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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: [www.firstpacific.com](http://www.firstpacific.com)

(Stock Code: 00142)

#### **ANNOUNCEMENT MADE BY PHILEX MINING CORPORATION IN RELATION TO ITS AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 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 audited consolidated financial results of Philex Mining Corporation (“Philex”), a major operating associate of the Company, for the year ended 31 December 2018.

#### **Summary**

On 21 March 2019, the board of directors of Philex approved the release of the audited consolidated financial results for the year ended 31 December 2018. Philex’s audited consolidated financial results have been submitted to the PSE on 21 March 2019, 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 21 March 2019, the board of directors of Philex approved the release of the audited consolidated financial results for the year ended 31 December 2018. Philex’s audited consolidated financial results have been submitted to the PSE on 21 March 2019, 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 audited consolidated financial statements have been prepared in conformity with the Philippine Financial Reporting Standards and are presented in Philippine Peso. Philex’s audited Consolidated Statements of Income for the years ended 31 December 2018 and 2017, as well as the audited Consolidated Statements of Financial Position as at 31 December 2018 and 2017 are provided below:

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME (AUDITED)**  
**FOR THE YEARS ENDED 31 DECEMBER 2018 AND 2017**  
*(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)*

	<b>2018</b>	2017
<b>REVENUES</b>	<b>7,640,306</b>	9,142,460
<b>COSTS AND EXPENSES</b>		
Production costs	4,407,889	4,411,694
Depletion, depreciation and amortization	1,600,521	1,550,530
General and administrative expenses	305,631	363,071
Excise taxes and royalties	506,490	452,407
	<b>6,820,531</b>	6,777,702
<b>INCOME FROM OPERATIONS</b>	<b>819,775</b>	2,364,758
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange losses – net	(121,176)	(39,451)
Share in net losses of associates	(40,936)	(40,272)
Interest income	2,275	1,861
Gain on disposal of available-for-sale (“AFS”) financial assets	–	21,773
Others – net	91,160	58,117
	<b>(68,677)</b>	2,028
<b>INCOME BEFORE PROVISIONS FOR IMPAIRMENT LOSSES</b>	<b>751,098</b>	2,366,786
<b>PROVISIONS FOR IMPAIRMENT LOSSES-NET OF REVERSAL</b>	<b>(67,033)</b>	–
<b>INCOME BEFORE INCOME TAX</b>	<b>684,065</b>	2,366,786
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>		
Current	275,408	664,806
Deferred	(199,799)	43,894
	<b>75,609</b>	708,700
<b>NET INCOME</b>	<b>608,456</b>	1,658,086
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>		
Equity holders of the Parent Company	608,456	1,658,087
Non-controlling interests	–	(1)
	<b>608,456</b>	1,658,086
<b>CORE NET INCOME</b>	<b>599,870</b>	1,685,703
<b>BASIC EARNINGS PER SHARE</b>	<b>0.123</b>	0.336
<b>DILUTED EARNINGS PER SHARE</b>	<b>0.123</b>	0.336
<b>CORE NET INCOME PER SHARE</b>	<b>0.121</b>	0.341

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (AUDITED)**  
*(Amounts in Peso Thousands, except Par Value Per Share which is in Peso)*

	31 December 2018	31 December 2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	870,967	583,538
Accounts receivable – net	300,016	990,604
Inventories – net	1,137,581	1,517,097
Advances to a related party	1,387,370	2,168,632
Other current assets – net	757,292	1,007,000
<b>Total Current Assets</b>	<b>4,453,226</b>	6,266,871
<b>Noncurrent Assets</b>		
Property, plant and equipment – net	5,404,049	6,721,022
Financial assets at fair value through other comprehensive income (“FVOCI”)	118,033	–
AFS financial assets	–	76,036
Investment in associates – net	4,455,668	1,415,604
Deferred exploration costs	25,447,772	24,360,954
Pension asset – net	359,888	373,849
Other noncurrent assets	472,898	464,458
<b>Total Noncurrent Assets</b>	<b>36,258,308</b>	33,411,923
<b>TOTAL ASSETS</b>	<b>40,711,534</b>	39,678,794
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable	2,155,780	2,446,570
Accounts payable and accrued liabilities	1,790,939	1,649,254
Subscription payable	2,312,981	2,456
Income tax payable	18	229,679
Dividends payable	550,995	528,836
<b>Total Current Liabilities</b>	<b>6,810,713</b>	4,856,795
<b>Noncurrent Liabilities</b>		
Deferred tax liabilities – net	2,789,813	3,004,830
Loans and bonds payable	7,333,096	6,950,306
Provision for losses and mine rehabilitation costs	78,707	135,086
<b>Total Noncurrent Liabilities</b>	<b>10,201,616</b>	10,090,222
<b>Total Liabilities</b>	<b>17,012,329</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	4,203,947	5,271,302
Appropriated	10,500,000	10,500,000
Net unrealized gain on financial assets at FVOCI	35,341	–
Net unrealized gain on AFS financial assets	–	558
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>23,699,463</b>	24,732,035
<b>Non-controlling interests</b>	<b>(258)</b>	(258)
<b>Total Equity</b>	<b>23,699,205</b>	24,731,777
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>40,711,534</b>	39,678,794

## GENERAL

Shareholders should note that the above 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 21 March 2019.

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

Hong Kong, 21 March 2019

As at the date of this announcement, the Board of the Directors of the Company comprises the following Directors:

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*  
Christopher H. Young, *Chief Financial Officer*

***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