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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 2017**

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 2017.

#### **Summary**

On 2 August 2017, the board of directors of Philex approved the release of the unaudited consolidated financial results for the six months ended 30 June 2017. Philex’s unaudited consolidated financial results have been submitted to the PSE on 2 August 2017, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of 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 Philippine Stock Exchange, Inc. (“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 2 August 2017, the board of directors of Philex approved the release of the unaudited consolidated financial results for the six months ended 30 June 2017. Philex’s unaudited consolidated financial results have been submitted to the PSE on 2 August 2017, which 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. 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 2017 and 2016, as well as the unaudited Consolidated Statement of Financial Position as at 30 June 2017 and audited Consolidated Statement of Financial Position as at 31 December 2016 are provided below:

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2017 AND 2016**  
*(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)*

	2017	2016
<b>REVENUE</b>		
Gold	2,709,854	2,954,725
Copper	2,006,787	1,795,447
Silver	38,948	37,328
	<u>4,755,589</u>	<u>4,787,500</u>
Less: Smelting charges	400,080	418,636
	<u>4,355,509</u>	<u>4,368,864</u>
<b>COSTS AND EXPENSES</b>		
Production costs	2,175,251	2,266,448
Depreciation, depletion and amortization	737,009	584,589
General and administrative expenses	173,847	186,685
Excise taxes and royalties	207,745	215,472
	<u>3,293,852</u>	<u>3,253,194</u>
<b>INCOME FROM OPERATIONS</b>	<u>1,061,657</u>	<u>1,115,670</u>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gains (losses) – net	(54,457)	6,382
Interest income	920	1,234
Share in net losses of associates	(9,457)	(18,000)
Gain on sale of available-for-sale (AFS) financial assets	9,075	–
Others – net	19,819	36,179
	<u>(34,100)</u>	<u>25,795</u>
<b>INCOME BEFORE INCOME TAX</b>	<u>1,027,557</u>	<u>1,141,465</u>
<b>PROVISION FOR INCOME TAX</b>		
Current	301,011	284,603
Deferred	7,952	70,815
	<u>308,963</u>	<u>355,418</u>
	<u>718,594</u>	<u>786,047</u>
<b>LOSS ON DECONSOLIDATED SUBSIDIARY GROUP, NET OF TAX</b>	<u>–</u>	<u>(29,102)</u>
<b>NET INCOME</b>	<u>718,594</u>	<u>756,945</u>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>		
Equity holders of the Parent Company	718,594	778,603
Non-controlling interests	–	(21,658)
	<u>718,594</u>	<u>756,945</u>
<b>CORE NET INCOME</b>	<u>747,639</u>	<u>774,016</u>
<b>BASIC EARNINGS PER SHARE</b>	<u>0.1455</u>	<u>0.1576</u>
<b>DILUTED EARNINGS PER SHARE</b>	<u>0.1455</u>	<u>0.1576</u>
<b>CORE NET INCOME PER SHARE</b>	<u>0.1513</u>	<u>0.1567</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 2017 (UNAUDITED)</b>	31 December 2016 (AUDITED)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	461,315	457,937
Accounts receivable	442,357	486,497
Inventories	2,048,478	2,318,850
Advances to a related party	2,168,834	2,193,829
Other current assets	1,436,844	1,437,752
<b>Total Current Assets</b>	<b>6,557,828</b>	<b>6,894,865</b>
<b>Noncurrent Assets</b>		
Property, plant and equipment	6,666,599	6,735,578
Deferred exploration costs and other noncurrent assets	23,775,314	23,158,325
AFS financial assets	79,526	104,615
Investment in associates	1,446,419	1,455,876
Pension asset – net	298,761	312,570
<b>Total Noncurrent Assets</b>	<b>32,266,619</b>	<b>31,766,964</b>
<b>TOTAL ASSETS</b>	<b>38,824,447</b>	<b>38,661,829</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable	2,725,380	3,082,640
Accounts payable and accrued liabilities	1,639,128	1,832,661
Income tax payable	136,191	164,265
Dividends payable	554,250	498,129
<b>Total Current Liabilities</b>	<b>5,054,949</b>	<b>5,577,695</b>
<b>Noncurrent Liabilities</b>		
Deferred income tax liabilities – net	2,953,095	2,957,896
Loans and bonds payable	6,755,604	6,592,854
Provision for losses and mine rehabilitation costs	135,879	134,124
<b>Total Noncurrent Liabilities</b>	<b>9,844,578</b>	<b>9,684,874</b>
<b>Total Liabilities</b>	<b>14,899,527</b>	<b>15,262,569</b>
<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	1,143,981	1,143,981
Retained earnings		
Unappropriated	4,463,413	4,442,436
Appropriated	10,500,000	10,000,000
Net unrealized gain (loss) on AFS financial assets	1,589	(3,094)
Equity conversion option	1,225,518	1,225,518
Net revaluation surplus	1,572,385	1,572,385
Effect of transactions with non-controlling interests	77,892	77,892
	<b>23,925,177</b>	<b>23,399,517</b>
<b>Non-controlling interests</b>	<b>(257)</b>	<b>(257)</b>
<b>Total Equity</b>	<b>23,924,920</b>	<b>23,399,260</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>38,824,447</b>	<b>38,661,829</b>

## **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 2 August 2017.

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

Hong Kong, 2 August 2017

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