

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT

Share Repurchase Program

The Board has approved a Share Repurchase Program to repurchase up to US\$100 million (equivalent to approximately HK\$780 million) in value of the Company's shares from the open market, by way of "on market repurchases", over a period of approximately 3 years, commencing 31 March 2021 and ending 31 March 2024.

At HK\$2.30 per share, being the closing price of the Company's shares on 29 March 2021, the Share Repurchase Program will enable the Company to repurchase approximately 7.81% of the existing issued share capital, or approximately 14.02% of all shares not held by the Salim Investors (such shares collectively represent approximately 55.68% of the issued share capital of the Company).

It is anticipated that the Share Repurchase Program will be implemented for the purpose of enhancing the value of First Pacific shares for all shareholders.

The Share Repurchase Program is a key part of the Company's capital management program, which includes a commitment to set aside at least 25% of recurring profits for distribution payments to shareholders.

Takeovers Code Implications of the Share Repurchase Program

If the Share Repurchase Program were to be exercised in full, the collective shareholdings of the Salim Investors would increase from approximately 44.32% to approximately 48.07% of the then issued share capital of the Company over a period of approximately 3 years. It is the intention of the Board to implement the Share Repurchase Program only in such a way and only to such an extent that it would not cause a mandatory general offer obligation to arise for the Salim Investors under Rule 26 of the Takeovers Code.

Save as aforesaid, the directors are not aware of any other consequences which would arise under the Takeovers Code as a result of the implementation of the Share Repurchase Program.

The directors will also not implement the Share Repurchase Program in such a way or to such an extent which would result in the number of listed shares of the Company which are in the hands of the public falling below the relevant prescribed minimum percentage as required under the Listing Rules.

Share Repurchase Program

The Board of Directors (the “**Board**”) of First Pacific Company Limited (“**First Pacific**” or the “**Company**”), has approved a program to repurchase up to US\$100 million (equivalent to approximately HK\$780 million) in value of the Company’s shares from the open market, by way of “on market repurchases”, over a period of approximately 3 years, commencing 31 March 2021 and ending 31 March 2024 (the “**Share Repurchase Program**”).

At HK\$2.30 per share, being the closing price of the Company’s shares on 29 March 2021, the Share Repurchase Program will enable the Company to repurchase approximately 7.81% of its existing issued share capital, or approximately 14.02% of all shares not held by the Salim Investors (as defined below) (such shares collectively represent approximately 55.68% of the issued share capital of the Company).

It is anticipated that the Share Repurchase Program will be implemented for the purpose of enhancing the value of First Pacific shares for all shareholders.

Considering the strong underlying performance of most of the Company’s operating companies under the COVID-19 pandemic, their growth prospects, cash generation, and resilience, the directors believe that the Company continues to be significantly undervalued. Having reviewed the allocation of the Company’s capital, the Board has concluded that it is now appropriate to conduct a Share Repurchase Program.

The Share Repurchase Program is a key part of the Company’s capital management program, which includes a commitment to set aside at least 25% of recurring profits for distribution payments to shareholders.

The average discount of the Company's share price to the adjusted net asset value of the Company ("NAV") over the past six months was approximately 64.9% and was, at the close of share trading on 29 March 2021, approximately 64.6%.

Under the Share Repurchase Program, First Pacific will only purchase its shares in the open market, by way of "on market repurchases", as permitted under the Hong Kong Code on Share Buy-backs (the "**Share Buy-backs Code**") under the authority of the repurchase mandate granted by the shareholders at the annual general meeting of the Company held on 16 June 2020 and, for the subsequent period of the Share Repurchase Program, any share repurchase mandate granted by the shareholders at the Company's 2021, 2022 and 2023 annual general meetings. The Company is not proposing to make any "off-market" share repurchases or repurchases by general offer (each as referred to in the Share Buy-backs Code).

Takeovers Code Implications of the Share Repurchase Program

If as a result of a repurchase pursuant to the Share Repurchase Program, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a shareholder, or a group of shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the date of this announcement, Salerni International Limited, First Pacific Investments Limited and First Pacific Investments (B.V.I.) Limited (collectively the "**Salim Investors**") collectively beneficially own shares representing a total of approximately 44.32% of the issued share capital of the Company. Under the Takeovers Code, where two or more persons are acting in concert, and they collectively hold not less than 30%, but not more than 50%, of the voting rights of a company, and any one or more of them acquires additional voting rights and such acquisition has the effect of increasing their collective holding of voting rights of the company by more than 2% from the lowest collective percentage holding of such persons in the 12-month period ending on and inclusive of the date of the relevant acquisition, an obligation on the part of that person to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code would be triggered.

If the Share Repurchase Program were to be exercised in full at the closing price of HK\$2.30 on 29 March 2021, the collective shareholdings of the Salim Investors would increase from approximately 44.32% to approximately 48.07% of the then issued share capital of the Company over a period of approximately 3 years. It is the intention of the Board to implement the Share Repurchase Program only in such a way and only to such an extent that it would not cause a mandatory general offer obligation to arise for the Salim Investors under Rule 26 of the Takeovers Code.

Save as aforesaid, the directors are not aware of any other consequences which would arise under the Takeovers Code as a result of the implementation of the Share Repurchase Program.

The directors will also not implement the Share Repurchase Program in such a way or to such an extent which would result in the number of listed shares of the Company which are in the hands of the public falling below the relevant prescribed minimum percentage as required under the Hong Kong Stock Exchange Listing Rules (the “**Listing Rules**”).

By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and Chief Executive Officer

Hong Kong, 30 March 2021

Unless stated otherwise, 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 have been rounded.

As at the date of this announcement, the Board 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