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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](http://www.firstpacific.com)

(Stock Code: 00142)

### **DISCLOSEABLE TRANSACTION**

#### **SHARE BUYBACK BY METRO PACIFIC INVESTMENTS CORPORATION**

##### **SHARE BUYBACK BY MPIC**

During the period from 2 March 2020 to 29 October 2020, MPIC, a Philippine affiliate of the Company, in which the Group indirectly holds a 43.1% economic interest and a 56.1% voting interest following the Share Buyback as at the date of this announcement and which is listed on the Philippine Stock Exchange, bought back an aggregate of 861,758,000 MPIC Shares from the open market. The aggregate consideration for the Share Buyback amounted to approximately Php3.26 billion (equivalent to approximately US\$67.4 million or HK\$525.4 million), including brokerage and other transaction costs, which was fully settled in cash from internal resources.

As a result of the Share Buyback, the Group's shareholding in MPIC increased and the Share Buyback constitutes a deemed acquisition of an additional 1.2% economic interest and 1.2% voting interest in MPIC by the Group. Prior to the implementation of the Share Buyback, the Group had a 41.9% economic interest and a 54.9% voting interest in MPIC. As at the date of this announcement, the economic interest and voting interest indirectly held by the Group in MPIC has increased to approximately 43.1% and 56.1%, respectively.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Share Buyback is more than 5% but all of the applicable percentage ratios are less than 25%, the Share Buyback constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

## **SHARE BUYBACK BY MPIC**

During the period from 2 March 2020 to 29 October 2020, MPIC, a Philippine affiliate of the Company, in which the Group indirectly holds a 43.1% economic interest and a 56.1% voting interest following the Share Buyback as at the date of this announcement and which is listed on the Philippine Stock Exchange, bought back an aggregate of 861,758,000 MPIC Shares from the open market. MPIC will hold the shares bought back as treasury shares (“**Treasury Shares**”). Other than any applicable regulatory requirements under the rules or regulations of the Philippine Stock Exchange, the Securities and Exchange Commission of the Philippines and the Stock Exchange, no restrictions will apply to any future sale of such Treasury Shares.

The Share Buyback was made pursuant to:

- (i) MPIC’s share buyback program approved by the MPIC Board on 26 February 2020 (the “**February 2020 Share Buyback Program**”), pursuant to which MPIC effected a share buyback for an amount of approximately Php0.7 billion (equivalent to approximately US\$14.5 million or HK\$112.8 million), including brokerage and other transaction costs, before its expiry in May 2020.
- (ii) MPIC’s share buyback program approved by the MPIC Board on 1 October 2020 (the “**October 2020 Share Buyback Program**”), pursuant to which MPIC may effect share buybacks for an amount of up to Php5 billion (equivalent to approximately US\$103.3 million or HK\$805.8 million) commencing on 2 October 2020 until the utilization of the aforementioned amount or as may otherwise be determined by the MPIC Board. As at the date of this announcement, MPIC has effected share buybacks under the October 2020 Share Buyback Program for an aggregate amount of approximately Php2.56 billion (equivalent to approximately US\$52.9 million or HK\$412.6 million). Accordingly, under the October 2020 Share Buyback Program, MPIC may effect further share buybacks of up to Php2.44 billion (equivalent to approximately US\$50.4 million or HK\$393.2 million). The Company will comply with the applicable requirements under the Listing Rules in relation to the October 2020 Share Buyback Program as and when necessary or appropriate.

As the Share Buyback was conducted through the open market, the identities of the counterparties involved in the Share Buyback could not be ascertained. However, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## **SUBJECT OF THE SHARE BUYBACK**

As a result of the Share Buyback, the Group's shareholding in MPIC increased and the Share Buyback constitutes a deemed acquisition of an additional 1.2% economic interest and 1.2% voting interest in MPIC by the Group. Prior to the implementation of the Share Buyback, the Group had a 41.9% economic interest and a 54.9% voting interest in MPIC. As at the date of this announcement, the economic interest and voting interest indirectly held by the Group in MPIC has increased to approximately 43.1% and 56.1%, respectively.

## **CONSIDERATION**

Pursuant to the Share Buyback, an aggregate of 861,758,000 MPIC Shares were bought back by MPIC at prices ranging from Php2.59 (equivalent to approximately US\$0.054 or HK\$0.42) to Php4.04 (equivalent to approximately US\$0.083 or HK\$0.65) per MPIC Share respectively, excluding brokerage and other transaction costs. The aggregate consideration for the Share Buyback amounted to approximately Php3.26 billion (equivalent to approximately US\$67.4 million or HK\$525.4 million), including brokerage and other transaction costs, which was fully settled in cash from internal resources.

The Share Buyback was conducted at the prevailing market price of the MPIC Shares on the Philippine Stock Exchange at the time of each share buyback.

## **REASONS FOR THE SHARE BUYBACK AND EXPECTED BENEFITS**

MPIC seeks to enhance and improve shareholder value and to manifest confidence in MPIC's value and prospects through the buyback of its common shares implemented under the share buyback program(s) as may be approved by the MPIC Board from time to time.

The Share Buyback has been effected in circumstances where:

- (i) MPIC's stock was deemed to be substantially undervalued;
- (ii) when there was high volatility in the prices in the MPIC Shares; or
- (iii) in any other instance where a buyback would serve to enhance or improve shareholder value for MPIC,

in each case as reasonably determined by a special committee of the MPIC Board established for such purpose.

In light of the above, the Directors believe that the terms of the Share Buyback, and the increase of an additional 1.2% economic interest and 1.2% voting interest held by the Group in MPIC, are fair and reasonable, and that the Share Buyback and such increase in the economic interest and voting interest indirectly held by the Group in MPIC are in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE COMPANY**

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

## **INFORMATION ON MPIC**

As at the date of this announcement, MPIC is a Philippine affiliate of the Company, in which the Group indirectly holds a 43.1% economic interest and a 56.1% voting interest following the Share Buyback. MPIC is one of the largest infrastructure investment management and holding companies in the Philippines, with investments in the country's largest electricity distributor, toll road operator, water distributor and hospital group. MPIC also holds substantial investments in light rail and logistics operations, and is one of the largest electricity generators in the Visayas region of the Philippines. MPIC's financial results are consolidated in the Company's financial statements and its shares are listed on the Philippine Stock Exchange.

The audited consolidated net profits of MPIC in respect of its financial year ended 31 December 2019 were Php39.4 billion (equivalent to approximately US\$764.6 million or HK\$6.0 billion) before taxation and Php27.8 billion (equivalent to approximately US\$539.4 million or HK\$4.2 billion) after taxation.

The audited consolidated net profits of MPIC in respect of its financial year ended 31 December 2018 were Php29.2 billion (equivalent to approximately US\$553.9 million or HK\$4.3 billion) before taxation and Php22.2 billion (equivalent to approximately US\$420.9 million or HK\$3.3 billion) after taxation.

The audited net asset value of MPIC as at 31 December 2019 was Php191.0 billion (equivalent to approximately US\$3.8 billion or HK\$29.4 billion).

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Share Buyback is more than 5% but all of the applicable percentage ratios are less than 25%, the Share Buyback constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

## DEFINITIONS

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

“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda and having its shares listed on the Stock Exchange;
“Directors”	the directors of the Company;
“February 2020 Share Buyback Program”	has the meaning given to it under the paragraph headed “Share Buyback by MPIC”;
“Group”	together, the Company, its subsidiaries and Philippine affiliates;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MPIC”	Metro Pacific Investments Corporation, a company incorporated in the Philippines and listed on the Philippine Stock Exchange. MPIC is an affiliate of the Company, in which the Group indirectly holds a 43.1% economic interest and a 56.1% voting interest following the Share Buyback as at the date of this announcement, as more particularly described in the section headed “Information on MPIC” in this announcement;
“MPIC Board”	the board of directors of MPIC;
“MPIC Shares”	common shares of MPIC, each with par value of Php1 (approximately US\$0.021 or HK\$0.16) per share;
“October 2020 Share Buyback Program”	has the meaning given to it under the paragraph headed “Share Buyback by MPIC”;
“Php”	Philippine Peso, the lawful currency of the Philippines;
“Share Buyback”	the share buybacks of an aggregate of 861,758,000 MPIC Shares from the open market by MPIC during the period from 2 March 2020 to 29 October 2020;

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Treasury Shares”	has the meaning given to it under the paragraph headed “Share Buyback by MPIC”;
“US\$”	US dollar, the lawful currency of the United States of America; and
“%”	per cent.

*In this announcement, unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = Php48.4 = HK\$7.8. Percentages and figures expressed in millions and billions have been rounded.*

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

Hong Kong, 29 October 2020

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

***Executive Directors:***

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