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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)

MAJOR TRANSACTION INVESTMENT BY THE FIRST PACIFIC INVESTOR GROUP FOR APPROXIMATELY 24.5% EQUITY INTEREST IN PT JASAMARGA TRANSJAWA TOL

INVESTMENT BY THE FIRST PACIFIC INVESTOR GROUP FOR APPROXIMATELY 24.5% EQUITY INTEREST IN THE TARGET COMPANY

The Board announces that on 28 June 2024:

- (1) MUN and MPTIS (each an indirect majority-owned subsidiary of MPIC, a Philippine affiliate of the Company) and WIPL, as the purchasers, have entered into the JM CSPA with JM as the vendor, pursuant to which the Investor Group has agreed to purchase, and JM has agreed to sell an aggregate of 6,200,042,303 Target Shares (representing approximately 28.5% of the Enlarged Target Capital), for a total consideration of IDR12,825,000 million (approximately equivalent to US\$782.0 million or HK\$6,099.7 million) (subject to adjustments);
- (2) MPTIS as the purchaser and KKJM as the vendor have entered into the KKJM CSPA, pursuant to which MPTIS has agreed to purchase, and KKJM has agreed to sell an aggregate of 205,459,492 Target Shares (representing approximately 0.9% of the Enlarged Target Capital), for a total consideration of IDR425,000 million (approximately equivalent to US\$25.9 million or HK\$202.1 million) (subject to adjustments); and

- (3) MPTIS as the subscriber and the Target Company have entered into the Share Subscription Agreement, pursuant to which MPTIS has agreed to subscribe for, and the Target Company has agreed to issue and allot an aggregate of 1,208,585,244 Target Shares (representing approximately 5.6% of the Enlarged Target Capital), for a total consideration of IDR2,500,000 million (approximately equivalent to US\$152.4 million or HK\$1,189.0 million).

Upon Closing, the First Pacific Investor Group would have acquired 5,337,475,014 Target Shares (representing direct shareholding in approximately 24.5% of the Enlarged Target Capital, and comprising approximately 4.2% and 20.3% by MUN and MPTIS, respectively) for a total consideration of IDR11,040,750 million (approximately equivalent to US\$673.2 million or HK\$5,251.1 million) (subject to adjustments) pursuant to the Investment Documents, while WIPL would have acquired 2,276,612,025 Target Shares (representing direct shareholding in approximately 10.5% of the Enlarged Target Capital) for a total consideration of IDR4,709,250 million (approximately equivalent to US\$287.1 million or HK\$2,239.8 million) (subject to adjustments) pursuant to the Investment Documents.

The Total JM Purchase Consideration and the Total KKJM Purchase Consideration may be subject to upward and/or downward adjustments, including the additional Earn-out Payment (as defined below) in the maximum amount of IDR250,000 million (approximately equivalent to US\$15.2 million or HK\$118.9 million) which may be payable by the Investor Group to JM in accordance with the terms and conditions of the JM CSPA. The maximum aggregate amount of consideration payable by MUN and MPTIS collectively with respect to the First Pacific Investments, which shall include the maximum amount of Earn-out Payment of IDR175,000 million (approximately equivalent to US\$10.7 million or HK\$83.2 million) payable by MUN and MPTIS collectively, is IDR11,215,750 million (approximately equivalent to US\$683.9 million or HK\$5,334.3 million).

Also on 28 June 2024, MUN, MPTIS, WIPL and JM entered into the Shareholders' Agreement relating to the governance and management of the Target Company, with the Shareholders' Agreement becoming legally effective and binding on the parties thereto upon Closing.

LISTING RULES IMPLICATIONS

As the First Pacific Investments all involve the acquisition of securities in the Target Company, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the First Pacific Investments when aggregated calculated under Rule 14.07 of the Listing Rules exceeds 25% but is less than 100%, the First Pacific Investments when aggregated constitute major transaction of the Company under Rule 14.06(3) of the Listing Rules and are therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

SGM

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the First Pacific Investments (which the entering into of the Shareholders' Agreement is part and parcel of).

DESPATCH OF CIRCULAR

A circular of the Company containing, amongst other things, details of the Transaction Documents, the notice convening the SGM together with proxy form, and any other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 31 July 2024, as more time is required to finalise the information to be disclosed in the circular.

Shareholders and potential investors should note that Closing is subject to fulfilment and/or waiver (as the case may be) of the conditions precedent set forth in the Investment Documents and summarised below in this announcement. As the Investor Group Investments may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if there is any doubt about their positions, they should consult their professional advisers.

INVESTMENT BY THE FIRST PACIFIC INVESTOR GROUP FOR APPROXIMATELY 24.5% EQUITY INTEREST IN THE TARGET COMPANY

Introduction

The Board announces that on 28 June 2024:

- (1) MUN and MPTIS (each an indirect majority-owned subsidiary of MPIC, a Philippine affiliate of the Company) and WIPL, as the purchasers, have entered into the JM CSPA with JM as the vendor, pursuant to which the Investor Group has agreed to purchase, and JM has agreed to sell an aggregate of 6,200,042,303 Target Shares (representing approximately 28.5% of the Enlarged Target Capital), for a total consideration of IDR12,825,000 million (approximately equivalent to US\$782.0 million or HK\$6,099.7 million) (subject to adjustments);
- (2) MPTIS as the purchaser and KKJM as the vendor have entered into the KKJM CSPA, pursuant to which MPTIS has agreed to purchase, and KKJM has agreed to sell an aggregate of 205,459,492 Target Shares (representing approximately 0.9% of the Enlarged Target Capital), for a total consideration of IDR425,000 million (approximately equivalent to US\$25.9 million or HK\$202.1 million) (subject to adjustments); and
- (3) MPTIS as the subscriber and the Target Company have entered into the Share Subscription Agreement, pursuant to which MPTIS has agreed to subscribe for, and the Target Company has agreed to issue and allot an aggregate of 1,208,585,244 Target Shares (representing approximately 5.6% of the Enlarged Target Capital), for a total consideration of IDR2,500,000 million (approximately equivalent to US\$152.4 million or HK\$1,189.0 million).

Upon Closing, the First Pacific Investor Group would have acquired 5,337,475,014 Target Shares (representing direct shareholding in approximately 24.5% of the Enlarged Target Capital, and comprising approximately 4.2% and 20.3% by MUN and MPTIS, respectively) for a total consideration of IDR11,040,750 million (approximately equivalent to US\$673.2 million or HK\$5,251.1 million) (subject to adjustments) pursuant to the Investment Documents, while WIPL would have acquired 2,276,612,025 Target Shares (representing direct shareholding in approximately 10.5% of the Enlarged Target Capital) for a total consideration of IDR4,709,250 million (approximately equivalent to US\$287.1 million or HK\$2,239.8 million) (subject to adjustments) pursuant to the Investment Documents.

Also on 28 June 2024, MUN, MPTIS, WIPL and JM entered into the Shareholders' Agreement relating to the governance and management of the Target Company, with the Shareholders' Agreement becoming legally effective and binding on the parties thereto upon Closing.

Major Terms of the Investment Documents

Date

28 June 2024

Parties

JM CSPA

- (1) MUN, an indirect majority-owned subsidiary of MPIC, as a purchaser;
- (2) MPTIS, an indirect majority-owned subsidiary of MPIC, as a purchaser;
- (3) WIPL, as a purchaser; and
- (4) JM, as the vendor.

KKJM CSPA

- (1) MPTIS, as the purchaser; and
- (2) KKJM, as the vendor.

Share Subscription Agreement

- (1) MPTIS, as the subscriber; and
- (2) The Target Company.

Target Equity Interest

Pursuant to the JM CSPA, the Investor Group has agreed to purchase, and JM has agreed to sell an aggregate of 6,200,042,303 Target Shares (representing approximately 28.5% of the Enlarged Target Capital), together with all rights, title and interest attaching thereto at the date of Closing, in accordance with the terms and conditions of the JM CSPA, among which each of MUN, MPTIS and WIPL has agreed to purchase 921,304,532, 3,002,125,746 and 2,276,612,025 Target Shares (representing direct shareholding in approximately 4.2%, 13.8% and 10.5% of the Enlarged Target Capital), respectively.

Pursuant to the KKJM CSPA, MPTIS has agreed to purchase, and KKJM has agreed to sell an aggregate of 205,459,492 Target Shares (representing approximately 0.9% of the Enlarged Target Capital), together with all rights, title and interest attaching thereto at the date of Closing, in accordance with the terms and conditions of the KKJM CSPA.

Pursuant to the Share Subscription Agreement, MPTIS has agreed to subscribe for, and the Target Company has agreed to issue and allot an aggregate of 1,208,585,244 Target Shares (representing approximately 5.6% of the Enlarged Target Capital), together with all rights, title and interest attaching thereto at the date of Closing, in accordance with the terms and conditions of the Share Subscription Agreement.

Upon Closing, MUN, MPTIS and WIPL would have acquired direct shareholding in approximately 4.2%, 20.3% and 10.5% of the Enlarged Target Capital, respectively, pursuant to the Investment Documents.

Total Consideration

The Total JM Purchase Consideration is IDR12,825,000 million (approximately equivalent to US\$782.0 million or HK\$6,099.7 million) (subject to adjustments), which corresponds to approximately IDR2,069 (approximately equivalent to US\$0.13 or HK\$0.98) per share of the Target Company being acquired, among which IDR1,905,750 million (approximately equivalent to US\$116.2 million or HK\$906.4 million), IDR6,210,000 million (approximately equivalent to US\$378.7 million or HK\$2,953.5 million) and IDR4,709,250 million (approximately equivalent to US\$287.1 million or HK\$2,239.8 million) is payable by MUN, MPTIS and WIPL, respectively.

The Total KKJM Purchase Consideration is IDR425,000 million (approximately equivalent to US\$25.9 million or HK\$202.1 million) (subject to adjustments), which corresponds to approximately IDR2,069 (approximately equivalent to US\$0.13 or HK\$0.98) per share of the Target Company being acquired.

The Total Subscription Consideration is IDR2,500,000 million (approximately equivalent to US\$152.4 million or HK\$1,189.0 million), which corresponds to IDR2,069 (approximately equivalent to US\$0.13 or HK\$0.98) per share of the Target Company being acquired.

Each of the Total JM Purchase Consideration, the Total KKJM Purchase Consideration and the Total Subscription Consideration was determined after arm's length negotiations between the Investor Group and the Vendors or the Target Company (as the case may be) on normal commercial terms, after taking into account (i) the Valuation, (ii) the business and net assets of the Target Company, (iii) the development of the traffic network in Indonesia, (iv) the Traffic Study Report, and (v) the reasons for making the Investor Group Investments (the Group's perspective to which is as described in the paragraph headed "Reasons for and Benefits of the First Pacific Investments" below).

Valuation

The Valuation as set out in the valuation report of the Independent Valuer dated 28 June 2024 provided that the appraised market value of 24.5% equity interest of the Target Company as at the Valuation Date based on the income approach was IDR11,448,000 million (approximately equivalent to US\$698.0 million or HK\$5,444.8 million).

The Independent Valuer is an independent professional party engaged by the Company, and it has the necessary qualifications to perform the Valuation and also has sufficient and appropriate experience in carrying out similar valuations.

Of the generally accepted valuation approaches considered, the income approach (which measures the value of the relevant equity interest by the present worth of the economic benefits to be received over the useful life of the business entity) was selected for the purpose of the Valuation. Given the nature of the business which the Target Company operates and considering the track record of the Target Company, the Independent Valuer is of the view that, compared with the market approach and the asset-based approach, the income approach is more appropriate, available and reliable in taking into account of the future economic prospect of the Target Company, with reasonable future projections of the Target Company, its subsidiaries, associates and/or joint ventures able to be estimated on the basis of economy and industry outlook, historical financial and operation results. The Board agreed with the valuer that the income approach can more comprehensively and reasonably reflect the value of the relevant equity interest of the Target Company.

Under the income approach adopted for the Valuation, the Independent Valuer applied the discounted cash flow method to the future expected cash flows relating to the business of the Target Company discounted for all risks associated with realised future economic benefits. The Weighted Average Cost of Capital as at the Valuation Date, which was considered to be an appropriate discount rate to be applied, was determined to be 10.9% for the Target Group. Additional adjustments were applied to account for the deduction of minority interests of subsidiaries and the addition of equity investments in associates and/or joint ventures.

The Valuation also applied a further discount for lack of marketability (normally applied to valuation of non-publicly traded company) of 20.5% and a discount for lack of control (normally applied to valuation of non-controlling interest of a company) of 18.9% to the valuation of the Target Company.

The Independent Valuer has made certain assumptions in the Valuation, including but not limited to:

- (1) businesses of the valued entities will continuously operate and maintain the same operation method as it currently operates;
- (2) there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the business of the Target Company;
- (3) the Traffic Study Report has thoroughly analysed the economic conditions, future regional development and potential threats from traffic diversion;
- (4) the Trans-Java Toll Road Segments will not experience prolonged closures due to extreme weather events, pandemics or other natural hazards that could significantly disrupt operation or revenue generation;
- (5) the financial information of the Target Company, its subsidiaries, associates and/or joint ventures was prepared in accordance with the applicable accounting standard;
- (6) there will be no material changes in inflation and interest rates from those prevailing as at the Valuation Date;
- (7) the availability of finance will not materially constrain the forecasted growth of the Target Company, its subsidiaries, associates and/or joint ventures;
- (8) the Target Company, its subsidiaries, associates and/or joint ventures will be able to procure and retain competent key personnel and operating staffs; and
- (9) the information regarding the Target Company provided is accurate and complete.

The Board is satisfied that the scope of work carried out by the Independent Valuer is appropriate for the relevant assessments and the valuation assumptions and methodologies adopted by the Independent Valuer for the relevant assessments are fair and reasonable. As such, the Board considers that the Valuation is fair and reasonable, and hence reliable as a basis for determining the Total Consideration.

Adjustments to Total Consideration

The Total JM Purchase Consideration and the Total KKJM Purchase Consideration may be subject to downward adjustments (the “**Pre-Closing Leakage Downward Adjustments**”) if certain amounts are actually received or realised by, or on behalf of, or for the benefit of JM or KKJM (as the case may be) or any of its respective affiliates or representatives, by way of, among others, payments made in connection with the Investor Group Investments exceeding a certain monetary threshold in aggregate, declaration of dividend (subject to certain exceptions), return of capital, waiver of amounts owed and/or transfer of assets by the Target Group, from 30 September 2023 to (and including) the date of Closing, as determined in accordance with the terms and conditions of the JM CSPA and KKJM CSPA.

Following the Closing:

- (1) the Total JM Purchase Consideration may be subject to upward adjustments of an one-off additional amount of IDR150,000 million (approximately equivalent to US\$9.1 million or HK\$71.3 million) or IDR250,000 million (approximately equivalent to US\$15.2 million or HK\$118.9 million (as the case may be, depending on the threshold being met) (the “**Earn-out Payment**”), payable by the Investor Group (apportioned among the members of the Investor Group on a pro rata basis based on the number of Target Shares each of such members shall acquire pursuant to the Investment Documents) to JM if the implementation of decree(s) to be issued by the Ministry of Public Works and Public Housing of the Republic of Indonesia adjusting the Japek Tariff Structure will result in the tariff rate that is levied on class 1 vehicles for the use of zone 4 of the Jakarta-Cikampek toll road and the Jakarta-Cikampek II Elevated toll road under applicable laws being equal to, falling within or exceeding the agreed thresholds (as applicable), from the day after the date of the JM CSPA to (and including) 9 March 2026, in accordance with the terms and conditions of the JM CSPA;
- (2) the Total JM Purchase Consideration and the Total KKJM Purchase Consideration may be subject to downward adjustments as any member of the Investor Group may set-off from the Deferred JM Purchase Consideration (as defined below) an amount equal to the sum due and payable by JM to it, and MPTIS may set-off from the Deferred KKJM Purchase Consideration (as defined below) an amount equal to the sum due and payable by KKJM to MPTIS, in respect of a settled claim which is determined as to both liability and quantum by agreement, an arbitral tribunal or a court of competent jurisdiction, in accordance with the terms and conditions of the JM CSPA and the KKJM CSPA (the “**Settled Claim Downward Adjustments**”);
- (3) the Total JM Purchase Consideration may be subject to downward adjustments as JM shall pay to the Investor Group (apportioned among the members of the Investor Group on a pro rata basis based on the number of Target Shares each of such members shall acquire pursuant to the JM CSPA) an amount in cash equal to 35% of certain amounts that are actually received or realised by, or on behalf of, or for the benefit of JM or any of its affiliates or representatives, by way of, among others, payments made in connection with the Investor Group Investments exceeding a certain monetary threshold in aggregate, declaration of dividend (subject to certain exceptions), return of capital, waiver of amounts owed and/or transfer of assets by the Target Group, from the date of Closing to (and including) the date falling three months after the date of Closing, as determined in accordance with the terms and conditions of the JM CSPA (the “**JM Post-Closing Leakage Amount Payment**”); and

- (4) the Total KKJM Purchase Consideration may be subject to downward adjustments as KKJM shall pay to MPTIS an amount in cash equal to 35% of certain amounts that are actually received or realised by, or on behalf of, or for the benefit of KKJM or any of its affiliates or representatives, by way of, among others, payments made in connection with the Investor Group Investments exceeding a certain monetary threshold in aggregate, declaration of dividend (subject to certain exceptions), return of capital, waiver of amounts owed and/or transfer of assets by the Target Group, from the date of Closing to (and including) the date falling three months after the date of Closing, as determined in accordance with the terms and conditions of the KKJM CSPA (the “**KKJM Post-Closing Leakage Amount Payment**”).

Payment to Total Consideration

The Total JM Purchase Consideration (excluding the Earn-out Payment and the JM Post-Closing Leakage Amount Payment which are to be settled separately, if applicable) shall be paid by the Investor Group (apportioned among the members of the Investor Group on a pro rata basis based on the number of Target Shares each of such members shall acquire pursuant to the JM CSPA) to JM in cash (without any withholdings, deductions or set-off whatsoever), in the following manner:

- (1) a sum of IDR6,727,000 million (approximately equivalent to US\$410.2 million or HK\$3,199.4 million), subject to the Pre-Closing Leakage Downward Adjustments (if applicable), shall be payable by the Investor Group at Closing; and
- (2) a sum of IDR6,098,000 million (approximately equivalent to US\$371.8 million or HK\$2,900.3 million) (the “**Deferred JM Purchase Consideration**”), subject to the Settled Claim Downward Adjustments, shall be payable by the Investor Group by 16 December 2024 provided that Closing has taken place on or before 13 December 2024.

The Total KKJM Purchase Consideration (excluding the KKJM Post-Closing Leakage Amount Payment which is to be settled separately, if applicable) shall be paid by MPTIS to KKJM in cash (without any withholdings, deductions or set-off whatsoever), in the following manner:

- (1) a sum of IDR223,000 million (approximately equivalent to US\$13.6 million or HK\$106.1 million), subject to the Pre-Closing Leakage Downward Adjustments (if applicable), shall be payable by MPTIS at Closing; and
- (2) a sum of IDR202,000 million (approximately equivalent to US\$12.3 million or HK\$96.1 million) (the “**Deferred KKJM Purchase Consideration**”), subject to the Settled Claim Downward Adjustments, shall be payable by MPTIS by 16 December 2024 provided that Closing has taken place on or before 13 December 2024.

The Total Subscription Consideration shall be paid by MPTIS to the Target Company at Closing in cash (without any withholdings, deductions or set-off whatsoever).

The amount of the consideration payable by each of MUN and MPTIS with respect to the First Pacific Investments, being IDR1,905,750 million (approximately equivalent to US\$116.2 million or HK\$906.4 million) and IDR9,135,000 million (approximately equivalent to US\$557.0 million or HK\$4,344.7 million) (subject to adjustments), respectively, will be settled using a combination of internal cash resources of the Group and/or bank loans to be determined by the Group, as well as funding which may be provided by WIPL to MUN which may be by way of a potential subscription in additional shares of MUN by WIPL (the “**Potential WIPL Subscription**”). No definitive agreements have yet been entered into with regards the Potential WIPL Subscription and the Company will comply with the relevant requirements of the Listing Rules with respect to the Potential WIPL Subscription if and when appropriate.

The maximum aggregate amount of the consideration payable by MUN and MPTIS collectively with respect to the First Pacific Investments, which shall include the maximum amount of Earn-out Payment of IDR175,000 million (approximately equivalent to US\$10.7 million or HK\$83.2 million) payable by MUN and MPTIS collectively, is IDR11,215,750 million (approximately equivalent to US\$683.9 million or HK\$5,334.3 million).

Conditions Precedent

Completion of each of the JM Purchase, the KKJM Purchase and the Subscription are inter-conditional.

Closing is subject to the satisfaction or waiver, where applicable, of the following conditions (the “**Conditions**”):

- (1) the Ministry of State-Owned Enterprises of the Republic of Indonesia having issued its approval regarding the sale of Target Shares to the Investor Group pursuant to the JM CSPA and the KKJM CSPA and the change in the capital structure of the Target Company pursuant to the Share Subscription Agreement;
- (2) the Independent Appraisal Report and Fairness Opinion which conclude that the Investor Group Investments are at arm’s length as required under regulations of the Financial Services Authority of Indonesia having been obtained by JM;
- (3) a report of assessment from the Financial and Development Supervisory Agency of Indonesia in respect of the JM Purchase (in the form acceptable to JM) having been obtained by JM;
- (4) the compliance by JM with the right of first refusal under the existing articles of association of the Target Company related to the Target Shares being subject to the KKJM Purchase, including the obtaining of confirmation from KKJM not to exercise its right of first refusal related to the Target Shares to be acquired under the JM Purchase;
- (5) the compliance by KKJM with the right of first refusal under the existing articles of association of the Target Company related to the Target Shares being subject to the KKJM Purchase, including the obtaining of confirmation from JM not to exercise its right of first refusal related to the Target Shares to be acquired under the KKJM Purchase;

- (6) no fact, matter, event, circumstance, condition or change having occurred between the date of the Investment Documents and Closing which has a material adverse effect on the business, operations, assets, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the Investor Group or JM, KKJM or the Target Company (as the case may be) and its respective subsidiaries, taken as a whole, or on the transactions contemplated by the Investment Documents or by the agreements or instruments to be entered into in connection therewith;
- (7) the approval of the First Pacific Investments (which the entering into of the Shareholders' Agreement is part and parcel of) as major transaction of the Company under Chapter 14 of the Listing Rules, by the passing of ordinary resolution(s) of Shareholders at the SGM;
- (8) the resolution of the general meeting of shareholders of the Target Company approving, among others, the Investor Group Investments, the adoption of the amended articles of association of the Target Company as agreed between the parties in substitution and replacement for the existing articles of association of the Target Company and the waiver of the pre-emptive rights and rights of first refusal (as relevant) of the Vendors in relation to the Target Shares to be acquired under the Investor Group Investments having been signed by the Vendors; and
- (9) other customary conditions such as approval by the members, board of commissioners and/or supervisory and executive boards of the Vendors (as applicable) having been obtained, and the warranties given by the Vendors, the Target Company and the Investor Group under the Investment Documents being true and accurate in all material respects as at the date of the Investment Documents and continuing to be true and accurate in all material respects up to and including the date of Closing.

If any of the Conditions has not been satisfied or waived in accordance with the terms of the Investment Documents by 3:00 p.m. Jakarta time on 30 September 2024 (or such later time and date not later than 3:00 p.m. Jakarta time on 13 December 2024 as the parties may agree in writing) (the “**Longstop Date**”), any party to the Investment Documents may (in respect of any non-satisfaction of Condition(s) not responsible by it) by notice to the other parties, at its sole discretion (provided that the Vendors or the Target Company (as the case may be) shall not be permitted to proceed to Closing if Condition (7) above remains unsatisfied by the Longstop Date, and the Investor Group shall not be permitted to proceed to Closing if any of Conditions (3), (4) and (8) above remains unsatisfied by the Longstop Date): (i) defer Closing to such later date with the written agreement of the other parties, (ii) waiver all of any of such condition(s) (without prejudice to its rights under the Investment Documents) and proceed to Closing so far as practicable, (iii) proceed to Closing requiring post-Closing satisfaction of such Condition(s), or (iv) terminate the Investment Documents in accordance with the terms and conditions of the Investment Documents, in which case no party shall have any claim against the other parties except for any rights, remedies, obligations or liabilities of the parties that have accrued under the Investment Documents up to the date of termination.

Closing

Completion of each of the JM Purchase, the KKJM Purchase and the Subscription is to occur simultaneously. Closing shall take place 10 business days after the later of the date on which all Conditions for each of the JM Purchase, the KKJM Purchase and the Subscription are satisfied (or waived, as relevant, in accordance with the terms of the Investment Documents).

Break fee arrangement

If any of the Conditions which the Investor Group is responsible for satisfying has not been satisfied or waived in accordance with the terms of the Investment Documents by the Longstop Date (save for certain circumstances outside of the Investor Group's control) or the Investor Group fails to comply in a material respect with any of their Closing obligations under the Investment Documents:

- (1) the Investor Group has agreed to pay to JM a break fee of IDR192,370 million (approximately equivalent to US\$11.7 million or HK\$91.5 million) if JM opts to terminate the JM CSPA;
- (2) MPTIS has agreed to pay to KKJM a break fee of IDR6,380 million (approximately equivalent to US\$0.4 million or HK\$3.0 million) if KKJM opts to terminate the KKJM CSPA; and/or
- (3) MPTIS has agreed to pay to the Target Company a break fee of IDR37,500 million (approximately equivalent to US\$2.3 million or HK\$17.8 million) if the Target Company opts to terminate the Share Subscription Agreement,

upon which JM, KKJM and/or the Target Company (as the case may be) shall waive the right to bring any other claim against the Investor Group in respect of the Investment Documents, save for claims based upon, or resulting from, in whole or in part, fraud, fraudulent concealment, wilful negligence or malfeasance by the Investor Group.

Shareholders' Agreement

The principal rights and obligations of the Investor Group and JM in respect of the Target Company pursuant to the Shareholders' Agreement (which shall be terminated if, among others, the Target Shares owned by the Investor Group fall below 10% of the issued and paid-up capital of the Target Company) are detailed as follows:

Composition of board

The board of directors of the Target Company shall be composed of a maximum of five members, while the board of commissioners shall be composed of a maximum of three members, unless as otherwise agreed in writing by the shareholders of the Target Company. Subject to the Investor Group collectively holding at least 20% of the total Target Shares in issue (excluding treasury shares), the Investor Group has the right to appoint two members to the board of directors, and one member to the board of commissioners.

Reserved matters

A number of key corporate acts of the Target Group are reserved matters requiring the approval from the Director of Business and Strategy to be appointed by the Investor Group, or reserved matters of the shareholders or the board of commissioners requiring (subject to the deadlock resolution mechanism for certain reserved matters) the approval of MUN (on behalf of the Investor Group) or one commissioner appointed by the Investor Group (as the case may be) for so long as the Investor Group collectively holds at least 10% or 20% of the issued shares in the Target Company (as the case may be, depending on the reserved matter in question).

Capital increase and transferability of shares

The Shareholders' Agreement includes certain customary restrictions on capital increase and share transferability, including pre-emptive rights, rights of first refusal (subject to permitted transfers to affiliates or between the Investor Group (the "**Permitted Transfers**") free of such rights), tag along rights (in the event when the ownership of JM and its permitted transferees in the Target Company after such transfer will become less than 50% of the total number of issued and paid-up Target Shares), and restrictions on transfer to specific prohibited transferees.

In addition, except for Permitted Transfers, each of JM and the Investor Group may not sell, assign, transfer or otherwise dispose of any of its Target Shares from the date of the Shareholders' Agreement until the third anniversary of the Shareholders' Agreement, unless with the prior written approval of all of the other shareholders of the Target Company.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited liability company incorporated under the laws of the Republic of Indonesia in June 2017, and is principally engaged in the management, security and operation of the Trans-Java Toll Road Segments in Java, Indonesia with a total length of approximately 676 km. JM currently holds the concession rights of the Trans-Java Toll Road Segments, which has been in operation since 1983. The current concession periods of the Trans-Java Toll Road Segments range from 35 to 50 years and will expire between 2044 and 2066.

As at the date of this announcement, the Target Company is owned by JM and KKJM as to 99.0% and 1.0%, respectively.

Based on the financial statements of the Target Company prepared in accordance with the Indonesian Financial Accounting Standards, its audited total assets and audited net assets (i.e. equity attributable to owners of the parent entity) as at 31 December 2023 were approximately IDR60,972,607 million (approximately equivalent to US\$3,717.8 million or HK\$28,999.2 million) and IDR22,214,628 million (approximately equivalent to US\$1,354.6 million or HK\$10,565.5 million), respectively. The profits of the Target Company for the two years ended 31 December 2022 and 2023 are as follows:

	For the year ended 31 December 2022 (audited) <i>(Approximately IDR' million)</i>	For the year ended 31 December 2023 (audited) <i>(Approximately IDR' million)</i>
Profit before tax	1,545,842 (approximately equivalent to US\$94.3 million or HK\$735.2 million)	6,059,700 (approximately equivalent to US\$369.5 million or HK\$2,882.1 million)
Profit after tax	1,345,213 (approximately equivalent to US\$82.0 million or HK\$639.8 million)	5,608,755 (approximately equivalent to US\$342.0 million or HK\$2,667.6 million)

Upon Closing, the Target Company would be owned directly by JM, MUN, MPTIS and WIPL as to approximately 65.0%, 4.2%, 20.3% and 10.5%, respectively. As such, upon Closing, MPTC's effective interest in the Target Company (without taking into account the effect of the Potential WIPL Subscription, and assuming no event other than those as disclosed in this announcement which may affect MPTC's effective interest in the Target Company will take place between the date of this announcement and the date of Closing) will be approximately 22.9%, and the Target Company will be taken up by way of equity accounting in the consolidated financial statements of the Company and will not be a subsidiary of the Company (but will be an associated company of the Group).

REASONS FOR AND BENEFITS OF THE FIRST PACIFIC INVESTMENTS

In line with development strategy of the Group and potential synergy effect

MPTC is principally engaged in toll road development and toll road operations and management, MPTIS is an investment holding company for toll roads operation in Indonesia, and MUN is principally engaged in toll road operations in Indonesia.

The Board considers that the First Pacific Investments align with the development strategy of the Group, in particular its infrastructure segment which has already engaged in toll road business, and can help achieve potential synergy effect. The First Pacific Investments will further consolidate the Group's advantages in the infrastructure segment, further enhancing the development space and market value, as well as realise the sustainable long-term development of the Group as a whole.

Expansion of infrastructure portfolio and increase of cashflow

The Group is committed to maintaining and further optimising its established infrastructure business by seeking strategic opportunities to invest in infrastructural projects and to focus on existing revenue-generating toll road projects to optimise returns, with priority given to invest in toll road projects that are already operating and collecting tolls. Immediately following the Closing, the First Pacific Investments will entitle the Group to sharing of profit from the Trans-Java Toll Road Segments and cash dividend to be received from the Target Company.

The First Pacific Investments offer a strategic growth opportunity for the Group to expand its toll road investment portfolio in Indonesia. As at the date of this announcement, the portfolio of the Group consists of 17 toll roads spanning approximately 454 km, of which 6 are in Indonesia, spanning approximately 77 km.

Through the First Pacific Investments, the Group will be able to increase its regional market share in the toll roads sector, future profitability and cashflow.

Strategic importance of the Trans-Java Toll Road

The Trans-Java Toll Road plays a significant role in increasing connectivity between Jakarta and Surabaya and the areas along the route in Indonesia, and is one of the most important toll road network in the country. It serves as the land transportation backbone on the island of Java and facilitates the distribution of goods and mobility of people in the region, bringing significant positive impact to the economic activities, encouraging trade, tourism and investment with the availability of greater infrastructure. Given the strategic importance of the Trans-Java Toll Road, the Directors are optimistic of the prospects of Trans-Java Toll Road and the traffic volume which is expected to continuously increase, and therefore that it would be beneficial for the Group to participate in the First Pacific Investments.

DIRECTORS' VIEWS

The Directors (including the independent non-executive Directors) consider that the terms of the Transaction Documents are fair and reasonable and the First Pacific Investments (which the entering into of the Shareholders' Agreement is part and parcel of) are on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director is regarded as having a material interest in the First Pacific Investments (which the entering into of the Shareholders' Agreement is part and parcel of), and hence no Director is required under the Listing Rules to abstain from voting on the Board resolutions considering and approving the same.

LISTING RULES IMPLICATIONS

As the First Pacific Investments all involve the acquisition of securities in the Target Company, they are required to be aggregated pursuant to Rule 14.22 of the Listing Rules. As the highest applicable percentage ratio in respect of the First Pacific Investments when aggregated calculated under Rule 14.07 of the Listing Rules exceeds 25% but is less than 100%, the First Pacific Investments when aggregated constitute major transaction of the Company under Rule 14.06(3) of the Listing Rules and are therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. The SGM will be convened and held for the purposes of considering and, if thought fit, approving the First Pacific Investments (which the entering into of the Shareholders' Agreement is part and parcel of).

INFORMATION ON THE PARTIES

Information on MUN

MUN is an indirect majority-owned subsidiary of MPTC, with MPTC's effective interest in MUN being approximately 60.3%. MUN's immediate parent company is Nusantara, a publicly-listed company on the Indonesia Stock Exchange. It is principally engaged in toll road operations in Indonesia.

MPTC is a subsidiary 99.9%-owned by MPIC. It is principally engaged in toll road development and toll road operations and management.

MPIC is a Philippine affiliate of the Company, in which the Group holds approximately a 46.3% economic interest. 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 light rail operation. MPIC also holds investments in healthcare, petroleum storage, agriculture and real estate. MPIC's financial results are consolidated in the Group's financial statements.

The Company is a Hong Kong-based investment holding company with investments located in Asia-Pacific. The Company's principal investments are in consumer food products, telecommunications, infrastructure and natural resources.

Information on MPTIS

MPTIS is a wholly-owned indirect subsidiary of MPTC incorporated and established under and by virtue of the laws of the Republic of Indonesia. MPTIS is an investment holding company for toll road operations in Indonesia.

Information on WIPL

WIPL is an investment holding company established and incorporated under the laws of Singapore and is a wholly-owned indirect subsidiary of GIC Ventures. GIC Ventures is a private limited company incorporated under the laws of Singapore. GIC Ventures is wholly-owned by the Minister for Finance, a statutory body corporate established under the Minister for Finance (Incorporation) Act 1959 of the Singapore Statutes to own and administer assets of the Government of Singapore. WIPL was incorporated in 2010 for the purpose of investing in specific projects managed by GICSI, the private equity and infrastructure investment arm of GIC. GIC is a global investment firm which manages Singapore's foreign reserves. GIC is incorporated in Singapore and wholly owns GICSI.

Information on JM

JM was established in the Republic of Indonesia on 1 March 1978 and has been listed on the Indonesia Stock Exchange (code: JSMR) since 12 November 2007. JM is principally engaged in the toll road industry in Indonesia and is owned as to 70% by the Government of Indonesia and 30% by public shareholders, respectively.

Information on KKJM

KKJM is a co-operative duly established under the laws of the Republic of Indonesia and owned by 2,059 natural person employees of JM who are all residents of Indonesia.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of WIPL, the Vendors, the Target Company and their respective ultimate beneficial owners (if applicable) are Independent Third Parties.

DESPATCH OF CIRCULAR

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, as at the date of this announcement, none of the Shareholders or any of their respective associates have a material interest in the First Pacific Investments (which the entering into of the Shareholders' Agreement is part and parcel of). Accordingly, no Shareholder is required to abstain from voting at the SGM.

A circular of the Company containing, amongst other things, details of the Transaction Documents, the notice convening the SGM together with proxy form, and any other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 31 July 2024, as more time is required to finalise the information to be disclosed in the circular.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Board”	the board of Directors of the Company;
“Closing”	completion of the Investor Group Investments in accordance with the terms of the Investment Documents;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda and having its shares listed on the Stock Exchange;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Enlarged Target Capital”	the entire issued share capital of the Target Company upon Closing;
“First Pacific Investments”	the acquisition of Target Shares by the First Pacific Investor Group in accordance with the terms and conditions of the Investment Documents;
“First Pacific Investor Group”	MUN and MPTIS;

“GIC”	GIC Private Limited, a company organised and established under the laws of the Republic of Singapore with limited liability;
“GIC Ventures”	GIC (Ventures) Pte. Ltd., a company organised and established under the laws of the Republic of Singapore with limited liability;
“GICSI”	GIC Special Investments Private Limited, a company organised and established under the laws of the Republic of Singapore with limited liability;
“Group”	the Company and 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;
“IDR”	Indonesian Rupiah, the lawful currency of the Republic of Indonesia;
“Independent Third Party(ies)”	any entity or person who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not connected with the Company and/or its connected persons;
“Independent Valuer”	RHL Appraisal Limited;
“Investment Documents”	the JM CSPA, the KKJM CSPA and the Share Subscription Agreement;
“Investor Group”	the First Pacific Investor Group and WIPL;
“Investor Group Investments”	the First Pacific Investments and the WIPL Investments, collectively, comprising the JM Purchase, the KKJM Purchase and the Subscription;
“Japek Tariff Structure”	the tariff rates stipulated by applicable laws that are levied on vehicles of each class for the use of each zone of the Jakarta-Cikampek and Jakarta-Cikampek II Elevated toll road segments within the Trans-Java Toll Road Segments respectively from time to time;

“JM”	PT Jasa Marga (Persero) Tbk, a public limited liability company incorporated under the laws of the Republic of Indonesia, the shares of which are listed on the Indonesia Stock Exchange (code: JSMR);
“JM CSPA”	the conditional share purchase agreement dated 28 June 2024 entered into among the Investor Group and JM in relation to the JM Purchase;
“JM Purchase”	the purchase of 6,200,042,303 Target Shares by the Investor Group from JM in accordance with the terms and conditions of the JM CSPA;
“KKJM”	Koperasi Konsumen Karyawan Jalin Margasejahtera, a co-operative owned by employees of JM;
“KKJM CSPA”	the conditional share purchase agreement dated 28 June 2024 entered into between MPTIS and KKJM in relation to the KKJM Purchase;
“KKJM Purchase”	the purchase of 205,459,492 Target Shares by MPTIS from KKJM in accordance with the terms and conditions of the KKJM CSPA;
“km”	kilometre;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MPIC”	Metro Pacific Investments Corporation, a company organised and established under the laws of the Republic of the Philippines with limited liability;
“MPTC”	Metro Pacific Tollways Corporation, a company organised and established under the laws of the Republic of the Philippines with limited liability;
“MPTIS”	PT Metro Pacific Tollways Indonesia Services, a company organised and established under the laws of the Republic of Indonesia;
“MUN”	PT Margautama Nusantara, a company organised and established under the laws of the Republic of Indonesia;

“Nusantara”	PT Nusantara Infrastructure Tbk, a company organised and established under the laws of the Republic of Indonesia, the shares of which are listed on the Indonesia Stock Exchange (code: META);
“Share Subscription Agreement”	the conditional share subscription agreement dated 28 June 2024 entered into between MPTIS and the Target Company in relation to the Subscription;
“Shareholder(s)”	holder(s) of the shares in the Company;
“Shareholders’ Agreement”	the shareholders’ agreement dated 28 June 2024 entered into among the Investor Group and JM;
“SGM”	a special general meeting of the Shareholders to be convened by the notice of the SGM and to be held as a virtual meeting using electronic system, organised at the Company’s principal office in Hong Kong, for the Shareholders to consider and, if thought fit, approve the First Pacific Investments (which the entering into of the Shareholders’ Agreement is part and parcel of);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription”	the subscription of 1,208,585,244 Target Shares by MPTIS in accordance with the terms and conditions of the Share Subscription Agreement;
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules;
“Target Company”	PT Jasamarga Transjawa Tol, a limited liability company incorporated under the laws of the Republic of Indonesia;
“Target Group”	the Target Company and its subsidiaries;
“Target Share(s)”	ordinary share(s) with a per share nominal value of IDR1,000 (approximately equivalent to US\$0.06 or HK\$0.48) in the share capital of the Target Company;
“Total Consideration”	the sum of the Total JM Purchase Consideration, the Total KKJM Purchase Consideration and the Total Subscription Consideration;

“Total JM Purchase Consideration”	the total consideration payable by the Investor Group to JM for the JM Purchase (subject to adjustments);
“Total KKJM Purchase Consideration”	the total consideration payable by MPTIS to KKJM for the KKJM Purchase (subject to adjustments);
“Total Subscription Consideration”	the total consideration payable by MPTIS to the Target Company for the Subscription;
“Traffic Study Report”	the independent traffic study report for the Trans-Java Toll Road Segments dated 28 June 2024 and prepared by SYSTRA Philippines Incorporated as engaged by the Group;
“Trans-Java Toll Road”	the Trans-Java Toll Road which runs from Merak at the northwestern end of Java, to Banyuwangi at the eastern end of Java in Indonesia;
“Trans-Java Toll Road Segments”	the segments and toll roads of the Trans-Java Toll Road network under the operation of the Target Group;
“Transaction Documents”	the Investment Documents and the Shareholders’ Agreement;
“US\$”	United States dollar, the lawful currency of the United States of America;
“Valuation”	the valuation of 24.5% equity interest of the Target Company as at the Valuation Date conducted by the Independent Valuer engaged by the Company using the income approach;
“Valuation Date”	31 December 2023;
“Vendors”	JM and KKJM;
“WIPL”	Warrington Investment Pte. Ltd., a company established and incorporated under the laws of the Republic of Singapore; and
“WIPL Investments”	the acquisition of Target Shares by WIPL in accordance with the terms and conditions of the JM CSPA.

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 = IDR16,400 = HK\$7.80. Percentages and figures expressed in millions and billions have been rounded.

By Order of the Board
First Pacific Company Limited
Chiu Wing Man Fiona
General Counsel and Company Secretary

Hong Kong, 2 July 2024

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

Non-executive Directors:

Anthoni Salim, *Chairman*
Benny S. Santoso
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