVI is an investment holding company incorporated under the laws of the British Virgin Islands and is indirectly owned as to approximately 92.99% by Mr. Anthoni Salim and as to approximately 7.01% by CMZ BVI. Mr. Salim is the Chairman of the Board, a substantial shareholder of the Company and the President Director and CEO of Indofood. As at the date of this announcement, Marvellous BVI does not own any CMZ Shares.

## **INFORMATION IN RELATION TO CMZ BVI**

CMZ BVI is an investment holding company incorporated under the laws of the British Virgin Islands. The entire share capital of CMZ BVI is currently held by Mr. Siek Wei Ting, Executive Director and the Chief Financial Officer of CMZ, on trust for Mr. Lin Guo Rong, Executive Chairman and Chief Executive Officer of CMZ. As at the date of this announcement, CMZ BVI owns 5,403,891 CMZ Shares, representing approximately 0.82% of the existing issued share capital of CMZ.

It is anticipated that on or before the despatch of the offer document in respect of the Offer, CMZ BVI will be beneficially owned by Mr. Lin Guo Rong as to 57.44%, Mr. Siek Wei Ting as to 24.54%, Mr. Wang Da Zhang as to 8.09% and Mr. Huang Bing Hui as to 9.93%.

## **INFORMATION IN RELATION TO THE COMPANY AND INDOFOOD**

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

Indofood is a leading Total Food Solutions company with operations in all stages of food manufacturing from the production of raw materials and their processing through to consumer products and distribution to the market. It is based and listed in Indonesia; its Consumer Branded Products subsidiary PT Indofood CBP Sukses Makmur Tbk and agribusiness subsidiaries PT Salim Ivomas Pratama Tbk and PT PP London Sumatra Indonesia Tbk are also listed in Indonesia. Two other subsidiaries, Indofood Agri Resources Ltd. and CMZ, are listed in Singapore, and an agribusiness associate Roxas Holdings, Inc. is listed in the Philippines. Through its five complementary Strategic Business groups, Indofood manufactures and distributes a wide range of food products: Consumer Branded Products (noodles, dairy, snack foods, food seasonings, nutrition and special foods and beverages), Bogasari (wheat flour and pasta), Agribusinesses (oil palm, rubber, sugar cane, cocoa and tea plantations, cooking oils, margarine and shortenings), Distribution and Cultivation & Processed Vegetables (fresh and processed vegetables). Indofood is one of the world's largest manufacturers by volume of wheat-based instant noodles, one of the largest plantation companies by area and the largest flour miller in Indonesia. Indofood also has an extensive distribution network across Indonesia.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the terms of the Implementation Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this respect.

A circular containing, among other things, (i) further information on the Implementation Agreement and the transactions contemplated thereunder; (ii) the recommendation of the Independent Board Committee in respect of the terms of the Implementation Agreement and the transactions contemplated thereunder and as to how the Independent Shareholders should vote at the SGM; (iii) the advice of the independent financial adviser in respect of the terms of the Implementation Agreement and the transactions contemplated thereunder and as to how the Independent Shareholders should vote at the SGM; and (iv) the notice of the SGM, will be despatched to shareholders of the Company on or before 28 September 2016.

## **DEFINITIONS**

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

“Board”	board of Directors;
“CMZ”	China Minzhong Food Corporation Limited, currently a subsidiary of Indofood with its shares listed on Singapore Exchange Securities Trading Limited;
“CMZ BVI”	China Minzhong Holdings Limited, a company incorporated under the laws of the British Virgin Islands;
“CMZ Management”	Mr. Lin Guo Rong (Executive Chairman and Chief Executive Officer of CMZ), Mr. Siek Wei Ting (Chief Financial Officer of CMZ), Mr. Huang Bing Hui (Chief Technical Officer of CMZ) and Mr. Wang Da Zhang (Chief Operating Officer of CMZ);
“CMZ Management Shares”	the 32,183,600 CMZ Shares owned by CMZ BVI and the CMZ Management as at the date of this announcement;
“CMZ Management’s Acceptance”	the tender by CMZ BVI and the CMZ Management all of the CMZ Management Shares to Marvellous BVI in acceptance of the Offer;

“CMZ Shares”	ordinary shares in the share capital of CMZ;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, and having its shares listed on the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“Earnest Sum”	the earnest sum in the amount of S\$40 million (equivalent to approximately US\$29.4 million or HK\$229.4 million) paid by CMZ BVI to Indofood under the MOU;
“Exchange Period”	the period commencing two months from the date of the close of the Offer (the “ <b>Commencement Date</b> ”) and ending two months after the Commencement Date (or such later date as Marvellous BVI may determine);
“Exchangeable Bonds”	the zero coupon mandatorily exchangeable bonds to be issued by Marvellous BVI on the settlement dates of the Offer;
“Group”	the Company and its subsidiaries from time to time;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Implementation Agreement”	the definitive agreement dated 6 September 2016 entered into between Indofood, CMZ BVI and Marvellous BVI in relation to certain amendments to the transaction proposed under the MOU and implementation of the amended transaction;
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the terms of the Implementation Agreement and the transactions contemplated thereunder and making a recommendation to the Independent Shareholders as to how to vote at the SGM;

“Independent Shareholders”	shareholders of the Company who do not have a material interest in the Implementation Agreement or the transactions contemplated thereunder;
“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 CMZ Shares”	the 543,252,517 CMZ Shares owned by Indofood as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Long-Stop Date”	31 December 2016 or such other date as Marvellous BVI and Indofood may determine in consultation with the Securities Industry Council of Singapore;
“Marvellous BVI”	Marvellous Glory Holdings Limited, a company incorporated under the laws of the British Virgin Islands;
“MOU”	the memorandum of understanding dated 14 October 2015 entered into between Indofood and CMZ BVI in relation to the proposed sale of a 52.94% interest in CMZ by Indofood to CMZ BVI, the principal terms of which are summarized in the Company’s announcement dated 16 October 2015;
“Offer”	a voluntary general offer to be made by or on behalf of Marvellous BVI, to acquire all the issued CMZ Shares other than those already held by Marvellous BVI;
“Offer Price”	the offer price of S\$1.20 (equivalent to approximately US\$0.88 or HK\$6.88) per CMZ Share under the Offer;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan;
“Pre-Conditions”	the pre-conditions to the making of the Offer referred to in the section headed “Pre-Conditions to the Offer” in this announcement;



“RMB”	Renminbi, the lawful currency of the PRC;
“S\$”	Singapore dollars, the lawful currency of Singapore;
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the Implementation Agreement and the transactions contemplated thereunder;
“Singapore Takeovers Code”	the Singapore Code on Take-overs and Mergers;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	the transactions contemplated under the Implementation Agreement;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

*Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = S\$1.36 = RMB6.67 = HK\$7.8. Percentages and figures expressed have been rounded.*

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

Hong Kong, 7 September 2016

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

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

***Non-executive Directors:***

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Ambassador Albert F. del Rosario

***Independent Non-executive Directors:***

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin