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FIRST PACIFIC COMPANY LIMITED

第一太平洋有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE PROPOSED PURCHASE OF A 51% INTEREST IN PT ASAHI INDOFOOD BEVERAGE MAKMUR AND A 49% INTEREST IN PT INDOFOOD ASAHI SUKSES BEVERAGE BY THE INDOFOOD GROUP FROM THE ASAHI GROUP

Reference is made to the announcement of the Company dated 2 October 2017 in relation to the possible purchase of a 51% interest in AIBM and a 49% interest in IASB by the Indofood Group from the Asahi Group.

PROPOSED PURCHASE OF A 51% INTEREST IN AIBM AND A 49% INTEREST IN IASB

The Company is pleased to announce that, on 22 December 2017 (after trading hours), the Purchasers, the Seller and Asahi entered into a conditional sale and purchase agreement, pursuant to which the Purchasers agreed to purchase, and the Seller agreed to sell, 617,100 shares in AIBM (representing approximately 51% of the total issued share capital of AIBM) and 632,100 shares in IASB (representing approximately 49% of the total issued share capital of IASB).

The Purchasers are both subsidiaries of Indofood. The Seller is a wholly-owned subsidiary of Asahi.

The total Consideration for the Sale Shares shall be US\$20 million (equivalent to approximately HK\$156.0 million).

Completion is conditional on each of the Conditions Precedent as described below in this announcement being satisfied or waived by mutual agreement between the Seller and the Purchasers, on or before 31 December 2018 (or such later date as the parties may agree).

Completion shall take place on a day which is five Business Days following the date upon which all of the Conditions Precedent are satisfied or waived (as the case may be) in accordance with the CSPA, or on such other date as may be agreed between the parties to the CSPA in writing.

Within five Business Days after the Completion Date, the Purchasers shall satisfy or procure the satisfaction of the following conditions subsequent:

- (a) ICBP shall pay or procure the Target Group to pay all outstanding principal amount and any unpaid interest owing under certain bank loan facilities provided by the Japanese Banks to the Target Group specified in the CSPA, as at the Completion Date, to each of the relevant Japanese Banks, and to release the guarantees provided by Asahi in connection with those bank loan facilities; and
- (b) ICBP shall repay, or procure the Target Group to repay, all outstanding shareholder loan amount owed by the Target Group to Asahi as of the Completion Date under certain facility agreements specified in the CSPA.

The total amount of the bank loan facilities referred to in (a) above is IDR2.9 trillion (equivalent to approximately US\$214.0 million and HK\$1.7 billion), of which the total amount guaranteed by Asahi is IDR2.2 trillion (equivalent to approximately US\$162.4 million and HK\$1.3 billion).

The total amount under the shareholder loan facility agreements referred to in (b) above is IDR160.5 billion (equivalent to approximately US\$11.8 million and HK\$92.4 million).

DIRECTORS' VIEW

The Directors (including the independent non-executive Directors) consider that the terms of the Transaction are fair and reasonable, and that although the Transaction is not in the ordinary and usual course of business of the Group, it is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

One or more of the applicable percentage ratios (as set forth in Rule 14.07 of the Listing Rules) in respect of the Transaction exceeds 5% but all the applicable percentage ratios are less than 25%. Accordingly, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, IASB is a 51%-owned subsidiary of Indofood. The Seller, the remaining 49% shareholder of IASB, and Asahi, the holding company of the Seller, are connected persons of the Company and the Transaction is, therefore, a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Transaction is on normal commercial terms or better (as far as the Company is concerned) and the Seller and Asahi are connected persons of the Company at the subsidiary level. The Board has approved the Transaction and the independent non-executive Directors have confirmed that the terms of the Transaction are fair and reasonable and that the Transaction is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole. Therefore, pursuant to Rule 14A.101 of the Listing Rules, the Transaction is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reference is made to the announcement of the Company dated 2 October 2017 in relation to the possible purchase of a 51% interest in AIBM and a 49% interest in IASB by the Indofood Group from the Asahi Group.

PROPOSED PURCHASE OF A 51% INTEREST IN AIBM AND A 49% INTEREST IN IASB

Sale and Purchase Agreement

The Company is pleased to announce that, on 22 December 2017 (after trading hours), the Purchasers, the Seller and Asahi entered into the CSPA, pursuant to which the Purchasers agreed to purchase, and the Seller agreed to sell, 617,100 shares in AIBM (representing approximately 51% of the total issued share capital of AIBM) and 632,100 shares in IASB (representing approximately 49% of the total issued share capital of IASB).

The Purchasers are both subsidiaries of Indofood. The Seller is a wholly-owned subsidiary of Asahi.

The CSPA provides that the Purchasers shall confirm their respective Sale Share allocations no later than five Business Days prior to the Completion Date.

Consideration

The total Consideration for the Sale Shares shall be US\$20 million (equivalent to approximately HK\$156.0 million).

The Consideration shall be payable by the Purchasers in IDR, using the USD to IDR foreign exchange rate to be determined in accordance with the terms of the CSPA, after deduction of applicable withholding tax and the agreed cost or liabilities related to the Transaction to be borne by the Seller, in cash, on the Completion Date.

The Consideration was determined following arm's length negotiations between the Indofood Group and the Asahi Group.

Completion

Completion shall take place on a day which is five Business Days following the date upon which all of the Conditions Precedent are satisfied or waived (as the case may be) in accordance with the CSPA, or on such other date as may be agreed between the parties to the CSPA in writing.

Conditions Precedent to Completion

Completion is conditional on each of the following Conditions Precedent being satisfied or waived by mutual agreement between the Seller and the Purchasers, on or before the Longstop Date:

- (a) receipt by the Purchasers of a copy of the corporate approvals required by the Seller approving the Transaction;
- (b) receipt by the Seller of a copy of the corporate approvals required by the Purchasers approving the Transaction;
- (c) receipt by the Seller and the Purchasers of a copy of the shareholders' approvals required by each of the Target Companies, among other, approving the Transaction;
- (d) receipt by the Seller and the Purchasers of a copy of the shareholders' approvals required for each of the Target Subsidiaries, among others, approving the resignation of foreign directors nominated by the Seller with effect from the Completion Date;
- (e) receipt by each of the Target Group companies of original resignation letters signed by members of its board of directors and board of commissioners nominated by the Seller with effect from the Completion Date;
- (f) receipt by each of the Seller, the Purchasers and the Target Companies of a copy of the approval from the Indonesia Investment Coordinating Board (*Badan Koordinasi Penanaman Modal*), among other, approving the Transaction;
- (g) the following announcements of the Transaction having been made:
 - (i) announcement of the transfer of the Sales Shares in AIBM in an Indonesian daily newspaper in accordance with the requirements under Law No. 40 of 2007 regarding Limited Liability Companies; and

- (ii) announcement of the Transaction to the employees of the relevant Target Group companies;
- (h) receipt by the Seller and the Purchasers of copies of all prior written consents or waivers from banks and all prior written notices to banks required for the Transaction under the loan facility agreements of each of the relevant Target Group companies;
- (i) receipt by the Seller and the Purchasers of a copy of the prior written consent for the Transaction from Pepsi Co, Inc. as required under the terms of the exclusive bottling agreement dated 9 September 2013 entered into between IASB, Pepsi Co, Inc. and other affiliated parties of Pepsi Co, Inc.; and
- (j) no proceeding or injunction or final judgment issued by any governmental body which seeks to restrain, prohibit or invalidate the consummation of the Transaction, or limiting or restricting the Completion.

If any of the Conditions Precedent are not satisfied, or waived in accordance with the terms of the CSPA on or before the Longstop Date, all the provisions of the CSPA shall lapse and cease to have effect, save for any antecedental breaches.

Conditions Subsequent to Completion

Within five Business Days after the Completion Date, the Purchasers shall satisfy or procure the satisfaction of the following conditions subsequent:

- (a) ICBP shall pay or procure the Target Group to pay all outstanding principal amount and any unpaid interest owing under certain bank loan facilities provided by the Japanese Banks to the Target Group specified in the CSPA, as at the Completion Date, to each of the relevant Japanese Banks, and to release the guarantees provided by Asahi in connection with those bank loan facilities; and
- (b) ICBP shall repay, or procure the Target Group to repay, all outstanding shareholder loan amount owed by the Target Group to Asahi as of the Completion Date under certain facility agreements specified in the CSPA.

The total amount of the bank loan facilities referred to in (a) above is IDR2.9 trillion (equivalent to approximately US\$214.0 million and HK\$1.7 billion), of which the total amount guaranteed by Asahi is IDR2.2 trillion (equivalent to approximately US\$162.4 million and HK\$1.3 billion). As of 30 November 2017, the total outstanding principal amount drawn under those bank loan facilities was IDR2.0 trillion (equivalent to approximately US\$147.6 million and HK\$1.2 billion), of which the total amount guaranteed by Asahi was IDR1.5 trillion (equivalent to approximately US\$110.7 million and HK\$863.5 million).

The total amount under the shareholder loan facility agreements referred to in (b) above is IDR160.5 billion (equivalent to approximately US\$11.8 million and HK\$92.4 million). As of 30 November 2017, the total outstanding shareholder loan amount drawn under those facility agreements was IDR60.5 billion (equivalent to approximately US\$4.5 million and HK\$34.8 million).

Other Major Terms

Use of “Asahi”

Asahi has granted the Target Group companies a limited non-exclusive and non-transferrable licence to use the trademark of “Asahi” as part of the Indofood Asahi logo (the “**Asahi Trademark**”), and only in relation to the Indofood Asahi logo, in the territory of Indonesia, pursuant to which ICBP shall be given a period of 12 months following the Completion Date to continue its usage of the Indofood Asahi logo on the packaging of the beverage products manufactured, sold and marketed by the Target Group companies which bear the Indofood Asahi logo.

ICBP shall procure that the Target Companies shall cease to submit tenders or market itself and its capabilities as part of its ordinary business (including use of business cards, any marketing materials, billboards and stationery goods with Indofood Asahi logo) using the branding or other identifying nomenclature associated with the Asahi Trademark as defined above, as soon as possible following the date on which the Indonesia Ministry of Law and Human Rights approves the change of the Target Companies’ names to remove reference to “Asahi” (but in any event by no later than six months after the Completion Date).

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors consider that the future prospect of non-alcoholic beverage business in Indonesia will remain promising in conjunction with the raising middle income and the potential of increasing income per capita.

The Directors (including the independent non-executive Directors) consider that the terms of the Transaction are fair and reasonable, and that although the Transaction is not in the ordinary and usual course of business of the Group, it is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole.

To the best of the Directors’ knowledge and information, no Director has any material interest in, or otherwise is required to abstain from voting on, the Board resolutions considering and approving the Transaction.

EFFECTS OF THE TRANSACTION ON THE SHAREHOLDING IN AIBM AND IASB

As at the date of this announcement, IASB is owned by ICBP as to 51% and by the Seller as to 49%, while AIBM is owned by ICBP as to 49% and by the Seller as to 51%. Following Completion, IASB and AIBM would both be wholly-owned by the Indofood Group.

As at the date of this announcement, AIBM is an equity-accounted for joint venture of the Group. Following Completion, the financial results of AIBM will be consolidated (instead of being equity-accounted for) in the financial statements of the Group.

As at the date of this announcement, IASB is a 51%-owned subsidiary of the Group. Following Completion, the financial results of IASB will continue to be consolidated in the financial statements of the Group.

INFORMATION IN RELATION TO AIBM AND IASB

As at the date of this announcement, AIBM and IASB are both joint venture companies between ICBP and the Seller principally engaged in the production, marketing, sale and distribution of non-alcoholic beverages products in Indonesia.

Financial Information in relation to AIBM

For the financial year ended 31 December 2016, the AIBM Group's audited losses before taxation were IDR175.1 billion (equivalent to approximately US\$13.1 million or HK\$102.5 million) and the AIBM Group's audited losses after taxation were IDR157.5 billion (equivalent to approximately US\$11.8 million or HK\$92.2 million).

For the financial year ended 31 December 2015, the AIBM Group's audited losses before taxation were IDR254.5 billion (equivalent to approximately US\$18.9 million or HK\$147.6 million) and the AIBM Group's audited losses after taxation were IDR191.6 billion (equivalent to approximately US\$14.2 million or HK\$111.1 million).

As at 31 December 2016, the AIBM Group's audited net asset value was IDR933.9 billion (equivalent to approximately US\$69.5 million or HK\$542.2 million).

The original acquisition cost of 51% of AIBM to the Seller was IDR617.1 billion (equivalent to approximately US\$45.5 million or HK\$355.2 million).

Financial Information in relation to IASB

For the financial year ended 31 December 2016, the IASB Group's audited losses before taxation were IDR550.0 billion (equivalent to approximately US\$41.3 million or HK\$322.0 million) and IASB's audited losses after taxation were IDR492.7 billion (equivalent to approximately US\$37.0 million or HK\$288.5 million).

For the financial year ended 31 December 2015, the IASB Group's audited losses before taxation were IDR436.9 billion (equivalent to approximately US\$32.5 million or HK\$253.4 million) and the IASB Group's audited losses after taxation were IDR329.5 billion (equivalent to approximately US\$24.5 million or HK\$191.1 million).

As at 31 December 2016, the IASB Group's audited negative net asset value was IDR81.6 billion (equivalent to approximately US\$6.1 million or HK\$47.4 million).

The original acquisition cost of 49% of IASB to the Seller was IDR438.6 billion (equivalent to approximately US\$32.4 million or HK\$252.5 million).

INFORMATION IN RELATION TO ASAHI AND THE SELLER

Asahi is a corporation established in Japan in 1889. The group's business domains consist of alcoholic beverages, non-alcoholic beverages and foods. Asahi is the largest beer company of Japan in terms of beer market share in the Japanese market.

The Seller is an investment company wholly-owned by Asahi.

INFORMATION IN RELATION TO THE COMPANY AND INDOFOOD GROUP

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

Indofood is a leading Total Food Solutions company with operations in all stages of food manufacturing from the production of raw materials and their processing through to consumer products and distribution to the market. It is based and listed in Indonesia; its Consumer Branded Products subsidiary ICBP and agribusiness subsidiaries PT Salim Ivomas Pratama Tbk and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk are also listed in Indonesia. Another subsidiary, Indofood Agri Resources Ltd., is listed in Singapore, and an agribusiness associate, Roxas Holdings, Inc., is listed in the Philippines. Through its four complementary Strategic Business groups, Indofood manufactures and distributes a wide range of food products: Consumer Branded Products (noodles, dairy, snack foods, food seasonings, nutrition and special foods, and beverages), Bogasari (wheat flour and pasta), Agribusinesses (oil palm, rubber, sugar cane, cocoa and tea plantations, cooking oils, margarine and shortenings) and Distribution. Indofood is one of the world's largest manufacturers by volume of wheat-based instant noodles, one of the largest plantation companies by area and the largest flour miller in Indonesia. Indofood also has an extensive distribution network across Indonesia.

ICBP is a 80.5%-owned subsidiary of Indofood. It is an established and one of the market leading players in the consumer branded products sector. ICBP is principally engaged in diverse business categories, including noodles, dairy, snack foods, food seasonings, nutrition and special foods, and beverages. In addition, ICBP also operates a packaging business, producing both flexible and corrugated packaging to support its main business.

PIPS is an investment and management services company wholly-owned by Indofood.

IMPLICATIONS UNDER THE LISTING RULES

One or more of the applicable percentage ratios (as set forth in Rule 14.07 of the Listing Rules) in respect of the Transaction exceeds 5% but all the applicable percentage ratios are less than 25%. Accordingly, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As at the date of this announcement, IASB is a 51%-owned subsidiary of Indofood. The Seller, the remaining 49% shareholder of IASB, and Asahi, the holding company of the Seller, are connected persons of the Company and the Transaction is, therefore, a connected transaction for the Company under Chapter 14A of the Listing Rules.

The Transaction is on normal commercial terms or better (as far as the Company is concerned) and the Seller and Asahi are connected persons of the Company at the subsidiary level. The Board has approved the Transaction and the independent non-executive Directors have confirmed that the terms of the Transaction are fair and reasonable and that the Transaction is on normal commercial terms or better (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole. Therefore, pursuant to Rule 14A.101 of the Listing Rules, the Transaction is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“AIBM”	PT Asahi Indofood Beverage Makmur;
“AIBM Group”	AIBM and AIBM Subsidiaries, collectively;
“AIBM Subsidiaries”	PT Prima Cahaya Indobeverage and PT Tirta Sukses Perkasa, both being subsidiaries of AIBM;
“Asahi”	Asahi Group Holdings, Ltd., a company incorporated under the laws of Japan;

“Asahi Group”	Asahi and its subsidiaries from time to time;
“Board”	the board of directors of the Company;
“Business Day”	a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Singapore, Tokyo, Japan and Jakarta, Indonesia;
“Company”	First Pacific Company Limited, an exempt company incorporated in Bermuda with limited liability, and which has its shares listed on the Stock Exchange;
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms of the Sale and Purchase Agreement;
“Completion Date”	the date on which Completion shall take place;
“Conditions Precedent”	the conditions precedent to Completion as described in the section headed “Conditions Precedent to Completion” above in this announcement;
“Consideration”	the consideration for the Sale Shares under the Sale and Purchase Agreement;
“CSPA”	the conditional share sale and purchase agreement dated 22 December 2017 entered into between the Purchasers, Asahi and the Seller in relation to the sale and purchase of the Sale Shares;
“Director(s)”	the Director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“IASB”	PT Indofood Asahi Sukses Beverage;
“IASB Group”	IASB and IASB Subsidiaries, collectively;
“IASB Subsidiaries”	PT Buana Distrindo and PT Tirta Makmur Perkasa, both being subsidiaries of IASB;

“ICBP”	PT Indofood CBP Sukses Makmur Tbk., a member of the Indofood Group, the shares of which are listed on the Indonesia Stock Exchange;
“IDR”	Indonesian Rupiah, the lawful currency of Indonesia;
“Indofood”	PT Indofood Sukses Makmur Tbk., a 50.1% owned subsidiary of the Group, the shares of which are listed on the Indonesia Stock Exchange;
“Indofood Group”	Indofood and its subsidiaries from time to time;
“Japanese Banks”	PT Bank Sumitomo Mitsui Indonesia and PT Bank Mizuho Indonesia, collectively;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Longstop Date”	31 December 2018 (or such later date as the parties to the Sale and Purchase Agreement may agree);
“PIPS”	PT Prima Intipangan Sejati, a member of the Indofood Group;
“Purchasers”	ICBP and PIPS, collectively;
“Sale Shares”	632,100 shares in IASB, representing 49% of the issued share capital of IASB, and 617,100 shares in AIBM, representing 51% of the issued share capital of AIBM;
“Seller”	Asahi Group Holdings Southeast Asia Pte. Ltd., a wholly-owned subsidiary of Asahi;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Companies”	IASB and AIBM, collectively;
“Target Group”	IASB, AIBM, IASB Subsidiaries and AIBM Subsidiaries, collectively;
“Target Subsidiaries”	IASB Subsidiaries and AIBM Subsidiaries, collectively;

“Transaction”	the transaction contemplated under the Sale and Purchase Agreement;
“US\$” or “USD”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

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

Hong Kong, 22 December 2017

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = IDR13,550 = HK\$7.8. Percentages and figures expressed have been rounded.

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

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*
Robert C. Nicholson
Christopher H. Young

Non-executive Directors:

Anthoni Salim, *Chairman*
Benny S. Santoso
Tedy Djuhar
Ambassador Albert F. del Rosario

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