

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)

SALE OF GOODMAN FIELDER INVESTMENT

DISCLOSEABLE TRANSACTION

ENTRY INTO OF THE SPA

On 11 March 2019, the Company and its indirect wholly owned subsidiary, Oceanica, entered into the SPA with Wilmar.

Pursuant to the SPA, Oceanica has agreed to sell, and Wilmar has agreed to purchase, Oceanica's 50% shareholding in FPW Singapore and the benefit of the shareholder's loans made by Oceanica to FPW Australia prior to the date of the SPA. FPW Singapore is a special purpose entity established as a 50:50 joint venture by the Company and Wilmar for the purpose of acquiring and holding Goodman Fielder. FPW Australia is an indirect wholly owned subsidiary of FPW Singapore.

The aggregate purchase price payable under the SPA for the Sale Shares and the Shareholder's Loans is US\$300 million (equivalent to approximately HK\$2,340 million), including a contingent instalment payment in respect of the Shareholder's Loans, described below in this announcement, rising to US\$325 million (equivalent to approximately HK\$2,535 million) if an additional earn-out payment, described below in this announcement, becomes payable.

Completion of the sale and purchase is conditional on the fulfilment (or waiver by Wilmar) of the conditions precedent to Completion described below in this announcement. Subject to the fulfilment (or, if applicable, waiver) of the conditions precedent, Completion is expected to occur on or before 31 December 2019.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The sale by the Company of its investment in Goodman Fielder fulfills a management commitment to streamline the Company's investment portfolio and use the proceeds from such sale to finance debt reduction and share repurchases. The sale enables the Company to focus on its strongest investments in its core sectors within Asian emerging markets.

Proceeds from the Transaction will be used for debt reduction, beginning with a US\$252 million (equivalent to approximately HK\$1,966 million) bond maturing in September 2020. Redemption of that bond and other debt reduction initiatives will reduce the Company's consolidated gross debt and interest expenses.

The Transaction is expected to result in the Company recording a non-cash non-recurring loss of approximately US\$280 million (equivalent to approximately HK\$2,184 million) in its 2019 financial statements.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios 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.

ENTRY INTO OF THE SPA

On 11 March 2019, the Company and its indirect wholly owned subsidiary, Oceanica, entered into the SPA with Wilmar.

Pursuant to the SPA, Oceanica has agreed to sell, and Wilmar has agreed to purchase, the Sale Shares and the Shareholder's Loans.

The aggregate purchase price payable under the SPA for the Sale Shares and the Shareholder's Loans is US\$300 million (equivalent to approximately HK\$2,340 million), including a contingent instalment payment in respect of the Shareholder's Loans, described below in this announcement, rising to US\$325 million (equivalent to approximately HK\$2,535 million) if an additional earn-out payment, described below in this announcement, becomes payable.

SUMMARY OF PRINCIPAL TERMS OF THE SPA

Parties : (1) Oceanica, as Seller;

(2) Wilmar, as Buyer; and

(3) the Company, as guarantor of the obligations of Oceanica.

- Sale and purchase : Oceanica agrees to sell, and Wilmar agrees to purchase, the Sale Shares and the Shareholder's Loans.
- Purchase price : US\$300 million (equivalent to approximately HK\$2,340 million), comprising:
- (1) an amount of US\$180 million (equivalent to approximately HK\$1,404 million) for the Sale Shares, payable in full on Completion; and
 - (2) an amount of US\$120 million (equivalent to approximately HK\$936 million) for the Shareholder's Loans comprising (i) the first instalment of US\$95 million (equivalent to approximately HK\$741 million) payable in full on Completion and (ii) a second, contingent, instalment of US\$25 million (equivalent to approximately HK\$195 million) payable if the consolidated EBITDA of Goodman Fielder in respect of the financial year ending 31 December 2020 is at least A\$200 million (equivalent to approximately US\$141 million or HK\$1,099 million).
- Earn-out payment : An additional US\$25 million (equivalent to approximately HK\$195 million) is payable as part of the purchase price for the Shareholder's Loans if the consolidated EBITDA of Goodman Fielder in respect of the financial year ending 31 December 2020 is A\$235 million (equivalent to approximately US\$165 million or HK\$1,291 million) or more.

The second instalment of the purchase price for the Shareholder's Loans and the earn-out payment, which are contingent on the consolidated EBITDA of Goodman Fielder in respect of its financial year ending 31 December 2020, would be payable within five business days of the financial statements to be prepared to calculate such contingent amounts having been agreed or determined by an independent firm of chartered accountants (acting as an expert).

- Conditions precedent to Completion : (1) Approvals or clearances from such antitrust agencies or other governmental or regulatory authorities as Wilmar and/or Oceanica reasonably consider to be necessary to implement the Transaction being granted or obtained on an unconditional basis or subject to such conditions as are acceptable to Wilmar and Oceanica acting reasonably, and such approvals or clearances not having been withdrawn, cancelled, revoked or amended at the date of Completion.
- (2) To the extent required under the relevant financing documents, approvals or notices of no objection from the Goodman Fielder group's lender banks for the sale and purchase of the Sale Shares.
- (3) No proceedings, investigation or other action having been taken, or legislation enacted or proposed, which would prohibit or interfere with the Transaction or be materially inconsistent with the warranties given by Oceanica under the SPA.

If the conditions precedent are not fulfilled (or waived by Wilmar) by 31 March 2020 (or such other date as may be agreed by the parties to the SPA in writing) the SPA would terminate on that date.

Completion date : The fifth business day after the conditions precedent to Completion described above have been fulfilled (or waived by Wilmar). Expected to be on or before 31 December 2019.

Other : Pending Completion, substantially all of the provisions of the existing joint venture agreement governing the management and operation of FPW Singapore and its subsidiaries will continue to apply. That joint venture agreement will terminate on Completion, when Wilmar will own 100% of FPW Singapore. The SPA provides that Oceanica will not be required to provide any further funding to FPW Singapore or its subsidiaries.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The sale by the Company of its investment in Goodman Fielder fulfills a management commitment to streamline the Company's investment portfolio and use the proceeds from such sale to finance debt reduction and share repurchases. The sale enables the Company to focus on its strongest investments in its core sectors within Asian emerging markets.

Proceeds from the Transaction will be used for debt reduction, beginning with a US\$252 million (equivalent to approximately HK\$1,966 million) bond maturing in September 2020. Redemption of that bond and other debt reduction initiatives will reduce the Company's consolidated gross debt and interest expenses.

The Transaction is expected to result in the Company recording a non-cash non-recurring loss of approximately US\$280 million (equivalent to approximately HK\$2,184 million) in its 2019 financial statements. The estimated loss is calculated with reference to the maximum aggregate purchase price receivable under the SPA of US\$325 million (equivalent to approximately HK\$2,535 million) (after taking into account the second contingent instalment and earn-out payment in respect of the Shareholder's Loans) less the carrying cost of the 50% interest in FPW Singapore as at 31 December 2018 and the estimated expenses directly attributable to the Transaction. The exact financial effects of the Transaction are subject to the carrying cost of the 50% interest in FPW Singapore as at the date of Completion and the actual transaction costs.

The purchase price was determined following a process conducted by an international investment bank, appointed by the Company, to test buyer interest for the Company's stake in Goodman Fielder. In connection with that process, Wilmar, as the Company's existing 50:50 joint venture partner in Goodman Fielder, was approached as it had a first right of refusal and emerged as the buyer of the Company's 50% interest having made the most compelling offer. The purchase price has been benchmarked against, and is consistent with, comparable transaction multiples in the relevant food sector.

The Directors consider that the terms of the Transaction are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Wilmar holds the remaining 50% shareholding in FPW Singapore and has made shareholder's loans to FPW Australia on a pro rata basis with Oceanica. Subject to that, to the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, Wilmar and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

INFORMATION ON THE COMPANY AND OCEANICA

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, infrastructure, natural resources and telecommunications.

Oceanica is an investment holding company, which holds an investment in FPW Singapore and, indirectly, in FPW Australia and Goodman Fielder. Oceanica is an indirect wholly-owned subsidiary of the Company.

INFORMATION ON WILMAR

Wilmar is Asia's leading agribusiness group with significant investments in Australia. Wilmar's key business segments include oil palm cultivation and oilseed crushing, edible oils refining, sugar milling and refining, manufacturing of consumer products, specialty fats, oleochemicals, biodiesel and fertilisers as well as flour and rice milling.

INFORMATION ON GOODMAN FIELDER

Goodman Fielder is a company incorporated under the laws of the Commonwealth of Australia. The principal activities of Goodman Fielder are the manufacture, marketing and distribution of food ingredients and consumer branded food, beverage and related products, including packaged bread and other related goods, biscuits, dairy products, small goods, flour, edible oils and meal components.

INFORMATION ON FPW SINGAPORE AND FPW AUSTRALIA

FPW Singapore is a special purpose entity established as a 50:50 joint venture by the Company and Wilmar for the purpose of acquiring and holding Goodman Fielder.

The audited consolidated net asset value of FPW Singapore as at 31 December 2017 was US\$199 million (equivalent to approximately HK\$1,552 million).

The audited consolidated net profits of FPW Singapore in respect of its financial year ended 31 December 2017 were US\$39 million (equivalent to approximately HK\$304 million) before taxation and US\$18 million (equivalent to approximately HK\$140 million) after taxation and non-controlling interests.

The audited consolidated net profits of FPW Singapore in respect of its financial year ended 31 December 2016 were US\$60 million (equivalent to approximately HK\$468 million) before taxation and US\$35 million (equivalent to approximately HK\$273 million) after taxation and non-controlling interests.

FPW Australia is an indirect wholly owned subsidiary of FPW Singapore. FPW Australia is an intermediate investment holding company, which holds 99.7% of Goodman Fielder. FPW Singapore directly holds 0.3% of Goodman Fielder.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios 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:

“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda and having its shares listed on The Stock Exchange of Hong Kong Limited;
“Completion”	completion of the sale and purchase of the Sale Shares and the Shareholder’s Loans in accordance with the provisions of the SPA;
“Directors”	the directors of the Company;
“EBITDA”	earnings before interest, tax, depreciation and amortisation, determined in accordance with the provisions of the SPA;
“FPW Australia”	FPW Australia Pty Ltd., a company incorporated under the laws of the Commonwealth of Australia;
“FPW Singapore”	FPW Singapore Holdings Pte. Ltd., a company incorporated under the laws of Singapore and established as a special purpose vehicle for a 50:50 joint venture between the Company and Wilmar for the purpose of acquiring and holding Goodman Fielder;
“Goodman Fielder”	Goodman Fielder Pty Limited, a company incorporated under the laws of the Commonwealth of Australia;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Oceanica”	Oceanica Developments Limited, a company incorporated in the British Virgin Islands, an indirect wholly owned subsidiary of the Company;
“Sale Shares”	102,437,309 ordinary shares in FPW Singapore owned by Oceanica, representing 50% of the issued share capital of FPW Singapore;
“Shareholder’s Loans”	A\$594,550,000 (equivalent to approximately US\$419 million or HK\$3,266 million) of shareholder’s loans made by Oceanica to FPW Australia prior to the date of the SPA;

“SPA”	the Share Purchase Agreement dated 11 March 2019 amongst the Company, Oceanica and Wilmar, relating to the sale by Oceanica and purchase by Wilmar of the Sale Shares and the Shareholder’s Loans;
“Transaction”	the sale and purchase of the Sale Shares and the Shareholder’s Loans in accordance with the provisions of the SPA;
“Wilmar”	Wilmar International Limited, a company incorporated in Singapore and having its shares listed on Singapore Exchange Limited (SGX);
“A\$”	Australian dollars;
“HK\$”	Hong Kong dollars; and
“US\$”	United States dollars.

Unless indicated otherwise, in this announcement, translations of amounts in A\$ into HK\$ and US\$ have been made at the rate of US\$1 = A\$1.42 = HK\$7.8 for illustration purposes only.

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

Hong Kong, 11 March 2019

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
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