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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)

DISCLOSEABLE TRANSACTION

SALE OF THE INDIRECT 29.45% INTEREST HELD BY FPM TOLLWAY (THAILAND) LIMITED IN DON MUANG TOLLWAY PUBLIC COMPANY LIMITED

THE SPAs

On 16 February 2021 (after trading hours of the Stock Exchange), FPM Tollway (as seller) and MPTC, each a subsidiary of the Group, entered into the SPAs with the Purchasers (as buyers).

FPM Tollway is a wholly-owned indirect subsidiary of MPTC, in which MPIC holds a 99.9% direct shareholding interest. MPIC is a Philippine affiliate of the Company in which the Group indirectly holds a 43.1% economic interest as at the date of this announcement.

Pursuant to the SPAs, FPM Tollway agreed to sell (or in the case of the Sale Shares being held on trust for FPM Tollway, procure to sell), and the Purchasers agreed to purchase, in aggregate, the Sale Shares representing the entire issued share capital in AIF Toll Roads, for an aggregate consideration of approximately US\$149.25 million (equivalent to approximately HK\$1,164.2 million), payable by the Purchasers in full in cash at Closing. AIF Toll Roads has an approximate 29.45% shareholding in DMT, a major toll road operator in Bangkok, Thailand.

Closing is expected to occur on 19 February 2021. Following the Closing, the Group will cease to have any interest in AIF Toll Roads and DMT.

REASONS FOR AND BENEFITS OF THE TRANSACTION

MPTC has received increased interest from third parties to acquire MPTC's entire indirect 29.45% shareholding in DMT. Completion of the Transaction will allow MPTC (and, therefore, the Group) to realize a gain on its investment in DMT and benefit from increased liquidity, and enable the strengthening of MPTC's balance sheet. It is intended that MPTC will use the proceeds from the Transaction to fund various capital expenditures required by MPTC's other projects.

The Directors consider that the terms of the SPAs are fair and reasonable, and that the Transaction 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.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction is more than 5% but all of the applicable percentage ratios are less than 25%, the Transaction is a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

THE SPAs

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SUMMARY OF PRINCIPAL TERMS OF THE SPAs

- Parties : (1) FPM Tollway (as seller);
- (2) MPTC; and
- (3) a Purchaser (as buyer).

Further information on each of the Purchasers is set forth below in the paragraph headed “Information on the Purchasers”.

Subject matter : FPM Tollway agrees to sell, and the Purchasers agree to purchase, the Sale Shares representing the entire issued share capital of AIF Toll Roads, together with all benefits and rights attached thereto.

Aggregate Consideration : Approximately US\$149.25 million (equivalent to approximately HK\$1,164.2 million), representing US\$9.428 (equivalent to approximately HK\$73.54) per share, payable by the Purchasers in full in cash at Closing as follows:

- (1) as to approximately US\$48.67 million (equivalent to approximately HK\$379.63 million) payable by Mr. Sombath Phanichewa for the 5,162,495 shares of AIF Toll Roads agreed to be purchased by Mr. Sombath Phanichewa under the relevant SPA;
- (2) as to approximately US\$66.99 million (equivalent to approximately HK\$522.52 million) payable by Ademas Co. Ltd. for the 7,105,818 shares of AIF Toll Roads agreed to be purchased by Ademas Co. Ltd. under the relevant SPA;
- (3) as to approximately US\$23.63 million (equivalent to approximately HK\$184.31 million) payable by the Wachirapong Family for the 2,506,768 shares of AIF Toll Roads agreed to be purchased by the Wachirapong Family under the relevant SPA;
- (4) as to approximately US\$1.66 million (equivalent to approximately HK\$12.95 million) payable by Mr. Annop Limpraset for the 175,892 shares of AIF Toll Roads agreed to be purchased by Mr. Annop Limpraset under the relevant SPA;

- (5) as to approximately US\$1.66 million (equivalent to approximately HK\$12.95 million) payable by Mr. Walaiporn Somphakdee for the 175,892 shares of AIF Toll Roads agreed to be purchased by Mr. Walaiporn Somphakdee under the relevant SPA; and
- (6) as to approximately US\$6.63 million (equivalent to approximately HK\$51.71 million) payable by Mr. Paway Chuengsappaisan for the 703,569 shares of AIF Toll Roads agreed to be purchased by Mr. Paway Chuengsappaisan under the relevant SPA.

The aggregate consideration of approximately US\$149.25 million (equivalent to approximately HK\$1,164.2 million) was determined after arm's length negotiations between FPM Tollway and the Purchasers, after taking into account the value of AIF Toll Roads' approximate 29.45% shareholding in DMT, the earnings of the business of DMT, the value of its concession assets, including DMT's market position in Thailand as holding one of the few privately owned and managed toll roads, as well as in comparison to a previous offer received from a third party for the Sale Shares.

- Deliverables at Closing : Certain customary closing deliverables are required to be provided by FPM Tollway to the Purchasers at Closing, including:
- (1) The executed share transfer documents in respect of the Sale Shares;
 - (2) Proof of the necessary corporate approvals (such as board resolutions) having been obtained and the replacement of directors in each of AIF Toll Roads and DMT having been completed;
 - (3) Corporate records of AIF Toll Roads and DMT (including share certificates, share registers, cheque books and bank statements); and
 - (4) Proof of necessary shareholder and board approvals of AIF Toll Roads for the Transaction having been obtained.

Indemnification : FPM Tollway and MPTC agree to indemnify and hold the Purchasers harmless in respect of any claim, loss or proceeding (“**Claim**”) which a Purchaser suffers or incurs, whether directly or indirectly, including but not limited to any Claim suffered by AIF Toll Roads or incurred by AIF Toll Roads after the Closing Date, as a result of, in respect of or arising out of:

- (a) any incorrectness in or breach of any representation or warranty of FPM Tollway and/or AIF Toll Roads;
- (b) any breach of or non-fulfilment of any covenant or agreement on the part of FPM Tollway and/or AIF Toll Roads; and/or
- (c) any action, omission or failure of AIF Toll Roads in respect of its obligations under the SPAs before the Closing Date,

except for any alleged damage or liability caused or increased by any voluntary act, omission, transaction, negligence, intentional misconduct or arrangement carried out by, at the request of or with the consent of any of FPM Tollway, MPTC, and/or AIF Toll Roads, including any breach of the SPAs, and/or that such Claim would not have arisen but for a change in legislation or increase in taxation made after the date of the SPAs or a change in the interpretation of the law after the date of the SPAs.

Any such Claim against FPM Tollway shall be limited to the amount of the consideration paid under the SPAs and shall be made within two years from the date of the SPAs.

Closing : Closing is not subject to the fulfilment of any condition precedent and is expected to occur on 19 February 2021 (the “**Closing Date**”). Following the Closing, the Group will cease to have any interest in AIF Toll Roads and DMT.

Termination : The SPAs shall automatically terminate and become void ab initio if Closing does not occur on the Closing Date. Any money received by FPM Tollway from any Purchaser shall forthwith be immediately refunded in full to the relevant Purchaser(s).

Governing Law : Laws of Thailand.

Dispute Resolution : Arbitration to be administered by the Hong Kong International Arbitration Centre in Hong Kong.

REASONS FOR AND BENEFITS OF THE TRANSACTION

MPTC has received increased interest from third parties to acquire MPTC's entire indirect 29.45% shareholding in DMT. Completion of the Transaction will allow MPTC (and, therefore, the Group) to realize a gain on its investment in DMT and benefit from increased liquidity, and enable the strengthening of MPTC's balance sheet.

The Directors consider that the terms of the SPAs are fair and reasonable, and that the Transaction 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.

FINANCIAL EFFECTS AND USE OF PROCEEDS FROM THE TRANSACTION

Following the Closing, it is estimated that a gain of approximately US\$9 million (approximately HK\$70.2 million) will be recognized in the Group's consolidated statement of profit or loss for the year ending 31 December 2021. The estimated gain is calculated with reference to the consideration of approximately US\$149.25 million (equivalent to approximately HK\$1,164.2 million) payable by the Purchasers under the SPAs, less the carrying cost of the 29.45% interest in DMT as at 31 December 2020 and the estimated expenses directly attributable to the Transaction.

Following the Closing, AIF Toll Roads will cease to be a consolidated subsidiary of the Group. Accordingly, the assets, liabilities and financial results of AIF Toll Roads will no longer be consolidated into the consolidated financial statements of the Group. In addition, the financial results of DMT will no longer be equity-accounted for as an associated company in the Group's consolidated financial statements.

It is intended that MPTC will use the proceeds from the Transaction to fund various capital expenditures required by MPTC's other projects.

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 FPM TOLLWAY, MPTC AND MPIC

FPM Tollway is an investment holding company holding 100% of the total issued share capital of AIF Toll Roads.

MPTC indirectly owns the entire issued share capital of FPM Tollway and is principally engaged in concession management, toll road development and toll road operations and management. MPTC is a subsidiary of MPIC, owned as to 99.9% by MPIC.

MPIC is a Philippine affiliate of the Company. MPIC is an investment management and holding company focused on infrastructure development and has its common shares listed on the Philippine Stock Exchange. As at the date of this announcement, the Group has an indirect 43.1% economic interest in MPIC.

INFORMATION ON AIF TOLL ROADS AND DMT

AIF Toll Roads is an investment holding company and does not have any business or assets other than its holding of 306,643,126 shares of DMT, representing approximately 29.45% shareholding in DMT.

DMT is a major toll road operator in Bangkok, Thailand. DMT holds a concession that runs until 2034 for the operation of a 21.9-kilometer six-lane elevated toll road stretching from central Bangkok past Don Mueang International Airport and further to the National Monument in the north of Bangkok.

The unaudited net profits of DMT in respect of its financial year ended 31 December 2020 were Baht 989.3 million (equivalent to approximately US\$33.0 million or HK\$257.2 million) before taxation and Baht 791.4 million (equivalent to approximately US\$26.4 million or HK\$205.8 million) after taxation.

The audited net profits of DMT in respect of its financial year ended 31 December 2019 were Baht 1,449.1 million (equivalent to approximately US\$48.3 million or HK\$376.8 million) before taxation and Baht 1,158.6 million (equivalent to approximately US\$38.6 million or HK\$301.2 million) after taxation.

The unaudited net asset value of DMT as at 31 December 2020 was Baht 7,607.8 million (equivalent to approximately US\$253.6 million or HK\$1,978.0 million).

INFORMATION ON THE PURCHASERS

(1) Mr. Sombath Phanichewa

Mr. Sombath Phanichewa, is a citizen of Thailand who is an investor and businessman. Mr. Phanichewa is the Chairman of the Board of Directors of DMT and is an existing shareholder of DMT holding a direct interest of approximately 1.84%.

(2) Ademas Co. Ltd.

Ademas Co. Ltd. is an investment holding company incorporated under the laws of British Virgin Islands, which issued shares are held as to 100% by Mr. Aiyawatt Srivaddhanaprabha, a Thai individual who is an investor and businessman. Mr. Srivaddhanaprabha is engaged in the duty free business and currently serves as the Chief Executive Officer and Chief Commercial Officer of King Power Duty Free Company Limited, which operates Duty Free shops at the Bangkok, Chiang Mai and Phuket International Airports.

(3) The Wachirapong Family

Mr. Wichai Wachirapong, Mr. Wisess Wachirapong, Mr. Supakit Wachirapong, Mr. Sutthipong Wachirapong and Mr. Pumbodee Wachirapong (collectively, the “**Wachirapong Family**”) are all citizens of Thailand and members of the Wachirapong family which is engaged in various investments and businesses across multiple sectors including the technology and manufacturing sectors.

(4) Mr. Annop Limpraset

Mr. Annop Limpraset is a citizen of Thailand who is engaged in various investments and businesses across multiple sectors including the technology and environmental sectors.

(5) Mr. Walaiporn Somphakdee

Mr. Walaiporn Somphakdee is a citizen of Thailand who is engaged in various investments and businesses.

(6) Mr. Paway Chuengsapaisan

Mr. Paway Chuengsapaisan is a citizen of Thailand who is engaged in various investments and businesses, including the technology sector.

Mr. Sombath Phanichewa is an existing shareholder of DMT holding a direct interest of approximately 1.84%. Subject to that, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Purchasers and the ultimate beneficial owner of Ademas Co. Ltd. are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction is 5% or more but all of the applicable percentage ratios are less than 25%, the Transaction is a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“AIF Toll Roads”	AIF Toll Roads Holdings (Thailand) Co., Ltd., a company incorporated under the laws of Thailand, the target company under the SPAs;
“Baht”	Thai Baht, the lawful currency of Thailand;
“Closing”	closing and completion of the sale and purchase of the Sale Shares in accordance with the provisions of the SPAs;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda with limited liability and having its shares listed on the Stock Exchange;
“Directors”	the directors of the Company;
“DMT”	Don Muang Tollway Public Company Limited, a company incorporated under the laws of Thailand, which AIF Toll Roads has an approximate 29.45% shareholding interest;
“FPM Tollway”	FPM Tollway (Thailand) Limited, a company incorporated under the laws of Hong Kong, the seller of the Sale Shares under the SPAs;
“Group”	the Company, its subsidiaries and/or its 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 corporation duly organized and existing under the laws of the Philippines and a Philippine affiliate of the Company;

“MPTC”	Metro Pacific Tollways Corporation, a corporation duly organized and existing under the laws of the Philippines and a Philippine affiliate of the Company;
“Purchasers”	collectively, the buyers of the Sale Shares under the SPAs, as described in the paragraph headed “Information on the Purchasers” in this announcement;
“Sale Shares”	15,830,434 shares of AIF Toll Roads, representing 100% of the total issued shares of AIF Toll Roads;
“Shareholders”	holders of shares in the Company;
“SPAs”	the share purchase agreements dated 16 February 2021 between FPM Tollway, MPTC and each of the Purchasers, in the same form and content, relating to the sale by FPM Tollway and the purchase by Purchasers of the Sale Shares in aggregate;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the sale and purchase of the Sale Shares in accordance with the provisions of the SPAs;
“US\$”	US dollar, the lawful currency of the United States of America;
“Wachirapong Family”	collectively, members of the Wachirapong family, as described in the paragraph headed “Information on the Purchasers” in this announcement; 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\$1.0 = Baht 30.0 = HK\$7.8. Percentages and figures expressed in millions have been rounded.

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

Hong Kong, 17 February 2021

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