



FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

INDOFOOD CBP, AN INDONESIAN SUBSIDIARY OF FIRST PACIFIC'S INDONESIAN FLAGSHIP INDOFOOD, GOES GLOBAL WITH \$2.998 BLN CONSUMER FOOD INVESTMENT

Hong Kong, 22nd May, 2020 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today announced that a subsidiary of PT Indofood Sukses Makmur Tbk (“Indofood”), one of the Company’s main holdings, has conditionally agreed a US\$2.998 billion purchase of a consumer food company based in the Middle East, Africa and Southeastern Europe in an acquisition that would catapult Indofood into the ranks of global consumer food companies.

PT Indofood CBP Sukses Makmur Tbk (“ICBP”), an 80.5%-owned subsidiary of Indofood (of which First Pacific owns 50.1%), has conditionally agreed to buy the entire issued share capital of Pinehill Company Limited (“Pinehill”), which manufactures and sells instant noodles in eight countries under the “Indomie” brand licensed from Indofood. Pinehill’s extensive manufacturing facilities and distribution networks in Africa, the Middle East and Southeastern Europe offer valuable and readily available platforms for ICBP to distribute and manufacture its wide-ranging consumer-branded products, which are currently mainly produced and distributed in Indonesia, in the Pinehill Group’s fast-growing markets. These markets include more than 550 million people in Saudi Arabia, Nigeria, Egypt, Ghana, Kenya, Morocco, Serbia, and Turkey. The Pinehill Group exports to regional markets, bringing its servable population to more than 885 million people. The Nigerian operation also includes flour and cooking oil.

“This proposed acquisition represents a golden opportunity to build on ICBP’s success by expanding into Pinehill’s fast growing and profitable new markets. ICBP already supplies certain key ingredients to Pinehill and knows its business well through their years-long technical support to Pinehill factories,” said First Pacific Managing Director and Chief Executive Officer Manuel V. Pangilinan.

“The proposed acquisition can be transformative for ICBP, enabling it to join an elite group of global food companies. The enlarged group will become one of the largest producer of instant noodles worldwide,” he said. “Having reached its present stage of development and after completing due diligence on Pinehill, ICBP considers it has the breadth of experience and the financial strength to execute the proposed acquisition smoothly, to integrate Pinehill’s business with its own, and to take the enlarged group forward as a world leader.”

In addition to Indofood's licenses, ICBP has been a supplier of food ingredients and packaging materials, and provider of technical support to Pinehill Group companies (the "Pinehill Group") for more than two decades. Over the years of this relationship, the companies under Pinehill have grown to obtain dominant positions in their markets, where per capita instant noodle consumption is low but growing fast. These markets offer ICBP ready access to a consumer base more than three times the size of its home market in Indonesia. ICBP saw revenue growth of 11% in U.S. dollar terms in 2019 and regards the Pinehill acquisition as a contributor to further growth in the years ahead.

ICBP regards the proposed Pinehill acquisition as a means of gaining a strategic position in new growth markets in which Halal products are the primary choice, given that all the categories of the ICBP group's noodle products are also Halal. Pinehill has a strong market share in eight markets in the Middle East, Africa, and Southeastern Europe. The proposed acquisition is expected to enable ICBP to become a global food player and food products manufacturer with a strong global market share in the instant noodles market.

With a market capitalization of approximately US\$7.6 billion as at 20th May 2020, ICBP is the largest of the First Pacific Group (the "Group") of companies. Together, the First Pacific Group's listed assets had a combined market capitalization of approximately US\$25.6 billion on that date, while First Pacific's gross asset value was US\$4.2 billion.

Under Stock Exchange of Hong Kong Listing Rules, the transaction requires approval by a majority of First Pacific's independent shareholders as one of the sellers, Pinehill Corpora, is a close associate of Anthoni Salim, First Pacific's Chairman and 44.3% shareholder. Pinehill Corpora owns 51% of Pinehill while the remaining 49% is owned by Steele Lake Limited. Steele Lake is beneficially owned by ASM Telok Ayer Fund, a discretionary investment fund managed and ultimately controlled by Argyle Street Management Limited ("ASM"). ASM is an asset manager, licensed by the Securities and Futures Commission of Hong Kong, that operates in Southeast Asian and Greater China.

First Pacific's executive directors and non-executive directors regard the proposed transaction as fair and reasonable, in the interests of the Company and its shareholder, and under normal commercial terms. Acting under the Listing Rules of the Stock Exchange of Hong Kong, a committee of the Company's independent non-executive directors ("INEDs") has been formed as an Independent Board Committee ("IBC") to advise First Pacific's independent shareholders. Somerley Capital Limited, a Hong Kong-based corporate finance advisory firm, has been appointed as the Independent Financial Advisor ("IFA") to the Company's IBC and its independent shareholders ahead of a Special General Meeting to vote on the transaction.

The acquisition price of Pinehill is based on the equity value of comparable companies using average price-to-earnings ratios. If Pinehill's guaranteed profit targets aren't reached, the sale price will be reduced under a formula agreed by ICBP and Pinehill. The sellers of Pinehill have guaranteed audited net profit averaging US\$128.5 million over the course of 2020 and 2021. Under the guarantee formula agreed with ICBP, the sale price will be reduced if the average audited net profit falls below 95% of that level in the period. For illustrative purposes, a shortfall of US\$10.0 million would result in a reduction in the sale price of US\$230.0 million.

Accordingly, US\$650.0 million of the purchase price will be retained by ICBP for approximately two years following completion of the transaction and may be reduced if required by any adjustment to the purchase price required under the guaranteed profit formula. There is no upward adjustment of the sale price in this formula. Details of this formula can be found in the Company's Stock Exchange Announcement attached to this press release.

ICBP will fund the acquisition of Pinehill through a combination of internal funds and borrowings. The funding will be undertaken solely by ICBP without support or recourse from First Pacific.

A shareholders' circular containing, among other things, (i) further information relating to the Proposed Acquisition; (ii) the recommendation of the IBC in respect of the Proposed Acquisition; (iii) the advice of the IFA in respect of the Proposed Acquisition; (iv) financial information relating to the Group; (v) an accountant's report on the Pinehill Group; (vi) a management discussion and analysis on the Pinehill Group; (vii) unaudited pro forma financial information of the Enlarged Group; (viii) other information as required to be disclosed under the Listing Rules; and (ix) notice of the SGM, is expected to be sent to shareholders on or around mid-June 2020.

Corporate Profile

First Pacific is a Hong Kong-based investment management and holding company with operations located in Asia-Pacific. The Company's principal businesses are in consumer food products, infrastructure, natural resources and telecommunications. First Pacific is listed in Hong Kong (HKSE: 00142) and its shares are also available in the United States through American Depositary Receipts (ADR code: FPAFY). For further information, visit www.firstpacific.com.

The Company holds approximately 50.1% of the issued share capital of Indofood, a consolidated subsidiary of the Company. 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 the manufacture of consumer food and beverage products and their distribution to the market. Indofood is based in Indonesia and its shares are listed on the Indonesia Stock Exchange.

Indofood holds approximately 80.5% of ICBP, a leading Indonesian consumer branded food products company. ICBP's products include noodles, dairy, snack foods, food seasonings, nutrition and specialty foods and beverages. ICBP also operates a packaging business, producing both flexible and corrugated packaging, to support its main consumer branded food products business. ICBP's products are present in more than 60 countries globally.

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For further information, please contact:

John Ryan
Associate Director

Tel: +852 2842 4355
Mobile: +852 6336 1411

Sara Cheung
Vice President
Group Corporate Communications

Tel: +852 2842 4336

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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: www.firstpacific.com

(Stock Code: 00142)

VERY SUBSTANTIAL ACQUISITION AND CONNECTED TRANSACTION

PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF PINEHILL COMPANY LIMITED BY PT INDOFOOD CBP SUKSES MAKMUR TBK

PROPOSED ACQUISITION BY ICBP

On 11 February 2020, the Company announced that ICBP had made a filing with the IDX stating that ICBP (a subsidiary of the Company) was assessing the potential acquisition of Pinehill and that ICBP would conduct due diligence on the Pinehill Group before deciding whether or not to proceed with a transaction.

Further to that announcement, on 22 May 2020 (after trading hours of the Stock Exchange), ICBP and the Sellers entered into the Agreement pursuant to which ICBP has conditionally agreed to purchase, and the Sellers have conditionally agreed to sell, the Sale Shares representing the entire issued share capital of Pinehill, for the Consideration of US\$2,998 million (equivalent to approximately HK\$23.4 billion) (subject to adjustment).

DIRECTORS' VIEWS

The Directors (other than the independent non-executive Directors who will express their views in the shareholders' circular to be issued by the Company in respect of the Proposed Acquisition, after receiving advice from the Independent Financial Adviser) are of the view that the terms of the Proposed Acquisition are fair and reasonable, and that the Proposed Acquisition is on normal commercial terms (as far as the Company is concerned) and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Proposed Acquisition exceeds 100%, the Proposed Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements prescribed by Chapter 14 of the Listing Rules.

Pinehill Corpora, which is the seller of 51% of the issued share capital of Pinehill, is a consortium indirectly owned as to 49% by Mr. Salim, the Chairman of the Board, a substantial shareholder of the Company, the President Director and CEO of Indofood and the President Director and CEO of ICBP. As a result of the indirect beneficial ownership of Mr. Salim in Pinehill Corpora, Pinehill Corpora is a connected person of the Company. Pinehill, a 51% owned subsidiary of Pinehill Corpora, is therefore also a connected person of the Company.

The Proposed Acquisition is therefore also a connected transaction for the Company under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements prescribed by Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Proposed Acquisition.

Somerley has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition.

SGM

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Proposed Acquisition.

As at the date of this announcement, Mr. Salim and his associate(s) (as defined under the Listing Rules) are interested in 1,925,474,957 Shares in aggregate, representing approximately 44.3% of the issued share capital of the Company, and are required to abstain from voting on the resolution to approve the Proposed Acquisition to be proposed at the SGM. Save as aforesaid, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder is required to abstain from voting on the resolution to approve the Proposed Acquisition at the SGM.

DESPATCH OF SHAREHOLDERS' CIRCULAR

The Company is preparing a shareholders' circular containing, among other things, (i) further information relating to the Proposed Acquisition; (ii) the recommendation of the Independent Board Committee in respect of the Proposed Acquisition; (iii) the advice of the Independent Financial Adviser in respect of the Proposed Acquisition; (iv) financial information relating to the Group; (v) an accountant's report in respect of the Pinehill Group; (vi) a management discussion and analysis in respect of the Pinehill Group; (vii) unaudited pro forma financial information of the Enlarged Group; (viii) other information as required to be disclosed under the Listing Rules and (ix) notice of the SGM. As additional time is required by the Company and ICBP for the preparation of relevant information for inclusion in the shareholders' circular, the shareholders' circular is expected to be despatched to the Shareholders on or around mid-June 2020.

Completion of the Proposed Acquisition is subject to fulfillment of the conditions precedent set forth in the Agreement and summarised below in this announcement. The Proposed Acquisition may or may not proceed to Completion. Shareholders and potential investors in the Company are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 11 February 2020, the Company announced that ICBP had made a filing with the IDX stating that ICBP (a subsidiary of the Company) was assessing the potential acquisition of Pinehill and that ICBP would conduct due diligence on the Pinehill Group before deciding whether or not to proceed with a transaction.

Further to that announcement, on 22 May 2020 (after trading hours of the Stock Exchange), ICBP and the Sellers entered into the Agreement pursuant to which ICBP has conditionally agreed to purchase, and the Sellers have conditionally agreed to sell, the Sale Shares representing the entire issued share capital of Pinehill, for the Consideration of US\$2,998 million (equivalent to approximately HK\$23.4 billion) (subject to adjustment).

THE AGREEMENT

The principal terms of the Agreement are summarised below:

Date

22 May 2020

Parties

- (1) ICBP (as purchaser), a consolidated subsidiary of the Company;
- (2) Pinehill Corpora (as Seller), a connected person of the Company; and
- (3) Steele Lake (as Seller).

Further information on Steele Lake and the other parties to the Agreement is set forth below in this announcement.

Subject Matter

Pursuant to the Agreement, ICBP has conditionally agreed to purchase, and the Sellers have conditionally agreed to sell, the Sales Shares representing the entire issued share capital of Pinehill comprising:

- (1) the Pinehill Corpora Sale Shares owned by Pinehill Corpora representing 51% of the issued share capital of Pinehill; and
- (2) the Steele Lake Sale Shares owned by Steele Lake representing 49% of the issued share capital of Pinehill.

Consideration

The aggregate Consideration (subject to adjustment) payable for the sale and purchase of the Sale Shares is US\$2,998 million (equivalent to approximately HK\$23.4 billion), of which US\$1,528.98 million (equivalent to approximately HK\$11,926.04 million) is payable by ICBP to Pinehill Corpora for the Pinehill Corpora Sale Shares and US\$1,469.02 million (equivalent to approximately HK\$11,458.36 million) is payable by ICBP to Steele Lake for the Steele Lake Sale Shares.

Basis of determination of the Consideration

The Pinehill Group is engaged in the manufacture and sale of instant noodles, principally in eight countries under the “Indomie” brand. In order of importance, its key markets are Saudi Arabia, Nigeria, Egypt, Turkey, Serbia, Ghana, Morocco and Kenya, with a total population of approximately 550 million. The Pinehill Group has 12 factories with a production capacity of 10 billion packs. Pinehill’s markets are at an early stage of growth in terms of both volumes and profitability.

The Pinehill Group's sales in 2019 were approximately US\$533.5 million (equivalent to approximately HK\$4.2 billion) and its profits before tax were approximately US\$125.0 million (equivalent to approximately HK\$975.0 million). As at 31 December 2019, it had consolidated total equity of approximately US\$246.3 million (equivalent to approximately HK\$1.9 billion), cash of about US\$67.5 million (equivalent to approximately HK\$526.5 million and no bank debt.

The Consideration of US\$2,998 million (equivalent to approximately HK\$23.4 billion) was determined after arm's length negotiations between ICBP and the Sellers on normal commercial terms with reference to:

- (i) the historical growth rate and projected future growth of the Pinehill Group, including as a result of the specific features of the Pinehill Group's footprint described in (iii) and (iv) below;
- (ii) the Pinehill Group's exceptional strength and dominant market position in the markets in which it operates;
- (iii) the substantial future growth opportunities arising from the demographics of the Pinehill Group's existing footprint, with its core markets of Saudi Arabia, Nigeria, Egypt, Turkey, Serbia, Ghana, Morocco and Kenya having a total population of approximately 550 million, rising to over 885 million after taking into account the surrounding countries into which the Pinehill Group is currently selling;
- (iv) the substantial future growth opportunities arising from the emerging status of the Pinehill Group's main markets, with average consumption per head at less than a quarter of that for ICBP's products in Indonesia and significant potential for increasing profit margins as demand for additional flavours and more sophisticated packaging increase;
- (v) the strategic fit and potential synergies available to ICBP, as ICBP believes Pinehill is a unique fit with its present core expertise and presents a golden opportunity to expand into fast growing and profitable new markets. ICBP believes the Proposed Acquisition can be a transformative step for ICBP to join an elite group of international food companies and become one of the largest producer of instant noodles in the world;
- (vi) the Profit Guarantee described below in this section in respect of the Guarantee Period, representing a price earnings multiple of 23 times; and

- (vii) the price earnings multiples of 11 comparable public companies (6 in Africa and the Middle East and 5 in Southeast Asia) engaged in food manufacturing and processing in their respective regions and otherwise having similar characteristics to the Pinehill Group. Based on the data quoted from Bloomberg L.P., as at 31 December 2019, the overall mean price earnings multiple of the group of 11 comparable companies was 23.5 and their overall median price earnings multiple was 23.

Although ICBP has relied on its own assessment and valuation as described above, in accordance with the rules of the IDX, ICBP has engaged an independent Indonesian valuer to value the Pinehill Group. Based on a number of different valuation methodologies, the valuations obtained from the independent Indonesian valuer were broadly in line with ICBP's estimated equity value of the Pinehill Group.

Having independently assessed the factors taken into account by ICBP to derive its valuation of the Pinehill Group and the amount of the Consideration, as described above, the Directors (other than the independent non-executive Directors who will express their views in the shareholders' circular to be issued by the Company in respect of the Proposed Acquisition, after receiving advice from the Independent Financial Adviser) are of the view that the Consideration was determined on a fair and reasonable basis following an appropriate process, and that the Consideration determined as aforesaid and subject to the adjustment described below in this announcement is in the interests of the Company and the Shareholders as a whole.

Payment of the Consideration

Pinehill Corpora Sale Shares

The consideration of US\$1,528.98 million (equivalent to approximately HK\$11,926.04 million) for the sale and purchase of the Pinehill Corpora Sale Shares shall be paid by ICBP as follows:

- (1) US\$1,197.48 million (equivalent to approximately HK\$9,340.34 million) in cash in full on the Completion Date; and
- (2) US\$331.5 million (equivalent to approximately HK\$2,585.7 million) (the "**Pinehill Corpora Retention Amount**") in cash on 30 April 2022 (or such later date as any adjustment to the Consideration is definitively determined), subject to set off against any adjustment to the Consideration.

Steele Lake Sale Shares

The consideration of US\$1,469.02 million (equivalent to approximately HK\$11,458.36 million) for the sale and purchase of the Steele Lake Sale Shares shall be paid by ICBP as follows:

- (1) US\$1,150.52 million (equivalent to approximately HK\$8,974.06 million) in cash in full on the Completion Date; and
- (2) US\$318.5 million (equivalent to approximately HK\$2,484.3 million) (the “**Steele Lake Retention Amount**”, together with the Pinehill Corpora Retention Amount, the “**Retention Amount**”) in cash on 30 April 2022 (or such later date as any adjustment to the Consideration is definitively determined), subject to set off against any adjustment to the Consideration.

Retention Amount

The Retention Amount shall be retained by ICBP until 30 April 2022 or such later date as any adjustment to the Consideration is definitively determined. As a result of any adjustment to the Consideration, the Retention Amount would be reduced by an amount equal to the amount of the adjustment, following which ICBP shall pay to Pinehill Corpora and Steele Lake, respectively, the balance of the Retention Amount which has not been set off against any adjustment to the Consideration resulting from the application of the provisions relating to the profit guarantee described below in the paragraph headed “Profit guarantee”, together with a one time compensation of 2.63% of the balance of the Retention Amount payable (after any set off resulting from any adjustment to the Consideration). The amount of any adjustment resulting from the profit guarantee described below which exceeds the Retention Amount shall be payable by the Sellers, proportionally, to ICBP.

Within one month before the payment date of the Retention Amount, the parties may by mutual agreement extend the payment period as well as the terms governing such extension.

Source of funding by ICBP

The Proposed Acquisition will be funded by ICBP’s internal resources and borrowings from third party banks. ICBP intends to satisfy the Consideration:

- (1) as to US\$300 million (equivalent to approximately HK\$2,340 million) in cash from ICBP’s internal resources generated by its operations; and
- (2) the balance of the Consideration from borrowings from third party banks. As at the date of this announcement, ICBP is in discussions with prospective lenders on the terms of a loan facility to be granted to ICBP, and no definitive terms have been agreed among the parties.

Profit guarantee

Under the Agreement, the Sellers have jointly and severally undertaken that the average annual audited consolidated net profit after tax of the Pinehill Group for the Guarantee Period shall not be less than US\$128.5 million (equivalent to approximately HK\$1,002.3 million) per annum (the “**Guaranteed Profit**”).

Adjustment to the Consideration

The Agreement provides that if the average annual audited consolidated net profit after tax of the Pinehill Group for the Guarantee Period is less than 95% of the Guaranteed Profit, the Consideration shall be adjusted in accordance with the following formula:

$$\text{adjustment amount} = (a - b) \times c,$$

where:

- a = US\$128.5 million (equivalent to approximately HK\$1,002.3 million), being the Guaranteed Profit. The Guaranteed Profit has been determined having regard to the factors taken into account by ICBP as described in the paragraph headed “The Agreement – Consideration – Basis of determination of the Consideration” above, including the projected future growth of the Pinehill Group;
- b = the actual average audited consolidated net profit after tax of the Pinehill Group for the Guarantee Period as derived from the Pinehill Group’s Financial Statements (the “**Actual Profit**”); and
- c = 23, being the price earnings multiple of the Pinehill Group as mutually agreed between the parties, based on the average price earnings multiple of the group of 11 comparable companies considered by ICBP as described in the paragraph headed “The Agreement – Consideration – Basis of determination of the Consideration” above.

If the Actual Profit is less than 95% of the Guaranteed Profit, the Company will comply with the disclosure requirements under Rule 14.36B(2) of the Listing Rules.

The terms of the profit guarantee allow a 5% buffer before an adjustment is triggered. However, once an adjustment is triggered, the amount to be deducted from the Consideration is based on the whole shortfall, multiplied by the price earnings multiple of 23 times. No upward adjustment will be made to the Consideration in the event that the average annual audited consolidated net profit after tax of the Pinehill Group for the Guarantee Period exceeds the Guaranteed Profit.

Conditions Precedent

Completion is conditional upon and subject to the satisfaction of the following Conditions Precedent:

- (1) Announcement of the Proposed Acquisition by ICBP in accordance with applicable rules and regulations of Indonesia.
- (2) Approval of the Proposed Acquisition at a general meeting of shareholders convened by ICBP no later than 28 August 2020, in accordance with applicable rules and regulations of Indonesia.
- (3) Approval of the Proposed Acquisition as a very substantial acquisition and a connected transaction of the Company under Chapters 14 and 14A, respectively, of the Listing Rules, by an ordinary resolution of Independent Shareholders passed at the SGM to be held by no later than 28 August 2020.
- (4) Delivery by the Sellers of all prior written consents or waivers as may be required from creditors of the Sellers in connection with the Proposed Acquisition.
- (5) Receipt by the Sellers of all corporate approvals as may be required under their respective memorandum and articles of association in connection with the Proposed Acquisition.
- (6) Delivery by ICBP of all prior written consents or waivers as may be required from the respective creditors of ICBP and/or Indofood (as the case may be) in connection with the Proposed Acquisition.
- (7) A facility agreement in relation to the financing of the Proposed Acquisition having been entered into by ICBP and all conditions to drawdown under such facility agreement having been satisfied.

The Conditions Precedent set forth in (1), (2) and (3) above cannot be waived. If any of the Conditions Precedent set forth in (1), (2) or (3) above is not fulfilled, ICBP and the Sellers shall not be obligated to fulfil the Conditions Precedent set forth in (4), (5), (6) and (7) above, and the Agreement shall terminate and cease to be binding on the parties.

The Agreement provides that upon satisfaction of the Conditions Precedent set forth in (1), (2) and (3) above, each of ICBP and the Sellers shall use all reasonable endeavours to fulfill the Conditions Precedent set forth in (4), (5), (6) and (7) above. The Agreement further provides that if any of the Conditions Precedent set forth in (4), (5), (6) and (7) above is not fulfilled or waived in accordance with the Agreement on or prior to the Long Stop Date, ICBP and the Sellers shall not be obliged to proceed to Completion and the Agreement shall thereafter terminate and cease to be binding on the parties.

If the Agreement is terminated as a result of the non-fulfilment of the Conditions Precedent, ICBP and the Sellers shall not have any liabilities towards each other under the Agreement arising out of such non-fulfilment of the Conditions Precedent.

As at the date of this announcement, none of the Conditions Precedent set forth above have been fulfilled.

Completion

Completion shall take place on the date falling five Business Days after all of the Conditions Precedent are fulfilled or (if applicable) waived, or (to the extent permitted by applicable laws and regulations) such later date as mutually agreed in writing among the parties, but no later than the Long Stop Date (the “**Completion Date**”).

INFORMATION ON THE PINEHILL GROUP

Pinehill is an investment holding company established under the laws of the BVI and owning:

- (1) 59% of Pinehill Arabia Food Limited, a company incorporated in the Kingdom of Saudi Arabia which is primarily engaged in instant noodle manufacturing in the Kingdom of Saudi Arabia;
- (2) the entire issued share capital of Platinum Stream Profits Limited, a holding company incorporated in the BVI, which owns 48.99% of Dufil Prima Foods Plc, a public company incorporated in the Federal Republic of Nigeria. Dufil Prima Foods Plc and its consolidated subsidiaries are primarily engaged in instant noodle manufacturing in the Federal Republic of Nigeria and the Republic of Ghana;
- (3) 59% of Salim Wazaran Group Limited, a holding company incorporated in the BVI. Salim Wazaran Group Limited and its subsidiaries are engaged in the manufacturing and distribution of instant noodle in the Republic of Egypt, the Republic of Kenya, the Kingdom of Morocco and the Republic of Serbia; and
- (4) 59% of Salim Wazaran Gida Sanayi Ve Yatirim Anonim Sirketi, a company incorporated in the Republic of Turkey. Salim Wazaran Gida Sanayi Ve Yatirim Anonim Sirketi is a holding company owning 80% of Adkoturk Gida Sanayi Ve Ticaret Limited Sirketi, a company incorporated in the Republic of Turkey and primarily engaged in instant noodle manufacturing in the Republic of Turkey.

Financial Information of the Pinehill Group

The financial information of the Pinehill Group set forth below is extracted from its audited consolidated financial statements prepared in accordance with IFRS for the two financial years ended 31 December 2019 and 31 December 2018:

- (1) For the financial year ended 31 December 2019, Pinehill's audited consolidated profit before taxation was US\$125.0 million (approximately HK\$975.0 million) and Pinehill's audited consolidated profit after taxation attributable to its shareholders was US\$43.2 million (approximately HK\$337.0 million).
- (2) For the financial year ended 31 December 2018, Pinehill's audited consolidated profit before taxation was US\$87.2 million (approximately HK\$680.2 million) and Pinehill's audited consolidated profit after taxation attributable to its shareholders was US\$41.8 million (approximately HK\$326.0 million).
- (3) Pinehill's core profit (being the profit attributable to the owners of the Pinehill Group after excluding the effects of foreign exchange and interest expenses in head office) was US\$77.7 million (approximately HK\$606.1 million) for the financial year ended 31 December 2019 and US\$55.1 million (approximately HK\$429.8 million) for the financial year ended 31 December 2018.
- (4) As at 31 December 2019, Pinehill's audited consolidated total equity was approximately US\$246.3 million (approximately HK\$1.9 billion) and its audited consolidated net asset value attributable to its shareholders was US\$174.3 million (approximately HK\$1,359.5 million).

INFORMATION ON THE COMPANY, INDOFOOD AND ICBP

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

The Company holds approximately 50.1% of the issued share capital of Indofood, which is a consolidated subsidiary of the Company. 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 the manufacture of consumer food and beverage products and their distribution to the market. Indofood is based in Indonesia and its shares are listed on IDX.

Indofood holds approximately 80.5% of ICBP. ICBP is a leading Indonesian consumer branded food products company. ICBP's products include noodles, dairy, snack foods, food seasonings, nutrition and special foods and beverages. ICBP also operates a packaging business, producing both flexible and corrugated packaging, to support its main consumer branded food products business. ICBP's products are present in more than 60 countries globally. ICBP is listed on the IDX with a market capitalisation of approximately US\$7.6 billion (equivalent to approximately HK\$59.3 billion) as at 22 May 2020.

INFORMATION ON THE SELLERS

Pinehill Corpora

Pinehill Corpora is a consortium established under the laws of the BVI. Its principal business is to hold its investment in Pinehill.

As set forth in the paragraph headed “Listing Rules Implications” below, Pinehill Corpora is a consortium indirectly owned as to 49% by Mr. Salim. As a result of the indirect beneficial ownership of Mr. Salim in Pinehill Corpora, Pinehill Corpora is a connected person of the Company. A relative (as defined in the Listing Rules) of Mr. Salim indirectly beneficially owns 8.3% of Pinehill Corpora. The remaining 42.7% of Pinehill Corpora is held by independent third parties (except for their respective shareholdings in Pinehill Corpora).

Steele Lake

Steele Lake is a company established under the laws of the BVI. Its principal business is to hold its investment in Pinehill.

Steele Lake is beneficially owned by ASM Telok Ayer Fund, a discretionary investment fund managed and ultimately controlled by Argyle Street Management Limited (“ASM”). ASM is an asset manager, licensed by the Securities and Futures Commission of Hong Kong, that operates in Southeast Asia and Greater China. It was founded in 2002 and is based in Hong Kong. Other funds managed by ASM are co-investors in two other unrelated investments with entities controlled by Mr. Salim and Mr. Salim is the sole shareholder of an entity which is a limited partner in one of the other unrelated funds managed by ASM.

Subject to the foregoing, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Steele Lake and its ultimate beneficial owners are third parties independent of the Company and independent from the connected persons (as defined in the Listing Rules) of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

Reasons for and benefits of the Proposed Acquisition are set forth below:

- (1) the Proposed Acquisition of the Pinehill Group, whose main business is in the manufacturing and distribution of instant noodles in Africa, Middle East and South Eastern Europe, is directly in-line with the development and expansion of ICBP’s core business;
- (2) the Proposed Acquisition is expected to enable ICBP to gain a strategic position in new growth markets in which Halal products are the primary choice, given that all the categories of the ICBP group’s noodle products are also Halal;

- (3) the Pinehill Group has a strong market share in eight countries in Africa, Middle East and South Eastern Europe. The Proposed Acquisition is expected to enable ICBP to become a global food player and food products manufacturer with a strong global market share in the instant noodles market;
- (4) the Pinehill Group currently has twelve instant noodles manufacturing facilities, located in eight countries with a total population of more than 550 million people, and has distribution networks in 33 countries/territories with a total population of more than 885 million people. The acquisition of the Pinehill Group, which has a total capacity of producing more than ten billion packs of instant noodles and already occupies dominant market positions in most of its markets, is expected to help establish ICBP as one of the leading instant noodle manufacturers in the world;
- (5) the Pinehill Group's extensive manufacturing facilities and distribution networks in Africa, the Middle East and South Eastern Europe offer valuable and readily available platforms for ICBP to distribute and manufacture its wide ranging consumer-branded products, which are currently mainly produced and distributed in Indonesia, in the Pinehill Group's fast-growing markets; and
- (6) the Pinehill Group's markets, which cover a total population of more than three times the population of Indonesia are growing very rapidly. With an average consumption of instant noodles per capita that is still very low, the rapid growth in these markets is expected to continue in the foreseeable future. Thus, the acquisition of the Pinehill Group is expected to contribute to the future growth of ICBP and, indirectly, the Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Proposed Acquisition exceeds 100%, the Proposed Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules, which is subject to the reporting, announcement and Shareholders' approval requirements of Chapter 14 of the Listing Rules.

Pinehill Corpora, which is the seller of 51% of the issued share capital of Pinehill, is a consortium indirectly owned as to 49% by Mr. Salim, the Chairman of the Board, a substantial shareholder of the Company, the President Director and CEO of Indofood and the President Director and CEO of ICBP. As a result of the indirect beneficial ownership of Mr. Salim in Pinehill Corpora, Pinehill Corpora is a connected person of the Company. Pinehill, a 51% owned subsidiary of Pinehill Corpora, is therefore also a connected person of the Company.

The Proposed Acquisition therefore also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules which is subject to the reporting, announcement and Independent Shareholders' approval requirements of Chapter 14A of the Listing Rules.

DIRECTORS' VIEWS

The Directors (other than the independent non-executive Directors who will express their views in the shareholders' circular to be issued by the Company in respect of the Proposed Acquisition, after receiving advice from the Independent Financial Adviser) are of the view that the terms of the Proposed Acquisition are fair and reasonable, and that the Proposed Acquisition is on normal commercial terms (as far as the Company is concerned) and in the interests of the Company and the Shareholders as a whole.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Proposed Acquisition.

Somerley has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition.

SGM

The SGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the Proposed Acquisition.

Any Shareholder with a material interest in the Proposed Acquisition and his/her/its close associates will be required to abstain from voting on the ordinary resolution to approve the Proposed Acquisition. As at the date of this announcement, Mr. Salim and his associate(s) are interested in 1,925,474,957 Shares in aggregate, representing approximately 44.3% of the issued share capital of the Company, and are required to abstain from voting on the resolution to approve the Proposed Acquisition to be proposed at the SGM. Save as aforesaid, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no other Shareholder is required to abstain from voting on the resolution to approve the Proposed Acquisition at the SGM.

DESPATCH OF SHAREHOLDERS' CIRCULAR

The Company is preparing a shareholders' circular containing, among other things, (i) further information relating to the Proposed Acquisition; (ii) the recommendation of the Independent Board Committee in respect of the Proposed Acquisition; (iii) the advice of the Independent Financial Adviser in respect of the Proposed Acquisition; (iv) financial information relating to the Group; (v) an accountant's report on the Pinehill Group; (vi) a management discussion and analysis on the Pinehill Group; (vii) unaudited pro forma financial information of the Enlarged Group; (viii) other information as required to be disclosed under the Listing Rules and (ix) notice of the SGM. As additional time is required by the Company and ICBP for the preparation of relevant information for inclusion in the shareholders' circular, the shareholders' circular is expected to be despatched to the Shareholders on or around mid-June 2020.

GENERAL

Completion of the Proposed Acquisition is subject to fulfillment of the conditions precedent set forth in the Agreement and summarised above in this announcement. The Proposed Acquisition may or may not proceed to Completion. Shareholders and potential investors in the Company are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Actual Profit”	has the meaning given to it in the paragraph headed “The Agreement – Consideration – Adjustment to the Consideration” in this announcement;
“Agreement”	the conditional shares sale and purchase agreement dated 22 May 2020 entered into by and between ICBP and the Sellers in relation to the Proposed Acquisition;
“ASM”	has the meaning given to it in the paragraph headed “Information on the Sellers – Steele Lake” in this announcement;
“associate”	has the meaning given to it in the Listing Rules;
“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are open in Singapore, Jakarta and New York City (in relation to remittances in US dollars);

“BVI”	the British Virgin Islands;
“Company” or “First Pacific”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability, and having its shares listed on the Stock Exchange;
“Completion”	completion of the Proposed Acquisition in accordance with the terms and conditions of the Agreement;
“Completion Date”	has the meaning given to it in the paragraph headed “The Agreement – Completion” in this announcement;
“Conditions Precedent”	the conditions precedent to Completion, details of which are set out under the paragraph headed “The Agreement – Conditions Precedent” in this announcement;
“Connected person”	has the meaning assigned to it under the Listing Rules;
“Consideration”	the purchase price for the acquisition of the entire issued share capital of Pinehill in the aggregate amount of US\$2,998 million payable by ICBP to the Sellers for the Proposed Acquisition under the Agreement;
“Director(s)”	the director(s) of the Company;
“Enlarged Group”	the Group as enlarged by the Pinehill Group upon Completion;
“Group”	the Company, its subsidiaries and associated companies from time to time;
“Guarantee Period”	the two financial years ending 31 December 2020 and 31 December 2021;
“Guaranteed Profit”	has the meaning given to it in the paragraph headed “The Agreement – Consideration – Profit Guarantee” in this announcement;
“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;

“ICBP”	PT Indofood CBP Sukses Makmur Tbk, a company incorporated in Indonesia and listed on the IDX, in which Indofood has an 80.5% interest, being the purchaser of the Sale Shares under the Agreement;
“IDX”	the Indonesia Stock Exchange;
“IFRS”	International Financial Reporting Standards, as issued and/or adopted by the International Accounting Standards Board from time to time;
“Independent Board Committee”	the independent committee of the Board comprising Prof. Edward K.Y. Chen, <i>GBS, CBE, JP</i> , Margaret Leung Ko May Yee, <i>SBS, JP</i> , Philip Fan Yan Hok, Madeleine Lee Suh Shin and Blair Chilton Pickerell, being all the independent non-executive Directors, established by the Company to consider the Proposed Acquisition and advise the Independent Shareholders as to whether the terms of the Proposed Acquisition are fair and reasonable and whether the Proposed Acquisition is in the interests of the Company and the Independent Shareholders as a whole and to advise the Independent Shareholders on how to vote in respect of the Proposed Acquisition at the SGM, taking into account the recommendation of the Independent Financial Adviser in that regard;
“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition and as to how the Independent Shareholders should vote at the SGM in respect of the resolution to approve the Proposed Acquisition;
“Independent Shareholders”	shareholders of the Company who do not have a material interest in the Proposed Acquisition;
“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 IDX;

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	31 December 2020;
“Mr. Salim”	Mr. Anthoni Salim, the Chairman of the Board, a substantial shareholder of the Company, the President Director and CEO of Indofood and the President Director and CEO of ICBP, a connected person of the Company;
“Pinehill”	Pinehill Company Limited, a limited liability company established under the laws of the BVI;
“Pinehill Corpora”	Pinehill Corpora Limited, a limited liability company established under the laws of the BVI, being the seller of the Pinehill Corpora Sale Shares and a connected person of the Company;
“Pinehill Corpora Retention Amount”	has the meaning given to it in the paragraph headed “The Agreement – Consideration – Payment of the Consideration” in this announcement;
“Pinehill Corpora Sale Shares”	70,828,180 shares in Pinehill owned by Pinehill Corpora, representing 51% of the entire issued share capital of Pinehill;
“Pinehill Group”	Pinehill, its subsidiaries and an associated company;
“Pinehill Group Financial Statements”	the audited consolidated financial statements of the Pinehill Group to be prepared in respect of the financial years ended 31 December 2020 and 31 December 2021, to be audited by an independent accountant in accordance with IFRS and expected to be issued no later than 15 April 2022;
“Proposed Acquisition”	the proposed acquisition by ICBP of the entire issued share capital of Pinehill as contemplated under the Agreement and described in this announcement;
“Retention Amount”	has the meaning given to it in the paragraph headed “The Agreement – Consideration – Payment of the Consideration” in this announcement;

“Sale Shares”	collectively, the Pinehill Corpora Sale Shares and the Steele Lake Sale Shares;
“Sellers”	collectively, Pinehill Corpora and Steele Lake, and “Seller” shall mean any one of them;
“SGM”	the special general meeting of the Company to be convened by the Company to consider and, if thought fit, approve the Proposed Acquisition;
“Shareholder(s)”	holder(s) of Shares;
“Shares”	ordinary share(s) of US\$0.01 (approximately HK\$0.078) each in the share capital of the Company;
“Steele Lake”	Steele Lake Limited, a limited liability company established under the laws of the BVI, being the seller of the Steele Lake Sale Shares;
“Steele Lake Retention Amount”	has the meaning given to it in the paragraph headed “The Agreement – Consideration – Payment of the Consideration” in this announcement;
“Steele Lake Sale Shares”	68,050,408 shares in Pinehill owned by Steele Lake, representing 49% of the entire issued share capital of Pinehill;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“US\$” or “US dollars”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

In this announcement, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.80. Percentages and figures expressed in billions and millions have been rounded.

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

Hong Kong, 22 May 2020

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

Executive Directors:

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

Non-executive Directors:

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

Independent Non-executive Directors:

Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Margaret Leung Ko May Yee, *SBS, JP*
Philip Fan Yan Hok
Madeleine Lee Suh Shin
Blair Chilton Pickerell