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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 THREE MONTHS ENDED 31 MARCH 2018

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 three months ended 31 March 2018.

Summary

On 9 May 2018, the board of directors of Philex approved the release of the unaudited consolidated financial results for the three months ended 31 March 2018. Philex’s unaudited consolidated financial results have been submitted to the PSE on 9 May 2018, 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 9 May 2018, the board of directors of Philex approved the release of the unaudited consolidated financial results for the three months ended 31 March 2018. Philex’s unaudited consolidated financial results have been submitted to the PSE on 9 May 2018, 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 three months ended 31 March 2018 and 2017, as well as the unaudited Consolidated Statement of Financial Position as at 31 March 2018 and audited Consolidated Statement of Financial Position as at 31 December 2017 are provided below:

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE THREE MONTHS ENDED 31 MARCH 2018 AND 2017

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

	2018	2017
REVENUE		
Gold	1,236,578	1,426,069
Copper	1,117,170	1,094,068
Silver	18,830	21,890
	<u>2,372,578</u>	<u>2,542,027</u>
Less: Smelting charges	207,280	206,695
	<u>2,165,298</u>	<u>2,335,332</u>
COSTS AND EXPENSES		
Production costs	1,063,565	1,111,710
Depletion, depreciation and amortization	408,780	351,596
General and administrative expenses	81,484	93,663
Excise taxes and royalties	143,079	110,597
	<u>1,696,908</u>	<u>1,667,566</u>
INCOME FROM OPERATIONS	<u>468,390</u>	<u>667,766</u>
OTHER INCOME (CHARGES)		
Foreign exchange losses – net	(61,726)	(37,255)
Share in net losses of associates	(6,463)	(6,304)
Interest income	317	236
Others – net	32,806	(11,854)
	<u>(35,066)</u>	<u>(55,177)</u>
INCOME BEFORE INCOME TAX	<u>433,324</u>	<u>612,589</u>
PROVISION FOR INCOME TAX		
Current	61,577	164,820
Deferred	68,980	15,503
	<u>130,557</u>	<u>180,323</u>
NET INCOME	<u>302,767</u>	<u>432,266</u>
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	302,767	432,266
Non-controlling interests	–	–
	<u>302,767</u>	<u>432,266</u>
CORE NET INCOME	<u>345,976</u>	<u>458,345</u>
BASIC EARNINGS PER SHARE	<u>0.0613</u>	<u>0.0875</u>
DILUTED EARNINGS PER SHARE	<u>0.0613</u>	<u>0.0875</u>
CORE NET INCOME PER SHARE	<u>0.0700</u>	<u>0.0928</u>

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	31 March 2018 (Unaudited)	31 December 2017 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	508,372	583,538
Accounts receivable – net	464,390	990,604
Inventories – net	2,230,674	1,517,097
Advances to a related party	2,158,593	2,168,632
Other current assets – net	997,127	1,007,000
Total Current Assets	6,359,156	6,266,871
Noncurrent Assets		
Property, plant and equipment – net	6,645,209	6,721,022
Investment in associates – net	1,409,141	1,415,604
Deferred exploration costs	24,559,393	24,360,954
Pension asset – net	373,280	373,849
Other noncurrent assets	541,390	540,494
Total Noncurrent Assets	33,528,413	33,411,923
TOTAL ASSETS	39,887,569	39,678,794
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	2,555,840	2,446,570
Accounts payable and accrued liabilities	1,372,098	1,651,710
Income tax payable	291,256	229,679
Dividends payable	585,483	528,836
Total Current Liabilities	4,804,677	4,856,795
Noncurrent Liabilities		
Deferred tax liabilities – net	3,070,931	3,004,830
Loans and bonds payable	7,030,766	6,950,306
Provision for losses and mine rehabilitation costs	135,963	135,086
Total Noncurrent Liabilities	10,237,660	10,090,222
Total Liabilities	15,042,337	14,947,017
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	5,376,648	5,271,302
Appropriated	10,500,000	10,500,000
Equity conversion option	1,225,518	1,225,518
Other reserves	8,667	558
Net revaluation surplus	1,572,385	1,572,385
Effect of transactions with non-controlling interests	77,892	77,892
	24,845,490	24,732,035
Non-controlling interests	(258)	(258)
Total Equity	24,845,232	24,731,777
TOTAL LIABILITIES & EQUITY	39,887,569	39,678,794

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 9 May 2018.

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

Hong Kong, 9 May 2018

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