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

(Stock Code: 00142)

## **ANNOUNCEMENT MADE BY PHILEX MINING CORPORATION IN RELATION TO ITS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016**

This Announcement is made by First Pacific Company Limited (“First Pacific” or the “Company”) to provide shareholders of First Pacific and the public with the unaudited consolidated financial results of Philex Mining Corporation (“Philex”), a major operating associate of the Company, for the six months ended 30 June 2016.

### **Summary**

On 27 July 2016, the board of directors of Philex approved the release of the unaudited consolidated financial results for the six months ended 30 June 2016. Philex’s unaudited consolidated financial results have been submitted to the Philippine Stock Exchange, Inc. (“PSE”) on 27 July 2016, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of The Stock Exchange of Hong Kong Limited (“HKEX”) and the Company.

Philex, a major operating associate of First Pacific, is a company incorporated in the Philippines whose shares are listed on the PSE. First Pacific holds a 31.2% economic interest in Philex (Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic interest in Philex). On 27 July 2016, the board of directors of Philex approved the release of the unaudited consolidated financial results for the six months ended 30 June 2016. Philex’s unaudited consolidated financial results have been submitted to the PSE on 27 July 2016, which have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of HKEX and the Company. The unaudited consolidated financial statements have been prepared in conformity with the Philippine Financial Reporting Standards and are presented in Philippine Peso. Philex’s unaudited Consolidated Statements of Income for the six months ended 30 June 2016 and 2015, as well as the unaudited Consolidated Statements of Financial Position as at 30 June 2016 and audited Consolidated Statement of Financial Position as at 31 December 2015 are provided below:

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016 AND 2015**

*(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)*

	2016	2015
<b>REVENUE</b>		
Gold	2,954,725	2,894,336
Copper	1,795,447	1,870,356
Silver	37,328	37,564
	<u>4,787,500</u>	<u>4,802,256</u>
Less: Smelting charges	418,636	403,439
	<u>4,368,864</u>	<u>4,398,817</u>
<b>COSTS AND EXPENSES</b>		
Mining and milling costs (including depletion and depreciation)	2,822,112	3,032,343
General and administrative expenses	186,685	238,704
Excise taxes and royalties	215,472	240,671
Handling, hauling and storage	28,925	36,555
	<u>3,253,194</u>	<u>3,548,273</u>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gain (losses) – net	6,382	(29,482)
Interest income	1,234	836
Gain on disposal of available-for-sale (AFS) financial assets	–	107,088
Interest expense	–	(9,850)
Others – net	18,179	(12,600)
	<u>25,795</u>	<u>55,992</u>
<b>INCOME BEFORE INCOME TAX</b>	1,141,465	906,536
<b>PROVISION FOR INCOME TAX</b>	(355,418)	(252,480)
<b>INCOME BEFORE LOSS OF A SUBSIDIARY GROUP HELD FOR DISTRIBUTION</b>	786,047	654,056
<b>LOSS OF A SUBSIDIARY GROUP HELD FOR DISTRIBUTION</b>	(29,102)	(89,249)
<b>NET INCOME</b>	<u>756,945</u>	<u>564,807</u>
<b>NET INCOME ATTRIBUTABLE TO:</b>		
Equity holders of the Parent Company	778,603	606,974
Non-controlling interests	(21,658)	(42,167)
	<u>756,945</u>	<u>564,807</u>
<b>CORE NET INCOME</b>	<u>774,016</u>	<u>519,728</u>
<b>BASIC EARNINGS PER SHARE</b>	<u>0.1576</u>	<u>0.1229</u>
<b>DILUTED EARNINGS PER SHARE</b>	<u>0.1576</u>	<u>0.1229</u>

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(Amounts in Peso Thousands, except Par Value Per Share which is in Peso)*

	<b>30 June 2016 (UNAUDITED)</b>	31 December 2015 (AUDITED)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	348,982	1,008,686
Accounts receivable	517,613	897,479
Inventories	2,209,972	1,886,544
Other current assets	1,482,138	1,478,748
	<u>4,558,705</u>	<u>5,271,457</u>
Assets of a subsidiary group held for distribution	7,275,945	–
	<u>11,834,650</u>	<u>5,271,457</u>
<b>Total Current Assets</b>		
<b>Noncurrent Assets</b>		
Property, plant and equipment – net	6,422,789	6,828,052
AFS financial assets	106,687	106,687
Investment in an associate	641,408	659,408
Goodwill	–	1,238,583
Deferred income tax assets – net	239	5,992
Deferred exploration costs and other noncurrent assets	25,199,365	29,438,845
	<u>32,370,488</u>	<u>38,277,567</u>
<b>Total Noncurrent Assets</b>	<b>32,370,488</b>	<b>38,277,567</b>
<b>TOTAL ASSETS</b>	<b><u>44,205,138</u></b>	<b><u>43,549,024</u></b>

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)**  
*(Amounts in Peso Thousands, except Par Value Per Share which is in Peso)*

	<b>30 June 2016 (UNAUDITED)</b>	31 December 2015 (AUDITED)
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable	3,011,840	3,317,730
Accounts payable and accrued liabilities	1,338,409	1,448,445
Income tax payable	177,633	13,014
Dividends payable	1,842,333	479,652
Provisions and subscriptions payables	436,412	456,043
Derivative liability	11,194	–
	<u>6,817,821</u>	<u>5,714,884</u>
Liabilities of a subsidiary group held for distribution	1,736,225	–
<b>Total Current Liabilities</b>	<u><b>8,554,046</b></u>	<u>5,714,884</u>
<b>Noncurrent Liabilities</b>		
Bonds payable	6,411,040	6,259,063
Deferred income tax liabilities – net	2,901,769	3,939,160
Pension obligation	21,968	21,968
Provision for losses and mine rehabilitation costs	127,479	330,047
	<u>9,462,256</u>	<u>10,550,238</u>
<b>Total Noncurrent Liabilities</b>	<u><b>9,462,256</b></u>	<u>10,550,238</u>
<b>Total Liabilities</b>	<u><b>18,016,302</b></u>	<u>16,265,122</u>
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital Stock – Peso 1 par value	4,940,399	4,940,399
Additional paid-in capital	1,143,837	1,142,722
Retained earnings		
Unappropriated	4,805,142	5,496,271
Appropriated	10,000,000	10,000,000
Net unrealized loss on AFS financial assets	(1,022)	(1,022)
Equity conversion option	1,225,518	1,225,518
Cumulative translation adjustments	(54,980)	124,334
Net revaluation surplus	1,611,397	1,611,397
Effect of transactions with non-controlling interests	23,164	23,164
	<u>23,693,455</u>	<u>24,562,783</u>
Non-controlling interests	2,495,381	2,721,119
<b>Total Equity</b>	<u><b>26,188,836</b></u>	<u>27,283,902</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><b>44,205,138</b></u>	<u><u>43,549,024</u></u>

## **GENERAL**

Shareholders should note that the above unaudited and audited consolidated financial results pertain only to Philex and not to First Pacific itself.

The above information only refers to certain sections of Philex's disclosure and shareholders should refer to Philex's original filing submitted to the PSE (<http://www.pse.com.ph>), as well as disclosed as the Company's Overseas Regulatory Announcement on the websites of the HKEX and the Company on 27 July 2016.

By Order of the Board  
**First Pacific Company Limited**  
**Manuel V. Pangilinan**  
*Managing Director and CEO*

Hong Kong, 27 July 2016

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

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

***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