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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)

DISCLOSEABLE AND CONNECTED TRANSACTIONS ISSUANCE OF PRIMARY SHARES BY METRO PACIFIC INVESTMENTS CORPORATION

SUBSCRIPTION OF PRIMARY SHARES IN METRO PACIFIC INVESTMENTS CORPORATION BY METRO PACIFIC HOLDINGS, INC.

AND

SUBSCRIPTION OF PRIMARY SHARES IN METRO PACIFIC INVESTMENTS CORPORATION BY CONNECTED PERSONS

ISSUANCE OF PRIMARY SHARES BY MPIC AND SUBSCRIPTION OF PRIMARY SHARES IN MPIC BY MPHI, MIG, MIT-PACIFIC AND GSIS

On 8 November 2023, MPIC, a Philippine affiliate of the Company, in respect of which the Company indirectly holds an approximate 48.2% economic interest, entered into the Subscription Agreements with each of MPHI (a Philippine affiliate of the Company), MIG, Mit-Pacific and GSIS, pursuant to which each of MPHI, MIG, Mit-Pacific and GSIS agreed to subscribe for, and MPIC agreed to allot and issue, the Subscription Shares for an aggregate subscription price of approximately Pesos 14.9 billion (equivalent to approximately US\$264.5 million or HK\$2.1 billion), in cash.

LISTING RULES IMPLICATIONS

The issuance of the Subscription Shares by MPIC will constitute a deemed disposal of the Company's indirect economic interest in MPIC pursuant to Rule 14.29 of the Listing Rules, while the MPHI Subscription will constitute an acquisition by the Company of economic interest in MPIC.

In the case of a transaction involving both a disposal and an acquisition, Rule 14.24 of the Listing Rules requires that the percentage ratios be applied to both the disposal and the acquisition and that the transaction be classified by reference to the larger of the disposal or acquisition. The reduction of the Company's economic interest in MPIC resulting from the issuance of the Subscription Shares by MPIC, is larger than the acquisition of the Company's economic interest in MPIC resulting from the MPHI Subscription. Accordingly, the transaction described in this announcement will be classified by reference to the applicable percentage ratios in respect of the Deemed Disposal.

As one or more of the applicable percentage ratios in respect of the Deemed Disposal exceeds 5%, but all such applicable percentage ratios are less than 25%, the Deemed Disposal constitutes a discloseable transaction under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements prescribed by Chapter 14 of the Listing Rules.

In addition, the subscriptions of shares in MPIC by MIG, Mit-Pacific and GSIS under the relevant Subscription Agreements each constitutes a connected transaction for the Company under the Listing Rules, subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

DIRECTORS' VIEWS

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements and the transactions contemplated thereunder, including the issuance of primary shares by MPIC and the subscription of primary shares in MPIC by MPHI, MIG, Mit-Pacific and GSIS, are fair and reasonable and that the Subscription Agreements and the transactions contemplated thereunder are on normal commercial terms (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole.

ISSUANCE OF PRIMARY SHARES BY MPIC AND SUBSCRIPTION OF PRIMARY SHARES IN MPIC BY MPHI, MIG, MIT-PACIFIC AND GSIS

On 8 November 2023, MPIC, a Philippine affiliate of the Company, in respect of which the Company indirectly holds an approximate 48.2% economic interest, entered into the Subscription Agreements with each of MPHI (a Philippine affiliate of the Company), MIG, Mit-Pacific and GSIS, pursuant to which each of MPHI, MIG, Mit-Pacific and GSIS agreed to subscribe for, and MPIC agreed to allot and issue, the Subscription Shares for an aggregate subscription price of approximately Pesos 14.9 billion (equivalent to approximately US\$264.5 million or HK\$2.1 billion), in cash.

The principal terms of the Subscription Agreements are summarised as follows:

Date

8 November 2023

Parties

- (1) MPIC as issuer
- (2) MPHI, MIG, Mit-Pacific and GSIS, each as subscribers

The issuance of primary shares by MPIC and the subscription of primary shares in MPIC by each of MPHI, MIG, Mit-Pacific and GSIS

Pursuant to the Subscription Agreements:

- (1) MPIC has agreed to issue, and MPHI has agreed to subscribe for, approximately 765 million Subscription Shares for a subscription price of approximately Pesos 4.0 billion (equivalent to approximately US\$70.4 million or HK\$549.2 million), payable in cash, to be satisfied by internal cash reserves of the Group.
- (2) MPIC has agreed to issue, and MIG has agreed to subscribe for, approximately 593 million Subscription Shares for a subscription price of approximately Pesos 3.1 billion (equivalent to approximately US\$54.6 million or HK\$425.7 million), payable in cash, to be satisfied by MIG's internal cash reserves.
- (3) MPIC has agreed to issue, and Mit-Pacific has agreed to subscribe for, approximately 1,329 million Subscription Shares for a subscription price of approximately Pesos 6.9 billion (equivalent to approximately US\$122.3 million or HK\$954.1 million), payable in cash, to be satisfied by Mit-Pacific's internal cash reserves.
- (4) MPIC has agreed to issue, and GSIS has agreed to subscribe for, approximately 187 million Subscription Shares for a subscription price of approximately Pesos 972.4 million (equivalent to approximately US\$17.2 million or HK\$134.2 million), payable in cash, to be satisfied by GSIS's internal funds derived from premium contributions, investment income and loan repayments.

The Subscription Shares, when issued and fully paid up, will rank pari passu in all respects among themselves and with all the common shares of MPIC in issue as at the date of allotment and issuance of the Subscription Shares.

Save for customary share transfer provisions in the constitutional documents and agreements involving certain shareholders of MPIC, including those relating to pre-emptive rights and rights of first refusal, there is no restriction on the subsequent sale of the Subscription Shares.

Subscription Price

The subscription price of Pesos 5.20 (equivalent to approximately US\$0.09 or HK\$0.72) per Subscription Share under each of the Subscription Agreements was arrived at by reference to the recent precedent transactions involving MPIC's shares and determined after arm's length negotiations and shall be payable no later than ten (10) business days after the execution of the Subscription Agreements. Within five (5) business days from the payment of stamp duty on the Subscription Shares, the subscribers' interest will be reflected in MPIC's share register.

EFFECT OF THE SHARE ISSUANCE AND SUBSCRIPTIONS ON THE SHAREHOLDING STRUCTURE OF MPIC

For illustration purposes, the shareholding structure of MPIC immediately before and immediately after the completion of the Subscription Agreements is as follows:

Shareholder	% of economic interest immediately before completion under the Subscription Agreements	% of economic interest immediately after completion under the Subscription Agreements
MPHI	48.2%	46.2%
MIG	5.7%	7.1%
GT Capital Holdings, Inc.	20.0%	18.2%
Mit-Pacific	11.3%	14.5%
GSIS	12.1%	11.5%
Minority shareholders	2.7%	2.5%
Total:	100.0%	100.0%

FINANCIAL EFFECTS OF THE DEEMED DISPOSAL

MPIC's financial results are currently consolidated in the Group's financial statements. Upon completion under the Subscription Agreements, the Group will be interested in approximately 46.2% of the outstanding common shares of MPIC.

Accordingly, the Group's economic interest in MPIC will be diluted from approximately 48.2% to approximately 46.2% as a result of the transactions contemplated under the Subscription Agreements.

Following the completion of the Subscription Agreements, MPIC's financial results will continue to be consolidated in the Group's financial statements.

No gain or loss is expected to be recorded to the profit and loss account as MPIC remains consolidated by the Group after completion under the Subscription Agreements.

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE SUBSCRIPTION AGREEMENTS

The gross proceeds from the transactions contemplated under the Subscription Agreements are expected to be approximately US\$264.5 million (equivalent to approximately HK\$2.1 billion). The Board believes that the transactions contemplated under the Subscription Agreements will strengthen MPIC's capital structure and provide a good opportunity for MPIC to raise capital to meet its various investment and working capital needs, and are therefore beneficial to both MPIC and the Group.

LISTING RULES IMPLICATIONS

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In the case of a transaction involving both a disposal and an acquisition, Rule 14.24 of the Listing Rules requires that the percentage ratios be applied to both the disposal and the acquisition and that the transaction be classified by reference to the larger of the disposal or acquisition. The reduction of the Company's economic interest in MPIC resulting from the issuance of the Subscription Shares by MPIC, in aggregate, is larger than the acquisition of the Company's economic interest in MPIC resulting from the MPHI Subscription. Accordingly, the transaction described in this announcement will be classified by reference to the applicable percentage ratios in respect of the Deemed Disposal.

As one or more of the applicable percentage ratios in respect of the Deemed Disposal exceeds 5%, but all such applicable percentage ratios are less than 25%, the Deemed Disposal constitutes a discloseable transaction under Chapter 14 of the Listing Rules, which is subject to the reporting and announcement requirements prescribed by Chapter 14 of the Listing Rules.

MIG currently holds approximately 5.7% of MPIC's outstanding common shares and is a close associate of Mr. Manuel V. Pangilinan, the Managing Director and Chief Executive Officer of the Company, under the Listing Rules and, therefore, a connected person of the Company. Accordingly, the subscription of shares in MPIC by MIG under the relevant Subscription Agreement constitutes a connected transaction for the Company under the Listing Rules. As one or more of the applicable percentage ratios in respect of the subscription of shares in MPIC by MIG under the relevant Subscription Agreement exceeds 0.1% but all of them are less than 5%, the subscription of shares in MPIC by MIG under the relevant Subscription Agreement is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Mit-Pacific currently holds approximately 11.3% of MPIC's outstanding common shares, and, therefore, is a connected person of the Company at the MPIC level. As one or more of the applicable percentage ratios in respect of the subscription of shares in MPIC by Mit-Pacific under the relevant Subscription Agreement exceeds 1% but all of them are less than 5%, the subscription of shares in MPIC by Mit-Pacific under the relevant Subscription Agreement is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

GSIS currently holds approximately 12.1% of MPIC's outstanding common shares and, therefore, is a connected person of the Company at the MPIC level. As one or more of the applicable percentage ratios in respect of the subscription of shares in MPIC by GSIS under the relevant Subscription Agreement exceeds 1% but all of them are less than 5%, the subscription of shares in MPIC by GSIS under the relevant Subscription Agreement is subject to the reporting and announcement requirements but is exempt from the circular and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

DIRECTORS' VIEWS

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements and the transactions contemplated thereunder, including the issuance of primary shares by MPIC and the subscription of primary shares in MPIC by MPHI, MIG, Mit-Pacific and GSIS, are fair and reasonable and that the Subscription Agreements and the transactions contemplated thereunder are on normal commercial terms (as far as the Company is concerned) and in the interests of the Company and its shareholders as a whole.

MIG is controlled by Mr. Manuel V. Pangilinan, the Managing Director and Chief Executive Officer of the Company. Accordingly, Mr. Manuel V. Pangilinan is regarded as having a material interest in the transactions contemplated under the Subscription Agreements and has abstained from voting on the resolutions of the Board approving the transactions contemplated under the Subscription Agreements. Save for the aforementioned, to the best of the Directors' knowledge and information, none of the other Directors has a material interest in, or otherwise is required to abstain from voting on, the resolutions of the Board in considering and approving the transactions contemplated under the Subscription Agreements.

INFORMATION ON THE COMPANY AND PARTIES TO THE SUBSCRIPTION AGREEMENTS

The Company

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

MPHI

MPHI is a Philippine affiliate of the Company, in respect of which the Company has a 100% economic interest. The principal activity of MPHI is investment holding with a current holding of approximately 48.2% economic interest in MPIC.

MPIC

MPIC is a Philippine affiliate of the Company, in which the Group indirectly holds an approximate 48.2% economic interest.

MPIC's shares were delisted from the PSE on 9 October 2023 following the closing of the tender offer for the outstanding common shares of MPIC held by MPIC's then minority public shareholders, as referred to in the Company's circular dated 7 August 2023 and the Company's announcements dated 8 September, 20 September, 21 September and 28 September 2023.

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.

Set out below is financial information of MPIC extracted from its audited consolidated financial statements for the financial years ended 31 December 2022 or 31 December 2021 and its unaudited interim consolidated financial statements for the six months ended 30 June 2023 (as applicable):

- (1) For the financial year ended 31 December 2022, MPIC's audited consolidated profit before taxation was approximately Pesos 16.9 billion (equivalent to approximately US\$311.0 million or HK\$2.4 billion) and MPIC's audited consolidated profit after taxation was approximately Pesos 13.1 billion (equivalent to approximately US\$241.2 million or HK\$1.9 billion).
- (2) For the financial year ended 31 December 2021, MPIC's audited consolidated profit before taxation was approximately Pesos 7.2 billion (equivalent to approximately US\$145.6 million or HK\$1.1 billion) and MPIC's audited consolidated profit after taxation was approximately Pesos 5.9 billion (equivalent to approximately US\$120.1 million or HK\$0.9 billion).
- (3) As at 31 December 2022, MPIC's audited consolidated total equity was approximately Pesos 245.0 billion (equivalent to approximately US\$4.4 billion or HK\$34.3 billion) and its audited consolidated net asset value attributable to shareholders was approximately Pesos 200.0 billion (equivalent to approximately US\$3.6 billion or HK\$28.0 billion). As at 30 June 2023, MPIC's unaudited consolidated total equity was approximately Pesos 255.0 billion (equivalent to approximately US\$4.6 billion or HK\$35.9 billion) and its unaudited net asset value of MPIC attributable to shareholders was approximately Pesos 208.4 billion (equivalent to approximately US\$3.8 billion or HK\$29.6 billion).

MIG

MIG is a Philippine corporation and is an investment holding company. MIG is controlled as to 100% by Mr. Manuel V. Pangilinan, the Managing Director and Chief Executive Officer of the Company. Mr. Manuel V. Pangilinan, who also serves as Chairman of the board of directors, the President and the Chief Executive Officer of MPIC and, therefore, is a connected person of the Company. Mr. Manuel V. Pangilinan is currently interested in 1,648,062,198 common shares in MPIC (through MIG and his directors' qualification shares), representing approximately 5.7% of MPIC's outstanding common shares.

Mit-Pacific

Mit-Pacific is a joint venture owned as to approximately 50% each by Mitsui & Co., Ltd. (“**Mitsui**”) and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (“**JOIN**”) and is an investment holding company. Mit-Pacific currently holds approximately 11.3% of MPIC's outstanding common shares and, therefore, is a connected person of the Company at the MPIC level.

Mitsui, established in 1947, is listed on the Tokyo, Nagoya, Sapporo and Fukuoka stock exchanges. It is engaged in businesses including product sales, worldwide logistics and financing, and the development of major international infrastructure and other projects in the fields of mineral and metal resources, energy, infrastructure, mobility, chemicals, iron and steel products, food and retail management, wellness, information technology and communications and corporate development.

JOIN is a Japanese government-private sponsored infrastructure investment fund company established in Japan in 2014. JOIN's aim is to encourage Japanese companies to utilise accumulated knowledge, technology and experience in the field of infrastructure to expand overseas. JOIN provides both equity and hands-on support to overseas infrastructure projects participated in by Japanese companies.

GSIS

GSIS is a government-owned and controlled corporation existing under the laws of the Philippines. It is principally engaged in the administration of social security coverage to employees in the public sector. GSIS currently holds approximately 12.1% of MPIC's outstanding common shares and, therefore, is a connected person of the Company at the MPIC level.

DEFINITIONS

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

“Board”	the board of Directors of the Company;
“Company”	First Pacific Company Limited, an exempted company incorporated in Bermuda and having its shares listed on the Stock Exchange;
“Deemed Disposal”	the deemed disposal of the Company’s indirect economic interest in MPIC by way of the subscriptions under the Subscription Agreements;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries and Philippine affiliates, from time to time;
“GSIS”	Government Service Insurance System, a government-owned and controlled corporation existing under the laws of the Philippines and an existing shareholder of MPIC;
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MIG”	MIG Holdings Incorporated, a corporation established under the laws of the Philippines and an existing shareholder of MPIC;
“Mit-Pacific”	Mit-Pacific Infrastructure Holdings Corporation, a corporation established under the laws of the Philippines and an existing shareholder of MPIC;
“MPHI”	Metro Pacific Holdings, Inc., a corporation established under the laws of the Philippines and a Philippine affiliate of the Company in respect of which the Company has a 100% economic interest and an existing shareholder of MPIC;

“MPHI Subscription”	the subscription of approximately 765 million Subscription Shares by MPHI in MPIC under the relevant Subscription Agreement as described in this announcement;
“MPIC”	Metro Pacific Investments Corporation, a corporation established under the laws of the Philippines;
“Pesos”	Philippine Pesos, the lawful currency of the Philippines;
“PSE”	the Philippine Stock Exchange;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Agreement(s)”	the subscription agreements dated 8 November 2023 in relation to the subscription of the Subscription Shares entered into by MPIC as issuer, and each of MPHI, MIG, Mit-Pacific and GSIS as subscribers, respectively;
“Subscription Shares”	a total of approximately 2,873 million primary shares in MPIC to be issued and allotted by MPIC to each of MPHI, MIG, Mit-Pacific and GSIS pursuant to the Subscription Agreements;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

In this announcement, unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of Pesos 56.5 = US\$1.0 = HK\$7.8. Percentages and figures in billions and millions have been rounded.

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

Hong Kong, 8 November 2023

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