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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 NINE MONTHS ENDED 30 SEPTEMBER 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 nine months ended 30 September 2017.

Summary

On 7 November 2017, the board of directors of Philex approved the release of the unaudited consolidated financial results for the nine months ended 30 September 2017. Philex’s unaudited consolidated financial results have been submitted to the PSE on 7 November 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 7 November 2017, the board of directors of Philex approved the release of the unaudited consolidated financial results for the nine months ended 30 September 2017. Philex’s unaudited consolidated financial results have been submitted to the PSE on 7 November 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 nine months ended 30 September 2017 and 2016, as well as the unaudited Consolidated Statement of Financial Position as at 30 September 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 NINE MONTHS ENDED 30 SEPTEMBER 2017 AND 2016
(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)

	2017	2016
REVENUE		
Gold	4,036,066	4,797,124
Copper	3,087,820	2,841,185
Silver	55,877	66,390
	<u>7,179,763</u>	<u>7,704,699</u>
Less: Smelting charges	605,550	677,874
	<u>6,574,213</u>	<u>7,026,825</u>
COSTS AND EXPENSES		
Production costs	3,267,614	3,475,598
Depreciation, depletion and amortization	1,108,050	941,346
General and administrative expenses	256,976	282,266
Excise taxes and royalties	312,113	348,435
	<u>4,944,753</u>	<u>5,047,645</u>
INCOME FROM OPERATIONS	<u>1,629,460</u>	<u>1,979,180</u>
OTHER INCOME (CHARGES)		
Gain on sale of available-for-sale (AFS) financial assets	15,063	–
Gain on sale of property	9,428	–
Interest income	1,391	1,425
Share in net losses of associates	(14,506)	(23,350)
Foreign exchange losses – net	(68,513)	(60,830)
Others – net	38,456	(13,669)
	<u>(18,681)</u>	<u>(96,424)</u>
INCOME BEFORE PROVISIONS FOR IMPAIRMENT	<u>1,610,779</u>	<u>1,882,756</u>
Provisions for impairment on investment in an associate and deferred exploration costs	–	(920,577)
INCOME BEFORE INCOME TAX	<u>1,610,779</u>	<u>962,179</u>
PROVISION FOR INCOME TAX		
Current	(434,960)	(422,218)
Deferred	(44,032)	(148,476)
	<u>(478,992)</u>	<u>(570,694)</u>
	<u>1,131,787</u>	<u>391,485</u>
GAIN FROM DECONSOLIDATED SUBSIDIARY GROUP, NET OF TAX	–	941,975
NET INCOME	<u>1,131,787</u>	<u>1,333,460</u>
NET INCOME (LOSS) ATTRIBUTABLE TO:		
Equity holders of the Parent Company	1,131,792	1,355,119
Non-controlling interests	(5)	(21,659)
	<u>1,131,787</u>	<u>1,333,460</u>
CORE NET INCOME	<u>1,158,089</u>	<u>1,331,765</u>
BASIC EARNINGS PER SHARE	<u>0.2291</u>	<u>0.2743</u>
DILUTED EARNINGS PER SHARE	<u>0.2291</u>	<u>0.2743</u>
CORE NET INCOME PER SHARE	<u>0.2344</u>	<u>0.2696</u>

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Peso Thousands, except Par Value Per Share which is in Peso)

	30 September 2017 (UNAUDITED)	31 December 2016 (AUDITED)
ASSETS		
Current Assets		
Cash and cash equivalents	323,839	457,937
Accounts receivable	489,948	486,497
Inventories	2,174,301	2,318,850
Advances to a related party	2,168,834	2,193,829
Derivative assets	8,388	–
Other current assets	1,431,240	1,437,752
Total Current Assets	6,596,550	6,894,865
Noncurrent Assets		
Property, plant and equipment	6,723,425	6,735,578
Deferred exploration costs and other noncurrent assets	24,085,389	23,158,325
Available-for-sale (AFS) financial assets	79,526	104,615
Investment in associates	1,441,369	1,455,876
Pension asset – net	291,857	312,570
Total Noncurrent Assets	32,621,566	31,766,964
TOTAL ASSETS	39,218,116	38,661,829
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	2,591,565	3,082,640
Accounts payable and accrued liabilities	1,667,917	1,832,661
Income tax payable	133,949	164,265
Dividends payable	511,409	498,129
Total Current Liabilities	4,904,840	5,577,695
Noncurrent Liabilities		
Deferred income tax liabilities – net	2,983,747	2,957,896
Loans and bonds payable	6,846,272	6,592,854
Provision for losses and mine rehabilitation costs	136,756	134,124
Total Noncurrent Liabilities	9,966,775	9,684,874
Total Liabilities	14,871,615	15,262,569
Equity Attributable to Equity Holders of the Parent Company		
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	4,876,611	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
Cumulative gain on hedging instruments	8,388	–
Net revaluation surplus	1,572,385	1,572,385
Effect of transactions with non-controlling interests	77,892	77,892
	24,346,763	23,399,517
Non-controlling interests	(262)	(257)
Total Equity	24,346,501	23,399,260
TOTAL LIABILITIES & EQUITY	39,218,116	38,661,829

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 7 November 2017.

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

Hong Kong, 7 November 2017

As at the date of this announcement, the Board 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