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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 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 six months ended 30 June 2018.

Summary

On 25 July 2018, the board of directors of Philex approved the release of the unaudited consolidated financial results for the six months ended 30 June 2018. Philex’s unaudited consolidated financial results have been submitted to the PSE on 25 July 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 25 July 2018, the board of directors of Philex approved the release of the unaudited consolidated financial results for the six months ended 30 June 2018. Philex’s unaudited consolidated financial results have been submitted to the PSE on 25 July 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 six months ended 30 June 2018 and 2017, as well as the unaudited Consolidated Statement of Financial Position as at 30 June 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 SIX MONTHS ENDED 30 JUNE 2018 AND 2017
(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)

	2018	2017
REVENUE		
Gold	2,349,005	2,709,854
Copper	2,261,592	2,006,787
Silver	35,864	38,948
	4,646,461	4,755,589
Less: Smelting charges	376,984	400,080
	4,269,477	4,355,509
COSTS AND EXPENSES		
Production costs	2,117,753	2,175,251
Depletion, depreciation and amortization	807,829	737,009
General and administrative expenses	154,461	173,847
Excise taxes and royalties	280,610	207,745
	3,360,653	3,293,852
INCOME FROM OPERATIONS	908,824	1,061,657
OTHER INCOME (CHARGES)		
Foreign exchange losses – net	(135,226)	(54,457)
Share in net losses of associates	(12,926)	(9,457)
Interest income	799	920
Others – net	18,367	28,894
	(128,986)	(34,100)
INCOME BEFORE INCOME TAX	779,838	1,027,557
PROVISION FOR INCOME TAX		
Current	222,963	301,011
Deferred	5,220	7,952
	228,183	308,963
NET INCOME	551,655	718,594
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	551,655	718,594
Non-controlling interests	–	–
	551,655	718,594
CORE NET INCOME	646,314	747,639
BASIC EARNINGS PER SHARE	0.1117	0.1455
DILUTED EARNINGS PER SHARE	0.1117	0.1455
CORE NET INCOME PER SHARE	0.1308	0.1513

PHILEX MINING CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

	30 June 2018 (Unaudited)	31 December 2017 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	843,122	583,538
Accounts receivable – net	489,379	990,604
Inventories – net	1,598,658	1,517,097
Advances to a related party	2,158,593	2,168,632
Other current assets - net	860,303	1,007,000
Total Current Assets	5,950,055	6,266,871
Noncurrent Assets		
Property, plant and equipment – net	6,558,195	6,721,022
Investment in associates – net	1,402,678	1,415,604
Deferred exploration costs	24,797,390	24,360,954
Pension asset - net	365,713	373,849
Other noncurrent assets	543,587	540,494
Total Noncurrent Assets	33,667,563	33,411,923
TOTAL ASSETS	39,617,618	39,678,794
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable	2,080,020	2,446,570
Accounts payable and accrued liabilities	1,446,223	1,651,710
Income tax payable	161,386	229,679
Dividends payable	543,771	528,836
Total Current Liabilities	4,231,400	4,856,795
Noncurrent Liabilities		
Deferred tax liabilities – net	3,000,609	3,004,830
Loans and bonds payable	7,124,592	6,950,306
Provision for losses and mine rehabilitation costs	136,840	135,086
Total Noncurrent Liabilities	10,262,041	10,090,222
Total Liabilities	14,493,441	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	5,625,536	5,271,302
Appropriated	10,500,000	10,500,000
Equity conversion option	1,225,518	1,225,518
Other reserves	38,724	558
Net revaluation surplus	1,572,385	1,572,385
Effect of transactions with non-controlling interests	77,892	77,892
	25,124,435	24,732,035
Non-controlling Interests	(258)	(258)
Total Equity	25,124,177	24,731,777
TOTAL LIABILITIES & EQUITY	39,617,618	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 25 July 2018.

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

Hong Kong, 25 July 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