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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 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 nine months ended 30 September 2018.

#### **Summary**

On 24 October 2018, the board of directors of Philex approved the release of the unaudited consolidated financial results for the nine months ended 30 September 2018. Philex’s unaudited consolidated financial results have been submitted to the PSE on 24 October 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 24 October 2018, the board of directors of Philex approved the release of the unaudited consolidated financial results for the nine months ended 30 September 2018. Philex’s unaudited consolidated financial results have been submitted to the PSE on 24 October 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 nine months ended 30 September 2018 and 2017, as well as the unaudited Consolidated Statement of Financial Position as at 30 September 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 NINE MONTHS ENDED 30 SEPTEMBER 2018 AND 2017**  
*(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)*

	2018	2017
<b>REVENUE</b>		
Gold	3,326,856	4,036,066
Copper	3,210,623	3,087,820
Silver	48,652	55,877
	<u>6,586,131</u>	<u>7,179,763</u>
Less: Smelting charges	531,265	605,550
	<u>6,054,866</u>	<u>6,574,213</u>
<b>COSTS AND EXPENSES</b>		
Production costs	3,242,627	3,267,614
Depletion, depreciation and amortization	1,220,101	1,108,050
General and administrative expenses	231,906	256,976
Excise taxes and royalties	392,549	312,113
	<u>5,087,183</u>	<u>4,944,753</u>
<b>INCOME FROM OPERATIONS</b>	<u>967,683</u>	<u>1,629,460</u>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange losses – net	(167,626)	(68,513)
Share in net losses of associates	(19,390)	(14,506)
Interest income	1,248	1,391
Gain on sale of available-for-sale (AFS) financial assets	–	15,063
Others – net	13,485	47,884
	<u>(172,283)</u>	<u>(18,681)</u>
<b>INCOME BEFORE INCOME TAX</b>	<u>795,400</u>	<u>1,610,779</u>
<b>PROVISION FOR INCOME TAX</b>		
Current	(142,932)	(434,960)
Deferred	(82,579)	(44,032)
	<u>(225,511)</u>	<u>(478,992)</u>
<b>NET INCOME</b>	<u>569,889</u>	<u>1,131,787</u>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>		
Equity holders of the Parent Company	569,889	1,131,792
Non-controlling interests	–	(5)
	<u>569,889</u>	<u>1,131,787</u>
<b>CORE NET INCOME</b>	<u>687,229</u>	<u>1,158,089</u>
<b>BASIC EARNINGS PER SHARE</b>	<u>0.1154</u>	<u>0.2291</u>
<b>DILUTED EARNINGS PER SHARE</b>	<u>0.1154</u>	<u>0.2291</u>
<b>CORE NET INCOME PER SHARE</b>	<u>0.1391</u>	<u>0.2344</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 September 2018 (Unaudited)</b>	31 December 2017 (Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	184,259	583,538
Accounts receivable – net	940,288	990,604
Inventories – net	1,436,391	1,517,097
Advances to a related party	2,158,408	2,168,632
Other current assets – net	743,401	1,007,000
<b>Total Current Assets</b>	<b>5,462,747</b>	6,266,871
<b>Noncurrent Assets</b>		
Property, plant and equipment – net	6,746,399	6,721,022
Investment in associates – net	1,396,215	1,415,604
Deferred exploration costs	25,096,643	24,360,954
Pension asset – net	360,053	373,849
Other noncurrent assets	547,794	540,494
<b>Total Noncurrent Assets</b>	<b>34,147,104</b>	33,411,923
<b>TOTAL ASSETS</b>	<b>39,609,851</b>	39,678,794
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable	2,106,780	2,446,570
Accounts payable and accrued liabilities	1,625,546	1,651,710
Income tax payable	57,105	229,679
Dividends payable	591,622	528,836
<b>Total Current Liabilities</b>	<b>4,381,053</b>	4,856,795
<b>Noncurrent Liabilities</b>		
Deferred tax liabilities – net	2,938,257	3,004,830
Loans and bonds payable	7,221,687	6,950,306
Provision for losses and mine rehabilitation costs	137,717	135,086
<b>Total Noncurrent Liabilities</b>	<b>10,297,661</b>	10,090,222
<b>Total Liabilities</b>	<b>14,678,714</b>	14,947,017
<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	5,470,662	5,271,302
Appropriated	10,500,000	10,500,000
Equity conversion option	1,225,518	1,225,518
Other reserves	558	558
Net revaluation surplus	1,572,385	1,572,385
Effect of transactions with non-controlling interests	77,892	77,892
	<b>24,931,395</b>	24,732,035
<b>Non-controlling interests</b>	<b>(258)</b>	(258)
<b>Total Equity</b>	<b>24,931,137</b>	24,731,777
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>39,609,851</b>	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 24 October 2018.

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

Hong Kong, 24 October 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