

## **Press Release**

## FIRST PACIFIC & INDOAGRI AGREE TO FORM JOINT VENTURE TO ENTER PHILIPPINE SUGAR INDUSTRY IN ROXAS HOLDINGS INVESTMENT

- JOINT VENTURE TO HOLD 34% STAKE IN ROXAS HOLDINGS
- ₱8/SHARE TO BE PAID FOR EXISTING SHARES IN ROXAS
- TOTAL INVESTMENT COST OF ₱2.47 BLN OR US\$57.3 MLN
- LARGEST INTEGRATED SUGAR BUSINESS IN THE PHILIPPINES

Hong Kong, 13th November, 2013 – A wholly-owned unit of First Pacific Company Limited ("First Pacific") agreed to buy 34% of Roxas Holdings Inc., the largest integrated sugar business in the Philippines, for ₱2.47 billion (US\$57.3 million) or ₱8 per share. Indofood Agri Resources Ltd ("IndoAgri") has agreed in principle to invest in the First Pacific unit, making it a joint venture between First Pacific and the IndoAgri. The joint venture will invest in Roxas Holdings Inc. IndoAgri is a subsidiary of First Pacific.

"Our Group has been actively investing in the sugar industry around the globe and I am pleased that we have made this acquisition right here in the Philippines," said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific. "This project marks a major step forward in our quest to develop a meaningful business in sugar milling and refining."

The transaction entails the sale of shares in Roxas Holdings to the unit currently wholly-owned by First Pacific which IndoAgri has agreed in principle to invest in, making it a joint venture between First Pacific and IndoAgri. The vendors of the Roxas Holdings shares are Roxas & Company Inc., the largest shareholder, and its affiliates. They will sell down their holdings from 72% to 38% in the transaction.

With 2012 production of 24.0 million tonnes of sugar cane, the Philippine sugar industry is the third-biggest in Southeast Asia after Thailand (96.5 million tonnes) and Indonesia (26.3 million tonnes).

"We aim to modernize this industry, working with farmers to increase efficiency, productivity and incomes while providing our shareholders with a strong and growing business." Pangilinan said.

Sugar prices have surged in recent years with one benchmark, the Thailand freight on board price for refined sugar nearly doubling to 27 U.S. cents from 2007 to 2012. As the biggest sugar miller in the Philippines, Roxas has a capacity of 38,500 tonnes cane per day, more than 50% greater than the number two producer and by itself nearly one-fifth of the entire country's sugar production. First Pacific aims to improve these numbers by raising capacity utilization and helping farmers improve yields.

Roxas Holdings is also the third-biggest sugar refiner in the Philippines with capacity of 18,000 Lkg/day at its Batangas refinery (one Lkg is a unit of measurement equal to one 50- kilogram bag of sugar). The company has three sugar mills, one in Batangas and two in Negros Occidental. It also has an ethanol plant in Negros Occidental with capacity of 100,000 liters/day.

## **Corporate Profile**

First Pacific is a Hong Kong-based investment management and holding company with operations located in Asia. Its principal businesses are in telecommunications, infrastructure, consumer food products and natural resources. Listed in Hong Kong (Stock code: 00142), First Pacific's shares are also available in the United States through American Depositary Receipts (ADR code: FPAFY). For further information, see <a href="https://www.firstpacific.com">www.firstpacific.com</a>.

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