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*No PRIIPs KID – no PRIIPs key information document (KID) has been prepared as the Bonds are not available to retail in the EEA.*

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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)**

**VOLUNTARY ANNOUNCEMENT**

**Issue of U.S.\$175,000,000 5.75% Guaranteed Bonds due 2025  
by FPC Capital Limited irrevocably and  
unconditionally guaranteed by First Pacific Company Limited**

The Board is pleased to announce that on 23 May 2018, the Company, the Issuer and the Joint Lead Managers entered into the Subscription Agreement. Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed, severally and not jointly, to subscribe for the Bonds in an aggregate principal amount of U.S.\$175,000,000 (equivalent to approximately H.K.\$1,365 million) at an issue price of 100%. The Bonds will be unconditionally and irrevocably guaranteed by the Company.

None of the Bonds will be offered to the public in Hong Kong other than to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (together, “Professional Investors”).

**Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. Please refer to the section headed “Subscription Agreement” below for further information.**

**As the Subscription Agreement may or may not complete, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.**

Application has been made to the SEHK for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 31 May 2018. The Bonds and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act.

## **INTRODUCTION**

The Board is pleased to announce that on 23 May 2018, the Company, the Issuer and the Joint Lead Managers entered into the Subscription Agreement. Pursuant to, and subject to certain conditions in, the Subscription Agreement, the Issuer has agreed to sell to the Joint Lead Managers, and the Joint Lead Managers have agreed, severally and not jointly, to subscribe for the Bonds in an aggregate principal amount of U.S.\$175,000,000 (equivalent to approximately H.K.\$1,365 million) at an issue price of 100%. The Bonds will be unconditionally and irrevocably guaranteed by the Company.

The Offering Circular to be distributed to prospective investors of the Bonds will contain certain financial and other information relating to the Company.

## **SUBSCRIPTION AGREEMENT**

Parties:	Issuer:	FPC Capital Limited.
	Guarantor:	First Pacific Company Limited.
	Joint Lead Managers:	The Hongkong and Shanghai Banking Corporation Limited and Mizuho Securities Asia Limited.
Subscription:	<p>The Joint Lead Managers have conditionally agreed, severally and not jointly, to subscribe for the Bonds in an aggregate principal amount of U.S.\$175,000,000 (equivalent to approximately H.K.\$1,365 million).</p> <p>The Bonds and the Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. None of the Bonds will be offered to the public in Hong Kong other than to Professional Investors.</p>	
Conditions precedent:	<p>The obligations of the Joint Lead Managers under the Subscription Agreement are conditional upon, among other things, the execution and delivery on or before the Closing Date of certain transaction documents by the respective parties and the Company procuring certain legal opinions, auditors' comfort letters, compliance certificates and other relevant documents to be delivered to the Joint Lead Managers.</p> <p>All the conditions may be waived in whole or in part at the discretion of the Joint Lead Managers.</p>	
Completion:	<p>Subject to all the conditions of the Subscription Agreement being fulfilled or waived by the Joint Lead Managers and the Subscription Agreement not being terminated, including pursuant to force majeure, completion of the issue of the Bonds is expected to take place on the Closing Date.</p>	
Stabilisation:	<p>Stabilisation, if any, will be undertaken in accordance with the rules of the Financial Conduct Authority of the United Kingdom.</p>	

As the Subscription Agreement may or may not complete, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

## PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Issuer:	FPC Capital Limited.
Guarantor:	First Pacific Company Limited.
Bonds Offered:	Aggregate principal amount of U.S.\$175,000,000 5.75% Guaranteed Bonds due 2025.
Guarantee:	Payment of all sums from time to time payable in respect of the Bonds and any other amounts payable under the Trust Deed are irrevocably and unconditionally guaranteed by the Company.
Issue Price:	100%.
Maturity Date:	30 May 2025.
Interest:	The Bonds will bear interest from 30 May 2018 at the rate of 5.75% per annum, payable semi-annually in arrear on 30 May and 30 November of each year.
Ranking:	The Bonds will constitute direct, unconditional and unsecured obligations of the Issuer. The Bonds will at all times rank <i>pari passu</i> , without any preference or priority amongst themselves, with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such exceptions as may be provided by applicable laws. The Guarantee will constitute a direct, unsecured and unsubordinated obligation of the Company which will at all times rank at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Company save for such exceptions as may be provided by applicable laws.
Events of Default:	The Bonds contain certain events of default, including a cross acceleration provision in respect of the Issuer and the Company.

**Covenants:** The Issuer and the Guarantor have agreed to certain covenants, including a restriction on the incurrence of indebtedness by the Company and its Restricted Subsidiaries (as defined in the Terms and Conditions) that would result in the Interest Coverage Ratio (as defined in the Terms and Conditions) for the Head Office being less than 2.5 times and a restriction on disposals of assets of the Company (in both cases, subject to certain exceptions as set out in the Terms and Conditions).

**Tax Redemption:** The Bonds may be redeemed at 100% of the principal amount thereof, plus accrued and unpaid interest, as a result of certain developments affecting taxation in the British Virgin Islands, Bermuda or Hong Kong.

**Optional Redemption:** At any time and from time to time on or after 30 May 2022, the Issuer may redeem the Bonds, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest to the redemption date if redeemed during the twelve-month period beginning on 30 May of each of the years indicated below.

<b>Period</b>	<b>Redemption Price</b>
2022	102.875%
2023	101.438%
2024	100.000%

At any time before 30 May 2022, the Issuer may at its option redeem the Bonds, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Bonds plus the Applicable Premium (as defined in the Terms and Conditions) as of, and accrued and unpaid interest, if any, to the redemption date.

**Change of Control:** The Bonds may be redeemed within 30 days following the occurrence of a Change of Control (as defined in the Terms and Conditions), at the option of the bondholders, at 101% of the principal amount thereof, plus accrued and unpaid interest.

Delisting: The Bonds may be redeemed within 30 days following the occurrence of a Delisting (as defined in the Terms and Conditions) except where the Delisting is at the request of the Company, at the option of the bondholders, at 100% of the principal amount thereof, plus accrued and unpaid interest.

Governing Law: English Law.

Listing: Application has been made to the SEHK for the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only and such permission is expected to become effective on or about 31 May 2018.

### **REASON FOR THIS TRANSACTION AND REPURCHASES OF EXISTING BONDS**

The net proceeds from the offering of the Bonds, after deducting underwriting commissions and other offering related expenses payable by the Issuer and the Company, are estimated to be approximately U.S.\$174 million (equivalent to approximately H.K.\$1,357 million). The net proceeds will be on-lent by the Issuer to the Company who will use the net proceeds for the repayment and refinancing of existing indebtedness (including all amounts payable for bond repurchases and expenses).

Specifically, the net proceeds will be used to repurchase U.S.\$159,540,000 in aggregate principal amount of 2019 Bonds, being the entire amount of 2019 Bonds validly tendered by the holders thereof pursuant to the Tender Offer, thereby successfully extending the Company's debt maturity profile.

In addition, the Company intends to repurchase U.S.\$60,307,000 in aggregate principal amount of 2020 Bonds, being the entire amount of 2020 Bonds validly tendered by the holders thereof pursuant to the Tender Offer, by partially drawing on a new U.S.\$200,000,000 medium-term banking facility. The purchase and refinancing of the 2020 Bonds with such banking facility would have the benefit of lowering the Company's cost of funding. The balance of such banking facility will be earmarked for potential further refinancing of the 2019 Bonds.

The issuance of the Bonds along with the Tender Offer will also extend the Company's average debt maturity to 3.9 years whilst reducing its blended average borrowing cost to 4.6%.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following capitalised terms shall have the following meanings:

“2019 Bonds”	The outstanding U.S.\$400,000,000 6.0% Guaranteed Bonds due 28 June 2019 (ISIN: XS0798486543) issued by FPC Finance Limited and listed on the Singapore Exchange Securities Trading Limited;
“2020 Bonds”	The outstanding U.S.\$400,000,000 6.375% Guaranteed Secured Bonds due 28 September 2020 (ISIN: XS0544536047) issued by FPT Finance Limited and listed on the Singapore Exchange Securities Trading Limited;
“2023 Bonds”	The outstanding U.S.\$400,000,000 4.5% Guaranteed Bonds due 16 April 2023 (ISIN: XS0914313357) issued by FPC Treasury Limited and listed on the SEHK;
“Board”	The board of Directors;
“Bonds”	U.S.\$175,000,000 5.75% Guaranteed Bonds due 2025 to be issued by the Issuer and irrevocably and unconditionally guaranteed by the Guarantor;
“Closing Date”	30 May 2018 or such later date, not being later than 13 June 2018, as the Issuer and the Joint Lead Managers may agree;
“Company” or “Guarantor”	First Pacific Company Limited, an exempt company incorporated in Bermuda with limited liability, the shares of which are listed on the SEHK;
“Director(s)”	The director(s) of the Company;
“Guarantee”	The irrevocable and unconditional guarantee by the Company of the payment of all sums from time to time payable in respect of the Bonds and any other amounts payable under the Trust Deed;
“Head Office”	The Company and the Restricted Subsidiaries;
“H.K.\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China;

“Issuer”	FPC Capital Limited, a limited liability company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company;
“Joint Lead Managers”	The Hongkong and Shanghai Banking Corporation Limited and Mizuho Securities Asia Limited;
“Offering Circular”	The offering circular dated 23 May 2018 issued by the Issuer in connection with the issue of the Bonds;
“Securities Act”	United States Securities Act of 1933, as amended;
“SEHK”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement”	The subscription agreement dated 23 May 2018 between the Issuer, the Company and the Joint Lead Managers relating to the subscription and offering of the Bonds;
“Tender Offer”	The invitations by the Company to holders of 2019 Bonds, 2020 Bonds and 2023 Bonds to tender their bonds for purchase by the Company for cash, on the terms contained in a tender offer memorandum dated 11 May 2018 prepared by the Company;
“Terms and Conditions”	The terms and conditions of the Bonds;
“Trust Deed”	The trust deed constituting the Bonds; and
“U.S.\$”	United States dollars, the lawful currency of the United States.

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

Hong Kong, 23 May 2018



In this announcement, all translations from U.S.\$ into H.K.\$ have been made at the rate of U.S.\$1.00 to H.K.\$7.80.

As at the date of this announcement, the directors of FPC Capital Limited are Manuel V. Pangilinan, Robert C. Nicholson, Christopher H. Young and Joseph H.P. Ng.

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

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and CEO*

Robert C. Nicholson

Christopher H. Young

***Non-executive Directors:***

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Ambassador Albert F. del Rosario

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

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

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin