FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

2020 Interim Results - Unaudited

FINANCIAL HIGHLIGHTS

- Recurring profit increased by 7% to US$151.7 million (HK$1,183.3 million) from US$142.0 million (HK$1,107.6 million).
- Profit attributable to owners of the parent of US$100.6 million (HK$784.7 million) compared with loss attributable to owners of the parent of US$148.3 million (HK$1,156.7 million).
- Profit contribution from operations increased by 0.2% to US$197.4 million (HK$1,539.7 million) from US$197.0 million (HK$1,536.6 million).
- Turnover decreased by 11% to US$3,650.7 million (HK$28,475.5 million) from US$4,091.2 million (HK$31,911.4 million).
- Non-recurring losses decreased by 82% to US$53.4 million (HK$416.5 million) from US$297.6 million (HK$2,321.3 million).
- Basic earnings per share of U.S. 2.32 cents (HK18.1 cents) compared with basic loss per share of U.S. 3.42 cents (HK26.7 cents).
- Recurring basic earnings per share (calculated based on recurring profit) increased by 7% to U.S. 3.50 cents (HK27.3 cents) from U.S. 3.27 cents (HK25.5 cents).
- An interim distribution of HK7.00 cents (U.S. 0.90 cent) (2019: HK6.50 cents or U.S. 0.83 cent) per ordinary share has been declared, representing an 8% increase from 2019 and a payout ratio of approximately 25.7% (2019: 25.5%) of recurring profit.
- Equity attributable to owners of the parent increased by 1% to US$2,965.2 million (HK$23,128.5 million) at 30 June 2020 compared with US$2,928.7 million (HK$22,843.8 million) at 31 December 2019.
- Consolidated gearing ratio increased to 0.72 times at 30 June 2020 from 0.68 times at 31 December 2019.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	Notes	**2020 US$m**	2019 US$m	**2020 HK$m***	2019 HK$m*
Turnover	2	**3,650.7**	4,091.2	**28,475.5**	31,911.4
Cost of sales		**(2,504.0)**	(2,861.2)	**(19,531.2)**	(22,317.4)
Gross profit		**1,146.7**	1,230.0	**8,944.3**	9,594.0
Selling and distribution expenses		**(304.0)**	(305.2)	**(2,371.2)**	(2,380.6)
Administrative expenses		**(315.0)**	(337.7)	**(2,457.0)**	(2,634.0)
Other operating expenses, net		**(47.6)**	(259.5)	**(371.3)**	(2,024.1)
Interest income		**40.2**	39.4	**313.5**	307.3
Finance costs		**(221.4)**	(236.4)	**(1,726.9)**	(1,843.9)
Share of profits less losses of associated companies and joint ventures		**159.3**	166.8	**1,242.6**	1,301.0
Profit before taxation	3	**458.2**	297.4	**3,574.0**	2,319.7
Taxation	4	**(159.3)**	(167.2)	**(1,242.6)**	(1,304.1)
Profit for the period		**298.9**	130.2	**2,331.4**	1,015.6
Profit/(loss) attributable to:					
Owners of the parent	5	**100.6**	(148.3)	**784.7**	(1,156.7)
Non-controlling interests		**198.3**	278.5	**1,546.7**	2,172.3
		298.9	130.2	**2,331.4**	1,015.6
		US¢	US¢	**HK¢***	HK¢*
Earnings/(loss) per share attributable to owners of the parent	6				
Basic		**2.32**	(3.42)	**18.1**	(26.7)
Diluted		**2.32**	(3.42)	**18.1**	(26.7)

Details of the interim distribution declared for the period are disclosed in Note 7.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30 June	2020 US$m	2019 US$m	2020 HK$m*	2019 HK$m*
Profit for the period	**298.9**	130.2	**2,331.4**	1,015.6
Other comprehensive income/(loss)				
Items that will be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	**13.6**	234.2	**106.0**	1,826.8
Unrealized gains on debt investments at fair value through other comprehensive income	**-**	1.3	**-**	10.1
Unrealized (losses)/gains on cash flow hedges	**(66.8)**	31.4	**(521.1)**	244.9
Realized losses on cash flow hedges	**18.3**	5.4	**142.7**	42.1
Income tax related to cash flow hedges	**0.7**	(6.2)	**5.5**	(48.4)
Share of other comprehensive (loss)/income of associated companies and joint ventures	**(41.8)**	1.6	**(326.0)**	12.5
Items that will not be reclassified to profit or loss:				
Changes in fair value of equity investments at fair value through other comprehensive income	**8.1**	34.9	**63.2**	272.2
Actuarial losses on defined benefit pension plans	**(1.4)**	(2.4)	**(10.9)**	(18.7)
Share of other comprehensive loss of associated companies and joint ventures	**(3.3)**	(4.9)	**(25.7)**	(38.2)
Other comprehensive (loss)/income for the period, net of tax	**(72.6)**	295.3	**(566.3)**	2,303.3
Total comprehensive income for the period	**226.3**	425.5	**1,765.1**	3,318.9
Income/(loss) attributable to:				
Owners of the parent	**65.6**	(40.0)	**511.7**	(312.0)
Non-controlling interests	**160.7**	465.5	**1,253.4**	3,630.9
	226.3	425.5	**1,765.1**	3,318.9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2020 (Unaudited) US$m	At 31 December 2019 (Audited) US$m	At 30 June 2020 (Unaudited) HK$m*	At 31 December 2019 (Audited) HK$m*
Non-current assets					
Property, plant and equipment		**4,868.1**	4,938.7	**37,971.2**	38,521.9
Biological assets		**21.5**	22.6	**167.7**	176.3
Associated companies and joint ventures		**4,831.1**	4,787.7	**37,682.6**	37,344.1
Goodwill		**665.1**	693.2	**5,187.8**	5,407.0
Other intangible assets		**5,466.7**	5,004.7	**42,640.2**	39,036.6
Investment properties		**8.8**	13.4	**68.6**	104.5
Accounts receivable, other receivables and prepayments		**38.2**	37.4	**298.0**	291.7
Financial assets at fair value through other comprehensive income		**393.7**	385.9	**3,070.9**	3,010.0
Deferred tax assets		**138.2**	156.4	**1,078.0**	1,219.9
Other non-current assets		**697.7**	819.9	**5,442.0**	6,395.2
		17,129.1	16,859.9	**133,607.0**	131,507.2
Current assets					
Cash and cash equivalents and short-term deposits		**2,801.6**	2,846.4	**21,852.5**	22,201.9
Restricted cash		**102.4**	106.0	**798.7**	826.8
Financial assets at fair value through other comprehensive income		**366.6**	9.9	**2,859.5**	77.2
Accounts receivable, other receivables and prepayments	8	**1,142.0**	1,070.7	**8,907.6**	8,351.5
Inventories		**839.3**	799.0	**6,546.5**	6,232.2
Biological assets		**43.5**	52.0	**339.3**	405.6
		5,295.4	4,884.0	**41,304.1**	38,095.2
Assets classified as held for sale		**124.1**	138.6	**968.0**	1,081.1
		5,419.5	5,022.6	**42,272.1**	39,176.3
Current liabilities					
Accounts payable, other payables and accruals	9	**1,645.6**	1,569.3	**12,835.6**	12,240.6
Short-term borrowings		**2,878.7**	2,262.8	**22,453.9**	17,649.8
Provision for taxation		**92.8**	97.3	**723.8**	758.9
Current portion of deferred liabilities, provisions and payables		**581.7**	542.5	**4,537.3**	4,231.5
		5,198.8	4,471.9	**40,550.6**	34,880.8
Liabilities directly associated with the assets classified as held for sale		**7.0**	25.4	**54.6**	198.1
		5,205.8	4,497.3	**40,605.2**	35,078.9
Net current assets		**213.7**	525.3	**1,666.9**	4,097.4
Total assets less current liabilities		**17,342.8**	17,385.2	**135,273.9**	135,604.6
Equity					
Issued share capital		**43.4**	43.4	**338.5**	338.5
Shares held for share award scheme		**(1.6)**	(3.2)	**(12.5)**	(25.0)
Retained earnings		**1,503.3**	1,401.4	**11,725.7**	10,930.9
Other components of equity		**1,420.1**	1,487.1	**11,076.8**	11,599.4
Equity attributable to owners of the parent		**2,965.2**	2,928.7	**23,128.5**	22,843.8
Non-controlling interests		**5,962.0**	5,829.3	**46,503.7**	45,468.6
Total equity		**8,927.2**	8,758.0	**69,632.2**	68,312.4
Non-current liabilities					
Long-term borrowings		**6,441.3**	6,668.0	**50,242.1**	52,010.4
Deferred liabilities, provisions and payables		**1,550.9**	1,535.3	**12,097.1**	11,975.4
Deferred tax liabilities		**423.4**	423.9	**3,302.5**	3,306.4
		8,415.6	8,627.2	**65,641.7**	67,292.2
		17,342.8	17,385.2	**135,273.9**	135,604.6

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED

	Equity attributable to owners of the parent												
US$ millions	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive (loss)/income (Note 10)	Differences arising from changes in equities of subsidiary companies	Reserves for assets classified as held for sale	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	**Total equity**
At 1 January 2019	43.4	(4.9)	62.0	57.3	(886.9)	452.4	-	12.6	1,765.6	1,576.5	3,078.0	5,625.2	8,703.2
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(148.3)	(148.3)	278.5	130.2
Other comprehensive income/(loss) for the period	-	-	-	-	113.1	-	(4.8)	-	-	-	108.3	187.0	295.3
Total comprehensive income/(loss) for the period	-	-	-	-	113.1	-	(4.8)	-	-	(148.3)	(40.0)	465.5	425.5
Issue of shares under share award scheme	-	(1.1)	1.1	-	-	-	-	-	-	-	-	-	-
Shares vested under share award scheme	-	4.8	-	(5.2)	-	-	-	-	-	0.4	-	-	-
Cancelation of share options	-	-	-	(40.3)	-	-	-	-	-	40.3	-	-	-
Employee share-based compensation benefits	-	-	-	(1.3)	-	-	-	-	-	-	(1.3)	(2.2)	(3.5)
Reserves for assets classified as held for sale	-	-	-	-	40.4	10.3	(50.7)	-	-	-	-	-	-
Acquisition, divestment and dilution of interests in subsidiary companies	-	-	-	-	0.2	(10.4)	-	-	-	-	(10.2)	18.1	7.9
2018 final distribution declared	-	-	-	-	-	-	-	-	(30.6)	-	(30.6)	-	(30.6)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	62.4	62.4
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(161.5)	(161.5)
At 30 June 2019	43.4	(1.2)	63.1	10.5	(733.2)	452.3	(55.5)	12.6	1,735.0	1,468.9	2,995.9	6,007.5	9,003.4
At 1 January 2020	43.4	(3.2)	63.1	10.9	(716.1)	417.6	-	12.6	1,699.0	1,401.4	2,928.7	5,829.3	**8,758.0**
Profit for the period	-	-	-	-	-	-	-	-	-	100.6	100.6	198.3	**298.9**
Other comprehensive loss for the period	-	-	-	-	(35.0)	-	-	-	-	-	(35.0)	(37.6)	**(72.6)**
Total comprehensive (loss)/income for the period	-	-	-	-	(35.0)	-	-	-	-	100.6	65.6	160.7	**226.3**
Purchase of shares under share award scheme	-	(0.2)	-	-	-	-	-	-	-	-	(0.2)	-	**(0.2)**
Shares vested under share award scheme	-	1.8	-	(1.7)	-	-	-	-	-	(0.1)	-	-	**-**
Lapse of share options	-	-	-	(1.4)	-	-	-	-	-	1.4	-	-	**-**
Employee share-based compensation benefits	-	-	-	0.5	-	-	-	-	-	-	0.5	-	**0.5**
Acquisition and divestment of interests in subsidiary companies	-	-	-	-	(1.1)	13.3	-	-	-	-	12.2	60.4	**72.6**
Recognition of a financial liability on non-controlling interests' put option	-	-	-	-	-	(2.4)	-	-	-	-	(2.4)	(58.7)	**(61.1)**
2019 final distribution declared	-	-	-	-	-	-	-	-	(39.2)	-	(39.2)	-	**(39.2)**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	6.6	**6.6**
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(36.3)	**(36.3)**
At 30 June 2020	**43.4**	**(1.6)**	**63.1**	**8.3**	**(752.2)**	**428.5**	**-**	**12.6**	**1,659.8**	**1,503.3**	**2,965.2**	**5,962.0**	**8,927.2**

	Equity attributable to owners of the parent												
HK$ millions*	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive (loss)/income (Note 10)	Differences arising from changes in equities of subsidiary companies	Reserves for assets classified as held for sale	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	**Total equity**
At 1 January 2019	338.5	(38.2)	483.6	446.9	(6,917.8)	3,528.7	-	98.3	13,771.7	12,296.7	24,008.4	43,876.5	67,884.9
(Loss)/profit for the period	-	-	-	-	-	-	-	-	-	(1,156.7)	(1,156.7)	2,172.3	1,015.6
Other comprehensive income/(loss) for the period	-	-	-	-	882.1	-	(37.4)	-	-	-	844.7	1,458.6	2,303.3
Total comprehensive income/(loss) for the period	-	-	-	-	882.1	-	(37.4)	-	-	(1,156.7)	(312.0)	3,630.9	3,318.9
Issue of shares under share award scheme	-	(8.6)	8.6	-	-	-	-	-	-	-	-	-	-
Shares vested under share award scheme	-	37.4	-	(40.5)	-	-	-	-	-	3.1	-	-	-
Cancelation of share options	-	-	-	(314.3)	-	-	-	-	-	314.3	-	-	-
Employee share-based compensation benefits	-	-	-	(10.1)	-	-	-	-	-	-	(10.1)	(17.1)	(27.2)
Reserves for assets classified as held for sale	-	-	-	-	315.2	80.3	(395.5)	-	-	-	-	-	-
Acquisition, divestment and dilution of interests in subsidiary companies	-	-	-	-	1.5	(81.1)	-	-	-	-	(79.6)	141.2	61.6
2018 final distribution declared	-	-	-	-	-	-	-	-	(238.7)	-	(238.7)	-	(238.7)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	486.7	486.7
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(1,259.7)	(1,259.7)
At 30 June 2019	338.5	(9.4)	492.2	82.0	(5,719.0)	3,527.9	(432.9)	98.3	13,533.0	11,457.4	23,368.0	46,858.5	70,226.5
At 1 January 2020	338.5	(25.0)	492.2	85.0	(5,585.6)	3,257.3	-	98.3	13,252.2	10,930.9	22,843.8	45,468.6	**68,312.4**
Profit for the period	-	-	-	-	-	-	-	-	-	784.7	784.7	1,546.7	**2,331.4**
Other comprehensive loss for the period	-	-	-	-	(273.0)	-		-	-	-	(273.0)	(293.3)	**(566.3)**
Total comprehensive (loss)/income for the period	-	-	-	-	(273.0)	-		-	-	784.7	511.7	1,253.4	**1,765.1**
Purchase of shares under share award scheme	-	(1.6)	-	-	-	-	-	-	-	-	(1.6)	-	**(1.6)**
Shares vested under share award scheme	-	14.1	-	(13.3)	-	-	-	-	-	(0.8)	-	-	**-**
Lapse of share options	-	-	-	(10.9)	-	-	-	-	-	10.9	-	-	**-**
Employee share-based compensation benefits	-	-	-	3.9	-	-	-	-	-	-	3.9	-	**3.9**
Acquisition and divestment of interests in subsidiary companies	-	-	-	-	(8.5)	103.7	-	-	-	-	95.2	471.1	**566.3**
Recognition of a financial liability on non-controlling interests' put option	-	-	-	-	-	(18.7)	-	-	-	-	(18.7)	(457.8)	**(476.5)**
2019 final distribution declared	-	-	-	-	-	-	-	-	(305.8)	-	(305.8)	-	**(305.8)**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	51.5	**51.5**
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(283.1)	**(283.1)**
At 30 June 2020	**338.5**	**(12.5)**	**492.2**	**64.7**	**(5,867.1)**	**3,342.3**	**-**	**98.3**	**12,946.4**	**11,725.7**	**23,128.5**	**46,503.7**	**69,632.2**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

For the six months ended 30 June	Note	2020 US$m	2019 US$m	2020 HK$m*	2019 HK$m*
Profit before taxation		**458.2**	297.4	**3,574.0**	2,319.7
Adjustments for:					
Finance costs		**221.4**	236.4	**1,726.9**	1,843.9
Depreciation	3	**199.7**	197.3	**1,557.7**	1,538.9
Provision for impairment losses	3	**77.9**	284.9	**607.6**	2,222.2
Amortization of other intangible assets	3	**58.9**	60.5	**459.4**	471.9
Loss/(gain) on changes in fair value of biological assets	3	**10.0**	(2.3)	**78.0**	(17.9)
Employee share-based compensation benefit expenses		**1.7**	1.4	**13.3**	10.9
Loss on disposal of property, plant and equipment, net	3	**0.5**	1.2	**3.9**	9.4
Share of profits less losses of associated companies and joint ventures		**(159.3)**	(166.8)	**(1,242.6)**	(1,301.0)
Interest income		**(40.2)**	(39.4)	**(313.5)**	(307.3)
Reversal of provision for onerous contracts, net	3	**(4.4)**	(4.7)	**(34.3)**	(36.7)
Others		**5.3**	5.7	**41.3**	44.5
		829.7	871.6	**6,471.7**	6,798.5
(Increase)/decrease in working capital		**(124.2)**	29.5	**(968.8)**	230.1
Net cash generated from operations		**705.5**	901.1	**5,502.9**	7,028.6
Interest received		**40.9**	41.5	**319.0**	323.7
Interest paid		**(202.3)**	(219.0)	**(1,577.9)**	(1,708.2)
Taxes paid		**(167.7)**	(142.4)	**(1,308.1)**	(1,110.7)
Net cash flows from operating activities		**376.4**	581.2	**2,935.9**	4,533.4
Decrease/(increase) in short-term deposits and time deposits with original maturity of more than three months		**157.8**	(6.4)	**1,230.8**	(49.9)
Dividends received from associated companies		**148.0**	147.7	**1,154.3**	1,152.0
Proceeds from an instalment payment for disposal of a subsidiary company		**31.7**	47.4	**247.3**	369.7
Dividends received from financial assets at fair value through other comprehensive income		**5.0**	3.9	**39.0**	30.4
Decrease/(increase) in restricted cash		**3.6**	(32.9)	**28.1**	(256.6)
Proceeds from disposal of financial assets at fair value through other comprehensive income		**1.1**	107.4	**8.6**	837.7
Proceeds from disposal of property, plant and equipment		**1.0**	4.0	**7.8**	31.2
Proceeds from disposal of investment properties		**1.0**	-	**7.8**	-
Investments in other intangible assets		**(380.9)**	(415.9)	**(2,971.0)**	(3,244.0)
Acquisition of financial assets at fair value through other comprehensive income		**(349.0)**	-	**(2,722.2)**	-
Payments for purchase of property, plant and equipment		**(128.8)**	(204.9)	**(1,004.6)**	(1,598.2)
Increased investments in joint ventures		**(64.5)**	(60.9)	**(503.1)**	(475.0)
Instalment payment for acquisition of a subsidiary company		**(48.5)**	(47.1)	**(378.3)**	(367.4)
Investments in biological assets		**(4.5)**	(5.4)	**(35.1)**	(42.1)
Increased investments in associated companies		**(1.2)**	(3.4)	**(9.4)**	(26.5)
Dividends received from a joint venture		**-**	12.5	**-**	97.5
Advances to a joint venture		**-**	(6.8)	**-**	(53.0)
Acquisition of a subsidiary company		**-**	(1.7)	**-**	(13.3)
Net cash flows used in investing activities		**(628.2)**	(462.5)	**(4,900.0)**	(3,607.5)
Proceeds from new bank borrowings and other loans		**1,329.3**	2,224.7	**10,368.5**	17,352.7
Proceeds from divestments of interests in subsidiary companies		**92.1**	-	**718.4**	-
Capital contributions from non-controlling shareholders		**6.6**	62.4	**51.5**	486.7
Repayment of bank borrowings and other loans		**(956.8)**	(2,250.6)	**(7,463.0)**	(17,554.7)
Dividends paid to non-controlling shareholders by subsidiary companies		**(61.2)**	(133.7)	**(477.4)**	(1,042.8)
Principal portion of lease payments		**(16.8)**	(11.5)	**(131.0)**	(89.7)
Payments for concession fees payable		**(14.9)**	(15.1)	**(116.2)**	(117.8)
Repurchase of shares by a subsidiary company		**(13.9)**	(0.1)	**(108.4)**	(0.8)
Increased investments in subsidiary companies		**(4.1)**	(0.6)	**(32.0)**	(4.7)
Payments for purchase and subscription of shares under a long-term incentive plan		**(0.2)**	(1.1)	**(1.6)**	(8.6)
Proceeds from issue of shares under a long-term incentive plan		**-**	1.1	**-**	8.6
Proceeds from shares issued to non-controlling shareholders by subsidiary companies		**-**	0.4	**-**	3.1
Net cash flows from/(used in) financing activities		**360.1**	(124.1)	**2,808.8**	(968.0)
Net increase/(decrease) in cash and cash equivalents		**108.3**	(5.4)	**844.7**	(42.1)
Cash and cash equivalents at 1 January		**2,650.8**	1,613.4	**20,676.2**	12,584.5
Exchange translation		**6.0**	32.2	**46.9**	251.2
Cash and cash equivalents at 30 June		**2,765.1**	1,640.2	**21,567.8**	12,793.6
Representing					
Cash and cash equivalents and short-term deposits as stated in the condensed consolidated statement of financial position		**2,801.6**	1,664.0	**21,852.5**	12,979.2
Less: short-term deposits and time deposits with original maturity of more than three months		**(36.5)**	(23.8)	**(284.7)**	(185.6)
Cash and cash equivalents at 30 June		**2,765.1**	1,640.2	**21,567.8**	12,793.6

Notes:-

1. **Basis of preparation and changes to the Group's accounting policies**

(A) *Basis of preparation*

The condensed interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") issued by The Stock Exchange of Hong Kong Limited ("SEHK"). The condensed interim consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2019 annual audited financial statements of First Pacific Company Limited ("First Pacific" or the "Company") and its subsidiary companies (the "Group"), except for the adoption of revised standards for the first time for the current period's financial information. Details of any changes in accounting policies are set out in Note 1(B).

(B) *Amendments adopted by the Group*

During 2020, the Group has adopted the following revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, HKASs and Hong Kong (International Financial Reporting Interpretations Committee) – Interpretations) effective for annual periods commencing on or after 1 January 2020 issued by the HKICPA.

HKAS 1 and HKAS 8 Amendments	"Definition of Material"
HKAS 39, HKFRS 7 and HKFRS 9 Amendments	"Interest Rate Benchmark Reform"
HKFRS 3 Amendments	"Definition of a Business"

The Group's adoption of the above pronouncements has had no material effect on both the profit/loss attributable to owners of the parent for the six months ended 30 June 2020 and 2019 and the equity attributable to owners of the parent at 30 June 2020 and 31 December 2019.

(C) *Issued by not yet effective HKFRSs*

The following amendment has been published by the HKICPA in June 2020 and may be relevant to the Group's operations.

HKFRS 16 Amendment	"COVID-19-Related Rent Concessions"

The amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. Further, the practical expedient applies only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective retrospectively for annual periods beginning on or after 1 June 2020 with earlier application permitted. The Group has already commenced an assessment of the related impact of adopting the above amendment and plans to early adopt this amendment on or before 31 December 2020.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. **Turnover and operating segmental information**

For the six months ended 30 June	**2020 US$m**	2019 US$m	**2020 HK$m***	2019 HK$m*
Turnover				
Sale of goods				
- Consumer Food Products	**2,722.0**	2,795.0	**21,231.6**	21,801.0
- Infrastructure	**-**	37.7	**-**	294.1
Sale of electricity				
- Infrastructure	**469.9**	610.2	**3,665.2**	4,759.6
Rendering of services				
- Consumer Food Products	**67.3**	73.6	**525.0**	574.1
- Infrastructure	**391.5**	574.7	**3,053.7**	4,482.6
Total	**3,650.7**	4,091.2	**28,475.5**	31,911.4

Operating segmental Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's most senior executive management who make decisions about how resources are to be allocated to the segment and assess its performance, and for which discrete financial information is available to them.

The Board of Directors considers the business of the Group from both product or service and geographical perspectives. From the product or service perspective, the Group's business interests are divided into four segments, which are consumer food products, telecommunications, infrastructure and natural resources. Geographically, the Board of Directors considers that the businesses of the Group are mainly operating in Indonesia, the Philippines and Singapore and the turnover information is based on the locations of the customers.

The Board of Directors assesses the performance of the operating segments based on a measure of recurring profit. This basis measures the profit/loss attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/losses, gain/loss on changes in fair value of biological assets and non-recurring items. Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the condensed consolidated statement of financial position. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

The revenue, results and other information for the six months ended 30 June 2020 and 2019, and assets and liabilities at 30 June 2020 and 31 December 2019 regarding the Group's operating segments are as follows:

By principal business activity – 2020

For the six months ended/at 30 June	Consumer Food Products US$m	Telecom-munications US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	**2020 Total US$m**	**2020 Total HK$m***
Revenue							
Turnover							
- Point in time	2,722.0	-	-	-	-	**2,722.0**	**21,231.6**
- Over time	67.3	-	861.4	-	-	**928.7**	**7,243.9**
Total	2,789.3	-	861.4	-	-	**3,650.7**	**28,475.5**
Results							
Recurring profit	90.1	62.5	42.6	2.2	(45.7)	**151.7**	**1,183.3**
Assets and liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	90.8	1,177.0	3,390.5	172.8	-	**4,831.1**	**37,682.6**
- Others	4,161.6	-	7,450.4	-	11.6	**11,623.6**	**90,664.1**
	4,252.4	1,177.0	10,840.9	172.8	11.6	**16,454.7**	**128,346.7**
Other assets	3,294.0	-	2,203.8	-	472.0	**5,969.8**	**46,564.4**
Segment assets	7,546.4	1,177.0	13,044.7	172.8	483.6	**22,424.5**	**174,911.1**
Assets classified as held for sale	124.1	-	-	-	-	**124.1**	**968.0**
Total assets	7,670.5	1,177.0	13,044.7	172.8	483.6	**22,548.6**	**175,879.1**
Borrowings	2,027.4	-	5,636.2	-	1,656.4	**9,320.0**	**72,696.0**
Other liabilities	1,475.5	-	2,633.8	-	185.1	**4,294.4**	**33,496.3**
Segment liabilities	3,502.9	-	8,270.0	-	1,841.5	**13,614.4**	**106,192.3**
Liabilities directly associated with the assets classified as held for sale	7.0	-	-	-	-	**7.0**	**54.6**
Total liabilities	3,509.9	-	8,270.0	-	1,841.5	**13,621.4**	**106,246.9**
Other information							
Depreciation and amortization	(143.3)	-	(114.0)	-	(3.0)	**(260.3)**	**(2,030.4)**
Loss on changes in fair value of biological assets	(10.0)	-	-	-	-	**(10.0)**	**(78.0)**
Impairment losses	(65.1)	-	(12.8)	-	-	**(77.9)**	**(607.6)**
Interest income	15.9	-	18.6	-	5.7	**40.2**	**313.5**
Finance costs	(56.8)	-	(129.1)	-	(35.5)	**(221.4)**	**(1,726.9)**
Share of profits less losses of associated companies and joint ventures	(0.2)	64.0	94.5	1.0	-	**159.3**	**1,242.6**
Taxation	(97.6)	-	(54.0)	-	(7.7)	**(159.3)**	**(1,242.6)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	122.5	-	457.4	-	-	**579.9**	**4,523.2**

By geographical market – 2020

For the six months ended/at 30 June	Indonesia US$m	The Philippines US$m	Singapore US$m	Others US$m	**2020 Total US$m**	**2020 Total HK$m***
Revenue						
Turnover						
- Consumer Food Products	2,362.5	126.0	22.3	278.5	**2,789.3**	**21,756.6**
- Infrastructure	15.7	591.8	253.9	-	**861.4**	**6,718.9**
Total	2,378.2	717.8	276.2	278.5	**3,650.7**	**28,475.5**
Assets						
Non-current assets (other than financial instruments and deferred tax assets)	3,822.5	12,053.5	535.7	43.0	**16,454.7**	**128,346.7**

By principal business activity – 2019

For the six months ended 30 June/at 31 December	Consumer Food Products US$m	Telecom-munications US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	2019 Total US$m	2019 Total HK$m*
Revenue							
Turnover							
- Point in time	2,795.0	-	37.7	-	-	2,832.7	22,095.1
- Over time	73.6	-	1,184.9	-	-	1,258.5	9,816.3
Total	2,868.6	-	1,222.6	-	-	4,091.2	31,911.4
Results							
Recurring profit	77.0	58.3	62.9	(1.2)	(55.0)	142.0	1,107.6
Assets and liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	94.9	1,154.1	3,369.1	169.6	-	4,787.7	37,344.1
- Others	4,357.0	-	7,018.5	-	13.1	11,388.6	88,831.0
	4,451.9	1,154.1	10,387.6	169.6	13.1	16,176.3	126,175.1
Other assets	2,824.0	-	2,299.2	-	444.4	5,567.6	43,427.3
Segment assets	7,275.9	1,154.1	12,686.8	169.6	457.5	21,743.9	169,602.4
Assets classified as held for sale	138.6	-	-	-	-	138.6	1,081.1
Total assets	7,414.5	1,154.1	12,686.8	169.6	457.5	21,882.5	170,683.5
Borrowings	1,839.0	-	5,436.2	-	1,655.6	8,930.8	69,660.2
Other liabilities	1,455.6	-	2,580.9	-	131.8	4,168.3	32,512.8
Segment liabilities	3,294.6	-	8,017.1	-	1,787.4	13,099.1	102,173.0
Liabilities directly associated with the assets classified as held for sale	25.4	-	-	-	-	25.4	198.1
Total liabilities	3,320.0	-	8,017.1	-	1,787.4	13,124.5	102,371.1
Other information							
Depreciation and amortization	(137.7)	-	(118.5)	-	(3.0)	(259.2)	(2,021.7)
Gain on changes in fair value of biological assets	2.3	-	-	-	-	2.3	17.9
Impairment losses	(1.0)	-	(3.9)	-	(280.0)	(284.9)	(2,222.2)
Interest income	13.6	-	22.4	-	3.4	39.4	307.3
Finance costs	(69.9)	-	(124.7)	-	(41.8)	(236.4)	(1,843.9)
Share of profits less losses of associated companies and joint ventures	(10.9)	62.6	116.6	(1.5)	-	166.8	1,301.0
Taxation	(85.0)	-	(75.2)	-	(7.0)	(167.2)	(1,304.1)
Additions to non-current assets (other than financial instruments and deferred tax assets)	190.6	-	583.9	-	0.1	774.6	6,041.9

By geographical market – 2019

For the six months ended 30 June/at 31 December	Indonesia US$m	The Philippines US$m	Singapore US$m	Others US$m	2019 Total US$m	2019 Total HK$m*
Revenue						
Turnover						
- Consumer Food Products	2,485.4	161.6	18.9	202.7	2,868.6	22,375.1
- Infrastructure	11.1	847.5	364.0	-	1,222.6	9,536.3
Total	2,496.5	1,009.1	382.9	202.7	4,091.2	31,911.4
Assets						
Non-current assets (other than financial instruments and deferred tax assets)	3,932.5	11,494.3	681.1	68.4	16,176.3	126,175.1

3. **Profit before taxation**

For the six months ended 30 June	2020 US$m	2019 US$m	2020 HK$m*	2019 HK$m*
Profit before taxation is stated after (charging)/crediting				
Cost of inventories sold	**(1,370.8)**	(1,461.2)	**(10,692.2)**	(11,397.4)
Cost of services rendered	**(581.9)**	(760.8)	**(4,538.8)**	(5,934.2)
Employees' remuneration	**(413.0)**	(460.8)	**(3,221.4)**	(3,594.2)
Depreciation	**(199.7)**	(197.3)	**(1,557.7)**	(1,538.9)
Amortization of other intangible assets	**(58.9)**	(60.5)	**(459.4)**	(471.9)
Impairment losses				
- Property, plant and equipment[(i)]	**(31.5)**	-	**(245.7)**	-
- Goodwill[(i)]	**(21.4)**	-	**(166.9)**	-
- Accounts receivable[(ii)]	**(12.7)**	(3.4)	**(99.1)**	(26.5)
- Inventories[(iii)]	**(11.4)**	(1.5)	**(88.9)**	(11.7)
- Other receivable[(i)]	**(0.9)**	-	**(7.0)**	-
- A joint venture[(i)]	**-**	(280.0)	**-**	(2,184.0)
(Loss)/gain on changes in fair value of biological assets	**(10.0)**	2.3	**(78.0)**	17.9
Loss on disposal of property, plant and equipment, net	**(0.5)**	(1.2)	**(3.9)**	(9.4)
Foreign exchange and derivative gains, net	**12.6**	13.3	**98.3**	103.8
Dividend income from financial assets at fair value through other comprehensive income ("FVOCI")	**5.0**	3.9	**39.0**	30.4
Reversal of provision for onerous contracts, net	**4.4**	4.7	**34.3**	36.7

(i) Included in other operating expenses, net
(ii) Included in selling and distribution expenses
(iii) Included in cost of sales

4. **Taxation**

No Hong Kong profits tax (2019: Nil) has been provided as the Group had no estimated assessable profits (2019: Nil) arising in Hong Kong for the period. Taxation on assessable profits generated outside Hong Kong has been provided at the rates of taxation prevailing in the countries in which the Company's subsidiary companies operate.

For the six months ended 30 June	2020 US$m	2019 US$m	2020 HK$m*	2019 HK$m*
Subsidiary companies - overseas				
Current taxation	**163.4**	180.7	**1,274.5**	1,409.4
Deferred taxation	**(4.1)**	(13.5)	**(31.9)**	(105.3)
Total	**159.3**	167.2	**1,242.6**	1,304.1

Included within the share of profits less losses of associated companies and joint ventures is taxation of US$40.1 million (HK$312.8 million) (2019: US$59.5 million or HK$464.1 million) which is analyzed as follows:

For the six months ended 30 June	2020 US$m	2019 US$m	2020 HK$m*	2019 HK$m*
Associated companies and joint ventures - overseas				
Current taxation	**63.0**	66.4	**491.4**	517.9
Deferred taxation	**(22.9)**	(6.9)	**(178.6)**	(53.8)
Total	**40.1**	59.5	**312.8**	464.1

5. **Profit/(loss) attributable to owners of the parent**

The profit/(loss) attributable to owners of the parent includes net foreign exchange and derivative gains of US$4.5 million (HK$35.1 million) (2019: US$6.9 million or HK$53.8 million), which represent the foreign exchange translation differences on the Group's unhedged foreign currency denominated net assets/liabilities and the changes in the fair values of derivatives, loss on changes in fair value of biological assets of US$2.2 million (HK$17.2 million) (2019: gain of US$0.4 million or HK$3.1 million) and net non-recurring losses of US$53.4 million (HK$416.5 million) (2019: US$297.6 million or HK$2,321.3 million).

Analysis of foreign exchange and derivative gains, net

For the six months ended 30 June	2020 US$m	2019 US$m	2020 HK$m*	2019 HK$m*
Foreign exchange and derivative gains/(losses), net				
- Subsidiary companies	**12.6**	13.3	**98.3**	103.8
- Associated companies and joint ventures	**0.1**	(1.2)	**0.8**	(9.4)
Subtotal	**12.7**	12.1	**99.1**	94.4
Attributable to taxation and non-controlling interests	**(8.2)**	(5.2)	**(64.0)**	(40.6)
Total	**4.5**	6.9	**35.1**	53.8

The non-recurring losses represent certain items, through occurrence or size, which are not considered as usual operating items. 1H20's non-recurring losses of US$53.4 million (HK$416.5 million) mainly represent impairment provisions for the Group's investment in RHI (US$32.0 million or HK$249.6 million) and PLDT's investment in iflix Limited ("iflix") (US$3.0 million or HK$23.4 million), and PLP's provisions for take-or-pay obligation and onerous contracts (US$5.3 million or HK$41.3 million).

6. Earnings/(loss) per share attributable to owners of the parent

The calculation of the basic earnings/(loss) per share is based on the profit/(loss) for the period attributable to owners of the parent, and the weighted average number of ordinary shares of 4,344.9 million (2019: 4,343.3 million) in issue less the weighted average number of ordinary shares held for a share award scheme of 7.2 million (2019: 7.0 million) during the period.

The calculation of the diluted earnings/(loss) per share is based on the profit/(loss) for the period attributable to owners of the parent, adjusted to reflect the dilutive impact of share options and the restricted stock unit plan of the Group's subsidiary and associated companies, where applicable. The weighted average number of ordinary shares used in the calculation is based on the number of ordinary shares used in the basic earnings/(loss) per share calculation adjusted for the dilutive effect of share options and awarded shares of the Company, where applicable.

The calculations of basic and diluted earnings/(loss) per share are based on:

For the six months ended 30 June	2020 US$m	2019 US$m	2020 HK$m*	2019 HK$m*
Earnings/(loss)				
Profit/(loss) attributable to owners of the parent used in the basic earnings/(loss) per share calculation	**100.6**	(148.3)	**784.7**	(1,156.7)
Less: Dilutive impact in respect of the restricted stock unit plan and the share options of a subsidiary company	**(0.0)**	(0.1)	**(0.0)**	(0.8)
Profit/(loss) attributable to owners of the parent used in the diluted earnings/(loss) per share calculation	**100.6**	(148.4)	**784.7**	(1,157.5)

For the six months ended 30 June	Number of shares 2020 Millions	2019 Millions
Shares		
Weighted average number of ordinary shares issued during the period	**4,344.9**	4,343.3
Less: Weighted average number of ordinary shares held for a share award scheme	**(7.2)**	(7.0)
Weighted average number of ordinary shares used in the basic earnings/(loss) per share calculation	**4,337.7**	4,336.3
Add: Dilutive impact of awarded shares on the weighted average number of ordinary shares	**3.2**	-
Weighted average number of ordinary shares used in the diluted earnings/(loss) per share calculation	**4,340.9**	4,336.3

For the six months ended 30 June 2020, the effect of share options (2019: share options and awarded shares) of the Company on the weighted average number of ordinary shares was anti-dilutive and therefore not included in the above calculation of diluted earnings/(loss) per share.

7. Ordinary share interim distribution

At a meeting held on 27 August 2020, the Directors declared an interim cash distribution of HK7.00 cents (U.S. 0.90 cent) (2019: HK6.50 cents or U.S. 0.83 cent) per ordinary share, equivalent to a total amount of US$39.0 million (HK$304.2 million) (2019: US$36.0 million or HK$280.8 million).

8. Accounts receivable, other receivables and prepayments

Included in accounts receivable, other receivables and prepayments are accounts receivable of US$765.8 million (HK$5,973.2 million) (31 December 2019: US$642.9 million or HK$5,014.6 million) with an aging profile based on the invoice date, net of loss allowance, as follows:

	At 30 June 2020 US$m	At 31 December 2019 US$m	At 30 June 2020 HK$m*	At 31 December 2019 HK$m*
0 to 30 days	**518.0**	464.8	**4,040.4**	3,625.4
31 to 60 days	**93.2**	93.2	**727.0**	727.0
61 to 90 days	**53.1**	18.2	**414.1**	142.0
Over 90 days	**101.5**	66.7	**791.7**	520.2
Total	**765.8**	642.9	**5,973.2**	5,014.6

Indofood generally allows customers 30 to 60 days of credit. MPIC generally allows 15 to 30 days of credit for its power generation customers, seven to 60 days of credit for its water and sewerage service customers and 45 to 60 days of credit for its bulk water supply customers. PLP generally allows customers 30 days of credit. The increase in the receivable balance and aging was mainly due to extended payment terms offered by MPIC to its power generation and water service customers under the COVID-19 pandemic.

9. Accounts payable, other payables and accruals

Included in accounts payable, other payables and accruals are accounts payable of US$390.2 million (HK$3,043.6 million) (31 December 2019: US$460.4 million or HK$3,591.1 million) with an aging profile based on the invoice date as follows:

	At 30 June 2020 US$m	At 31 December 2019 US$m	**At 30 June 2020 HK$m***	At 31 December 2019 HK$m*
0 to 30 days	**307.4**	389.8	**2,397.7**	3,040.4
31 to 60 days	**15.0**	16.9	**117.0**	131.8
61 to 90 days	**18.7**	2.6	**145.9**	20.3
Over 90 days	**49.1**	51.1	**383.0**	398.6
Total	**390.2**	460.4	**3,043.6**	3,591.1

10. Other comprehensive (loss)/income attributable to owners of the parent

	Exchange reserve US$m	Fair value reserve of financial assets at FVOCI US$m	Unrealized (losses)/ gains on cash flow hedges US$m	Income tax related to cash flow hedges US$m	Actuarial losses on defined benefit pension plans US$m	Share of other comprehensive (loss)/income of associated companies and joint ventures US$m	Total US$m	Total HK$m*
At 1 January 2019	(814.9)	86.4	(19.3)	2.7	(15.1)	(126.7)	(886.9)	(6,917.8)
Other comprehensive income/(loss) for the period	88.0	15.3	17.6	(2.9)	(0.6)	(4.3)	113.1	882.1
Reserves for assets classified as held for sale	39.0	-	-	-	-	1.4	40.4	315.2
Dilution of an interest in a subsidiary company	0.2	-	-	-	-	-	0.2	1.5
At 30 June 2019	(687.7)	101.7	(1.7)	(0.2)	(15.7)	(129.6)	(733.2)	(5,719.0)
At 1 January 2020	(643.2)	110.1	(0.2)	(0.5)	(16.6)	(165.7)	**(716.1)**	**(5,585.6)**
Other comprehensive income/(loss) for the period	5.5	4.1	(24.9)	0.5	(0.5)	(19.7)	**(35.0)**	**(273.0)**
Acquisition of an interest in a subsidiary company	(1.1)	-	-	-	-	-	**(1.1)**	**(8.5)**
At 30 June 2020	**(638.8)**	**114.2**	**(25.1)**	**-**	**(17.1)**	**(185.4)**	**(752.2)**	**(5,867.1)**

11. Contingent liabilities

(a) At 30 June 2020, except for guarantees of US$35.1 million (HK$273.8 million) (31 December 2019: US$41.3 million or HK$322.1 million) given by Indofood for loan facilities obtained by certain plantation farmers in relation to arrangements for those farmers' production and sale of fresh fruit bunches to Indofood, the Group had no significant contingent liabilities (31 December 2019: Nil).

(b) In Wilson P. Gamboa vs. Finance Secretary Margarito B. Teves, et. al. (G.R. No. 176579) (the "Gamboa Case"), the Supreme Court of the Philippines (the "Court") held the term "capital" in Section 11, Article XII of the 1987 Constitution refers only to "shares of stock entitled to vote in the election of directors" and thus only to voting common shares, and not to the "total outstanding capital stock (common and non-voting preferred shares)". It directed the Philippine Securities and Exchange Commission ("SEC") "to apply this definition of the term 'capital' in determining the extent of allowable foreign ownership in PLDT, and if there is a violation of Section 11, Article XII of the Constitution, to impose the appropriate sanctions under the law." On 9 October 2012, the Court issued a Resolution denying with finality all Motions for Reconsideration of the respondents. The Court decision became final and executory on 18 October 2012.

On 20 May 2013, the Philippine SEC issued SEC Memorandum Circular No. 8, Series of 2013 – Guidelines on Compliance with the Filipino-Foreign Ownership Requirements Prescribed in the Constitution and/or Existing Laws by Corporations Engaged in Nationalized and Partly-Nationalized Activities, or MC No. 8, which provides that the required percentage of Filipino ownership shall be applied to BOTH (a) the total number of outstanding shares of stock entitled to vote in the election of directors; AND (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors.

On 10 June 2013, Jose M. Roy III filed before the Court a Petition for Certiorari against the Philippine SEC, Philippine SEC Chairman and PLDT, or the Petition, claiming: (1) that MC No. 8 violates the decision of the Court in the Gamboa Case, which according to the Petitioner required that (a) the 60-40 ownership requirement be imposed on "each class of shares" and (b) Filipinos must have full beneficial ownership of 60% of the outstanding capital stock of those corporations subject to that 60-40 Filipino-foreign ownership requirement; and (2) that the PLDT Beneficial Trust Fund is not a Filipino- owned entity and consequently, the corporations owned by PLDT Beneficial Trust Fund, including BTF Holdings, Inc., which owns 150 million voting preferred shares in PLDT, cannot be considered a Filipino-owned corporation. PLDT and Philippine SEC sought the dismissal of the Petition.

On 16 July 2013, Wilson C. Gamboa, Jr. et. al. filed a Motion for Leave to file a Petition-in-Intervention dated 16 July 2013, which the Court granted on 6 August 2013. The Petition-in-Intervention raised identical arguments and issues as those in the Petition.

The Court, in its 22 November 2016 decision, dismissed the Petition and Petition-in-Intervention and upheld the validity of MC No. 8. In the course of discussing the Petition, the Court expressly rejected petitioners' argument that the 60% Filipino ownership requirement for public utilities must be applied to each class of shares. According to the Court, the position is "simply beyond the literal text and contemplation of Section 11, Article XII of the 1987 Constitution" and that the petitioners' suggestion would "effectively and unwarrantedly amend or change" the Court's ruling in the Gamboa Case. In categorically rejecting the petitioners' claim, the Court declared and stressed that its Gamboa Case ruling "did NOT make any definitive ruling that the 60% Filipino ownership requirement was intended to apply to each class of shares." On the contrary, according to the Court, "nowhere in the discussion of the term 'capital' in Section 11, Article XII of the 1987 Constitution in the Gamboa Decision did the Court mention the 60% Filipino equity requirement to be applied to each class of shares."

In respect of ensuring Filipino ownership and control of public utilities, the Court noted that this is already achieved by the requirements under MC No. 8. According to the Court, "since Filipinos own at least 60% of the outstanding shares of stock entitled to vote directors, which is what the Constitution precisely requires, then the Filipino stockholders control the corporation – i.e., they dictate corporate actions and decisions…"

The Court further noted that the application of the Filipino ownership requirement as proposed by petitioners "fails to understand and appreciate the nature and features of stocks and financial instruments" and would "greatly erode" a corporation's "access to capital – which a stock corporation may need for expansion, debt relief/repayment, working capital requirement and other corporate pursuits". The Court reaffirmed that "stock corporations are allowed to create shares of different classes with varying features" and that this "is a flexibility that is granted, among others, for the corporation to attract and generate capital (funds) from both local and foreign capital markets" and that "this access to capital – which a stock corporation may need for expansion, debt relief/repayment, working capital requirement and other corporate pursuits – will be greatly eroded with further unwarranted limitations that are not articulated in the Constitution". The Court added that "the intricacies and delicate balance between debt instruments (liabilities) and equity (capital) that stock corporations need to calibrate to fund their business requirements and achieve their financial targets are better left to the judgment of their boards and officers, whose bounden duty is to steer their companies to financial stability and profitability and who are ultimately answerable to their shareholders".

The Court went on to say that "a too restrictive definition of 'capital', one that was never contemplated in the Gamboa Decision, will surely have a dampening effect on the business milieu by eroding the flexibility inherent in the issuance of preferred shares with varying terms and conditions. Consequently, the rights and prerogatives of the owners of the corporation will be unwarrantedly stymied". Accordingly, the Court said that the petitioners' "restrictive interpretation of the term 'capital' would have a tremendous adverse impact on the country as a whole – and to all Filipinos".

Petitioner Jose M. Roy III filed a Motion for Reconsideration of the Court Decision dated 22 November 2016. On 18 April 2017, the Court denied with finality Petitioner's Motion for Reconsideration. On 5 August 2017, PLDT received a copy of the Entry of Judgment.

12. Employee information

For the six months ended 30 June	**2020 US$m**	2019 US$m	**2020 HK$m***	2019 HK$m*
Employee remuneration (including Directors' remuneration)	**413.0**	460.8	**3,221.4**	3,594.2

Number of employees	**2020**	2019
At 30 June	**99,622**	110,612
Average for the period	**100,834**	109,884

13. Event after the reporting period

On 17 July 2020, the Company held a Special General Meeting and obtained the approval from the Company's independent shareholders for the proposed acquisition by PT Indofood CBP Sukses Makmur Tbk ("ICBP") of the entire issued share capital of Pinehill Company Limited ("Pinehill") from Pinehill Corpora Limited and Steele Lake Limited. The proposed acquisition was also approved by ICBP's shareholders at an extraordinary general meeting held by ICBP on 3 August 2020. On 18 August 2020, ICBP signed a syndicated loan facility agreement for a total amount of US$2,050 million (HK$15,990 million) for a period of 5 years without any collaterals. All conditions to drawdown under such facility have been fulfilled, therefore all conditions precedent under the proposed transaction have been satisfied. The proposed acquisition is expected to be completed by the end of August 2020. Upon the completion of the transaction, Pinehill will become a wholly-owned subsidiary company of ICBP.

14. Approval of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on 27 August 2020.

* *The Company maintains its accounts and reports to its shareholders in United States dollars. The figures shown in Hong Kong dollars are for illustration only and are based on a fixed exchange rate of 7.8 Hong Kong dollars to one United States dollar.*

REVIEW OF OPERATIONS

FIRST PACIFIC

Below is an analysis of results by individual company.

Contribution and profit summary

For the six months ended 30 June US$ millions	Turnover **2020**	 2019	Contribution to Group profit[(i)] **2020**	 2019
Indofood	**2,671.4**	2,716.9	**93.8**	80.3
PLDT[(ii)]	**-**	-	**62.5**	58.3
MPIC	**607.5**	858.6	**44.4**	70.0
Philex[(ii)]	**-**	-	**2.2**	(1.2)
FPM Power	**253.9**	364.0	**(1.8)**	(7.1)
FP Natural Resources	**117.9**	151.7	**(3.7)**	(4.0)
FPW[(iii)]	**-**	-	**-**	0.7
Contribution from operations[(iv)]	**3,650.7**	4,091.2	**197.4**	197.0
Head Office items:				
– Corporate overhead			**(9.4)**	(11.2)
– Net interest expense			**(31.5)**	(40.0)
– Other expenses			**(4.8)**	(3.8)
Recurring profit[(v)]			**151.7**	142.0
Foreign exchange and derivative gains, net[(vi)]			**4.5**	6.9
(Loss)/gain on changes in fair value of biological assets			**(2.2)**	0.4
Non-recurring items[(vii)]			**(53.4)**	(297.6)
Profit/(loss) attributable to owners of the parent			**100.6**	(148.3)

(i) After taxation and non-controlling interests, where appropriate.

(ii) Associated companies.

(iii) FPW Singapore Holdings Pte. Ltd. ("FPW"), a joint venture and was sold on 16 December 2019.

(iv) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.

(v) Recurring profit represents the profit/(loss) attributable to owners of the parent excluding the effects of foreign exchange and derivative gains, (loss)/gain on changes in fair value of biological assets and non-recurring items.

(vi) Foreign exchange and derivative gains, net represent the net gains on foreign exchange translation differences on the Group's unhedged foreign currency denominated net assets/liabilities and the changes in the fair values of derivatives.

(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H20's non-recurring losses of US$53.4 million mainly represent impairment provisions for the Group's investment in RHI (US$32.0 million) and PLDT's investment in iflix (US$3.0 million), and PLP's provisions for take-or-pay obligation and onerous contracts (US$5.3 million). 1H19's non-recurring losses of US$297.6 million mainly represent the Group's impairment provisions for assets, including the Group's investment in Goodman Fielder Pty Limited ("Goodman Fielder") (US$280.0 million) and Philex's mining assets (US$5.2 million).

In the first half of 2020, First Pacific businesses were affected by the global outbreak of COVID-19. Demand for many Indofood products and PLDT's telecommunications services increased, while other Group companies saw declines in demand, such as at MPIC's toll roads and electricity distribution businesses. As a result, turnover declined and contribution from operations was flat, but sharply lower interest bill and head office costs lifted recurring profit while the absence of large write-downs swung reported earnings to net profit from a net loss a year earlier.

Turnover down 11% to US$3.7 billion from US$4.1 billion

- reflecting lower revenues at MPIC and FP Natural Resources due to COVID-19 related quarantine
- lower revenues at FPM Power due to lower average selling price of electricity as a result of a decline in oil prices
- the weakness of the Indonesian rupiah reducing the US dollar value of revenue growth at Indofood

Recurring profit up 7% to US$151.7 million from US$142.0 million

- reflecting higher profit contributions from Indofood and PLDT
- Philex turned to a profit contribution versus a loss in the first half of 2019
- lower losses at FPM Power
- lower Head Office net interest expenses and corporate overhead
- partly offset by a lower profit contribution from MPIC

Non-recurring losses down 82% to US$53.4 million from US$297.6 million

- reflecting the absence of the Group's impairment provisions for investment in Goodman Fielder
- partly offset by impairment provisions for the Group's investment in RHI and PLDT's investment in iflix

Reported profit of US$100.6 million versus reported loss of US$148.3 million	▪ reflecting lower non-recurring losses ▪ higher recurring profit

The Group's operating results are denominated in local currencies, principally the rupiah, the peso and the Singapore dollar (S$), which are translated and consolidated to provide the Group's results in U.S. dollar. The changes of these currencies against the U.S. dollar are summarized below.

Closing exchange rates against the U.S. dollar	**At 30 June 2020**	At 31December 2019	Six months change
Rupiah	**14,302**	13,901	-2.8%
Peso	**49.83**	50.64	+1.6%
S$	**1.394**	1.346	-3.4%

Average exchange rates against the U.S. dollar	**Six months ended 30 June 2020**	Six months ended 30 June 2019	One year change
Rupiah	**14,743**	14,211	-3.6%
Peso	**50.55**	51.97	+2.8%
S$	**1.400**	1.357	-3.1%

During the period, the Group recorded net foreign exchange and derivative gains of US$4.5 million (1H19: US$6.9 million), which can be further analyzed as follows:

For the six months ended 30 June US$ millions	**2020**	2019
Head Office	**1.0**	1.8
Indofood	**5.7**	4.2
PLDT	**1.6**	0.6
MPIC	**(1.0)**	(1.3)
Philex	**0.2**	0.4
FPM Power	**(3.0)**	0.6
FPW	**-**	0.6
Total	**4.5**	6.9

Interim Distribution

First Pacific's Board of Directors, taking into consideration cash flow trends and following consistent prudent risk management practices, declared an interim distribution of HK7.0 cents (U.S. 0.9 cent) (1H19: HK6.5 cents (U.S. 0.83 cent)) per share, representing a payout ratio of approximately 25.7% (1H19: 25.5%) of recurring profit, marking the 11th consecutive year that First Pacific has distributed at least 25% of recurring profit to its shareholders.

Debt Profile

At 30 June 2020, Head Office gross debt stood at approximately US$1.66 billion with an average maturity of approximately 2.7 years. Net debt declined to approximately US$1.31 billion from approximately US$1.33 billion at year-end 2019, mainly reflecting dividends received, partly offset by interest and corporate overhead. Approximately 61% of the Head Office borrowings were at fixed rates while floating rate bank loans comprised the remainder, and the blended interest rate was approximately 3.5% per annum. Unsecured debts accounted for approximately 85% of Head Office borrowings.

As at 26 August 2020, the principal amounts of the following bonds remain outstanding:

- US$251.8 million 10-year at 6.375% coupon with maturity on 28 September 2020
- US$357.8 million 10-year at 4.5% coupon with maturity on 16 April 2023
- US$175.0 million 7-year at 5.75% coupon with maturity on 30 May 2025

Proceeds of US$275.0 million from the sale of Goodman Fielder have been reserved for the full redemption of the outstanding amount of US$251.8 million bond maturing in September 2020.

There is no Head Office recourse for subsidiaries or associated companies' borrowings.

Interest Cover

For the first half of 2020, Head Office recurring operating cash inflow before interest expense and tax was US$54.9 million. Net cash interest expense declined 24% to US$28.6 million, reflecting higher interest income and lower blended interest cost. For the 12 months ended 30 June 2020, the cash interest cover was approximately 2.7 times.

Interest Rate Hedging

To manage the floating interest rate risk for an outstanding bank loan, in the first half of 2020, First Pacific entered into an interest rate swap to fix the interest rate for a US$130 million tranche of the US$200 million syndicated loan until its repayment in May 2024.

Foreign Currency Hedging

The Company actively reviews the potential benefits of hedging based on forecast dividend income and enters into hedging arrangements for managing its foreign currency exposures in respect of dividend income and payments in foreign currencies on a transactional basis.

Outlook

Several months into the COVID-19 pandemic, First Pacific Group companies have settled on effective responses to the impact of the COVID-19 epidemic on safety, work arrangements, operations, and cash flows. First Pacific's diversity of solid businesses, cash flows and financial strength place the Group in a robust position considering the overall impact of the pandemic globally. However, any worsening of the effect of COVID-19 on our communities and markets would be deleterious to earnings in the second half. Given the results observed so far, First Pacific is cautiously optimistic that the Company and Group will weather this crisis on our way to continuing contribution growth fueled by steady and rising demand for the products and services provided by our various businesses.

INDOFOOD

The Indonesian government announced a partial lockdown from April 2020 in response to the COVID-19 outbreak, resulting in a substantial reduction in economic activity in the affected areas. Despite the challenging situation, Indofood's resilient business model supported its growth momentum in the first half of 2020. The pandemic affected consumer demand for Indofood products; demand for instant noodles and food seasonings rose, while beverages saw less demand.

Indofood's contribution to the Group increased 17% to US$93.8 million (1H19: US$80.3 million) principally reflecting higher core profit.

Core profit up 18% to 2.9 trillion rupiah (US$194.5 million) from 2.4 trillion rupiah (US$170.4 million)	▪ mainly reflecting strong performance of the Consumer Branded Products ("CBP") group ▪ improved performance of Agribusiness group due to higher crude palm oil ("CPO") prices ▪ lower finance costs ▪ partly offset by weaker performance of the Bogasari group
Net income up 12% to 2.8 trillion rupiah (US$192.8 million) from 2.5 trillion rupiah (US$179.1 million)	▪ reflecting higher core profit ▪ higher net foreign exchange gain ▪ partly offset by higher non-recurring losses from impairment provision for investment in Roxas Holdings, Inc. ("RHI") and a loss instead of a gain from changes in fair value of biological assets
Consolidated net sales up 2% to 39.4 trillion rupiah (US$2.7 billion) from 38.6 trillion rupiah (US$2.7 billion)	▪ driven by higher sales of the CBP, Agribusiness and Distribution groups ▪ partly offset by lower sales of the Bogasari group
Gross profit margin to 31.7% from 29.4%	▪ mainly driven by higher average selling prices of CBP products, and palm products at the Agribusiness group
Consolidated operating expenses up 4% to 6.9 trillion rupiah (US$464.6 million) from 6.6 trillion rupiah (US$462.3 million)	▪ reflecting higher selling and general and administrative expenses ▪ an operating foreign exchange gain versus a loss in the first half of 2019
EBIT margin to 14.3% from 12.4%	▪ reflecting higher gross profit margin

Debt Profile

As at 30 June 2020, Indofood recorded gross debt of 26.3 trillion rupiah (US$1.8 billion), up 14% from 23.0 trillion rupiah (US$1.7 billion) as at 31 December 2019. Of this total, 66% matures within one year and the remainder matures between July 2021 and August 2028, while 76% was denominated in rupiah and the remaining 24% was denominated in foreign currencies.

Additional Investments

Proposed acquisition of Pinehill

Following the announcement on 11 February 2020, on 22 May 2020, ICBP entered into a conditional shares purchase agreement with Pinehill Corpora Limited and Steele Lake Limited to acquire the entire issued share capital of Pinehill for a consideration of US$2,998 million. ICBP would pay US$2,348 million upon the completion of the proposed acquisition, and will hold back US$650 million until the guaranteed audited net profits of Pinehill for 2020 and 2021 are met.

Pinehill primarily manufactures and sells instant noodles in Saudi Arabia, Nigeria, Egypt, Turkey, Serbia, Ghana, Morocco and Kenya under the "Indomie" brand licensed from Indofood. The total population in these eight countries is approximately 550 million, increasing to 885 million after including export markets. Pinehill has 12 factories with an annual production capacity of approximately 10 billion packs of instant noodles, with some of its markets at an early stage of growth in terms of both volumes and profitability.

The proposed acquisition was approved by First Pacific's independent shareholders on 17 July 2020, and approved by ICBP shareholders on 3 August 2020. All of the conditions precedent have been fulfilled and the proposed acquisition is expected to be completed by the end of August 2020.

Other investments

In April 2020, ICBP made a capital contribution of 18.5 billion rupuah (US$1.3 million) to a joint venture entity PT Oji Indo Makmur Perkasa ("OIMP"). ICBP's shareholding in OIMP remained at 50% following the capital contribution.

From 1 January 2020 to 30 June 2020, Indofood acquired a total of 19.1 million shares of Indofood Agri Resources Ltd. ("IndoAgri") from the open market for a total consideration of S$5.5 million (US$3.9 million), increasing Indofood's effective interest in IndoAgri to 71.3% from 70.0% as at 31 December 2019.

Consumer Branded Products

The CBP group produces and markets a wide range of consumer branded products, offering everyday solutions to consumers of all ages across different market segments. This business group comprises the Noodles, Dairy, Snack Foods, Food Seasonings, Nutrition & Special Foods, and Beverages divisions. With over 60 plants located in key markets across Indonesia, CBP's products are available across the country and are exported to more than 60 markets around the world.

Indofood's Noodles division is one of the world's largest producers of instant noodles and is the market leader in Indonesia. Its annual production capacity is around 19 billion packs, across a broad range of instant noodle varieties.

The Dairy division has an annual production capacity of more than 700,000 tonnes and is one of the largest dairy manufacturers in Indonesia. It produces and markets UHT milk, sterilized bottled milk, sweetened condensed creamer, pasteurized liquid milk, multicereal milk, milk flavored drinks, powdered milk, ice cream and butter.

The Snack Foods division comes under a joint venture company with Fritolay Netherlands Holding B.V. which manages the majority of snack foods operations. The division has an annual production capacity of around 50,000 tonnes, producing western and traditional snacks, and extruded snacks.

The Food Seasonings division has an annual production capacity of more than 150,000 tonnes, manufacturing and marketing a wide range of culinary products, including soy sauces, chili sauces, tomato sauces, recipe mixes, and cooking aid products as well as syrups.

Indofood's Nutrition & Special Foods division is one of the market leaders in Indonesia's baby food industry. This division has an annual production capacity of 25,000 tonnes, producing baby cereals, baby snacks such as rice puffs, crunchies, biscuits and puddings, and noodle soup for infants and toddlers, cereal snacks for children, and cereal powdered drinks for the whole family, as well as milk products for expectant and lactating mothers.

The Beverages division produces a wide range of ready-to-drink teas, packaged water and fruit-flavored drinks with a combined annual production capacity of around 3 billion liters.

In the first half of 2020, sales of CBP group rose 4% to 22.8 trillion rupiah (US$1.5 billion), with sales growing across all business divisions except for Beverages division, driven by higher average selling prices. The EBIT margin improved to 18.5% from 16.8% primarily due to improved gross profit margin.

In conjunction with contraction of the domestic economy, there was a decline in demand for fast moving consumer goods in the second quarter of this year due to COVID-19 headwinds. However, CBP group continued its growth momentum in the period. With all the uncertainties arising from this current situation, CBP group will continue with its focus on balancing volume growth and profitability by ensuring product availability, optimizing its product portfolio and implementing cost efficiency initiatives.

Bogasari

Bogasari is the largest integrated flour miller in Indonesia, operating four flour mills with total combined annual production capacity of approximately 4.1 million tonnes. Bogasari produces a wide range of wheat flour products and pasta for domestic and international markets.

Its sales declined 5% to 11.1 trillion rupiah (US$751.3 million), reflecting lower average selling prices owing to lower wheat costs. The EBIT margin declined to 6.9% from 7.3%.

Demand for flour softened during the period due to the impact of social distancing under the COVID-19 pandemic and the closure of restaurants and food outlets, with small and medium-sized enterprises ("SMEs") most affected. Despite the current uncertain situation, Indofood expects improved macroeconomic conditions and increasing affluence in Indonesia's expanding middle class to drive demand growth for flour-based foods.

Agribusiness

The diversified and vertically integrated Agribusiness group is one of Indonesia's largest producers of palm oil with a leading market share in branded edible oils and fats. It consists of two divisions: Plantations and Edible Oils & Fats ("EOF"), which operate through IndoAgri and its main operating subsidiaries, PT Salim Ivomas Pratama Tbk ("SIMP") and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk ("Lonsum") in Indonesia. In Brazil, IndoAgri has equity investments in sugar and ethanol operations in Companhia Mineira de Açúcar e Álcool Participações ("CMAA") and Canápolis Holding S.A. ("Canápolis"). It has also invested in RHI in the Philippines.

Sales rose 7% to 6.9 trillion rupiah (US$466.9 million), mainly reflecting the positive impacts from higher prices of CPO and EOF products, partly offset by lower sales volume of palm products. Due to lower fresh fruit bunch ("FFB") production and external purchases, sales volume of CPO was down 11% to 348,000 tonnes, whilst palm kernel ("PK") products sales volume declined 4% to 86,000 tonnes.

Plantations

The total planted area declined slightly to 299,165 hectares from end-2019, of which oil palm accounted for 84% while rubber, sugar cane, timber, cocoa and tea accounted for the remaining 16%. IndoAgri's oil palms have an average age of approximately 17 years, while around 17% of its oil palms are younger than seven years. This division has a total annual processing capacity of 7.0 million tonnes of FFB.

In the first half of 2020, FFB nucleus production declined 5% to 1.4 million tonnes with FFB yields declined 4% to 6.6 tonnes per hectare, reflecting mainly lower production arising from the replanting of old palms in Riau and North Sumatra and adverse weather conditions. CPO production decreased 7% to 350,000 tonnes on lower FFB nucleus and purchases from external parties. CPO yields declined slightly to 1.4 tonnes per hectare.

In Indonesia, the total planted areas of rubber and sugar cane declined slightly to 16,098 hectares and 12,458 hectares from end-2019, respectively. Sugar production declined 21% to 13,000 tonnes due to lower yields arising from last year's low rainfall.

In Brazil, CMAA's sugar cane planted area increased 14% from year-end 2019 to 108,286 hectares, and the sugar cane harvest rose 13% to 2.9 million tonnes from the same period of 2019. The combined annual cane crushing capacity of CMAA and Canápolis is 8.8 million tonnes. IndoAgri's share of CMAA and Canápolis' profit was 30 billion rupiah (US$2.0 million) verses a loss of 38 billion rupiah (US$2.7 million) in the first half of 2019 reflecting higher sugar prices, fair value gain of biological assets in Brazil and foreign exchange gains.

In the first half of 2020, the Plantations division recorded a 3% increase in sales to 3.6 trillion rupiah (US$242.3 million) as a result of higher prices for CPO and PK products.

Edible Oils & Fats

This division manufactures cooking oils, margarines and shortenings. It has an annual CPO refinery capacity of 1.7 million tonnes. Approximately 71% of this division's CPO requirements are sourced from the Plantations division, compared to 70% in the first half of 2019.

In the first half of 2020, the EOF division recorded a 7% increase in sales to 5.6 trillion rupiah (US$376.9 million) due to higher average selling prices arising from higher CPO prices despite lower sales volumes.

The economic uncertainties arising from the ongoing US-China trade tensions and the recent COVID-19 outbreak will continue to exert additional volatility on the price of agricultural commodities. The demand for palm oil from key import markets like China and India, and the price of crude oil which affects discretionary biodiesel demand, plus CPO's price relative to soya oil, will have an impact on the direction of CPO prices.

In light of the COVID-19 pandemic, the Agribusiness group has implemented various mitigation measures in the workplace to ensure the safety and wellbeing of its staff and minimise disruptions to the business. Amidst this volatile commodity price environment, it will continue to prioritize capital expenditure investment in growth areas and focus on cost-control measures and other innovations to increase productivity.

Distribution

The Distribution group is a strategic component of Indofood's Total Food Solutions chain of vertically integrated operations as it has one of the most extensive nationwide distribution networks in Indonesia, covering all densely populated areas. It is well connected to both traditional and modern grocery outlets to ensure the ready availability of Indofood products to consumers across the country.

The Distribution group's sales improved 11% to 2.3 trillion rupiah (US$156.5 million) mainly supported by the growth of internal and external products. The EBIT margin declined to 3.7% from 4.9%.

As a strategic asset that forms a vital part of Indofood's vertically integrated operations, the Distribution group continues to focus on ensuring the availability of Indofood products to the market. With its 1,300 stock points spread across Indonesia, the Distribution group has more flexibility in accessing traditional and modern grocery outlets, and reacting quickly to evolving consumer purchasing patterns.

Outlook

Given the current challenging situation, Indofood, with its integrated business model, has shown its resilience by delivering increased profitability. Indofood expects the market situation to remain challenging for the remainder of the year, and will keep maintaining the supply and quality of its products delivered to consumers, whilst enhancing its competitiveness and safeguarding its people.

PLDT

The COVID-19 related community quarantine in the Philippines started in March 2020. PLDT's resilient integrated network ably supported the resulting surge in network traffic and responded promptly to the shift in services demand sparked by the quarantine.

PLDT continued to ensure the availability of affordable and uninterrupted communications services to its customers during the quarantine period. PLDT doubled speed allocations to its home broadband customers, offered bigger data allocations to its mobile customers, and allowed free access to selected government sites. PLDT also provided communication and financial support to the Philippine government efforts to fight the pandemic. PLDT installed WiFi systems at public hospitals, medical centers, quarantine facilities and pandemic response command centers; offered mobile phones, pocket WiFi devices, landlines and prepaid load to frontline healthcare workers; provided free mobile data access to various mobile applications for relief and contact tracing efforts; donated vehicles for the frontlines of the Armed Forces of the Philippines; provided COVID-related enquiry hotlines and information updates to the public; and offered fixed and mobile data connectivity and vital educational content and management systems for schools, teachers and students.

PLDT-Smart Foundation partnered with the corporate social responsibility units of the First Pacific Group companies in the Philippines, including Metro Pacific Investments Foundation and One Meralco, raising funds and providing food and assistance to distressed communities.

Despite the quarantine, PLDT's contribution to the Group increased 7% to US$62.5 million (1H19: US$58.3 million) reflecting higher consolidated core net income.

Telco core net income up 5% to 13.9 billion pesos (US$274.3 million) from 13.2 billion pesos (US$254.1 million)	▪ reflecting higher EBITDA ▪ lower provision for income tax ▪ partly offset by higher depreciation and financing costs in connection with PLDT's capital expenditure program
Consolidated core net income up 5% to 13.0 billion pesos (US$256.8 million) from 12.3 billion pesos (US$237.1 million)	▪ reflecting higher telco core net income ▪ partly offset by the equity loss from Voyager
Reported net income up 1% to 12.3 billion pesos (US$242.9 million) from 12.2 billion pesos (US$234.9 million)	▪ reflecting higher core net income ▪ partly offset by the impairment provision for investment in iflix and a fair value loss of the investment in Rocket Internet SE shares
Consolidated service revenues (net of interconnection costs) up 8% to 82.8 billion pesos (US$1.6 billion) from 76.7 billion pesos (US$1.5 billion)	▪ reflecting growth in the Individual, Enterprise and Home business segments ▪ strong growth in mobile data and home broadband revenues ▪ partly offset by lower revenues from the International and Carrier business ▪ Individual, Enterprise and Home service revenues grew 16%, 5% and 7%, respectively, and accounted for 48%, 24% and 24% of consolidated service revenues, respectively ▪ data and broadband remained growth drivers, with combined revenues up 18% and representing 71% (1H19: 65%) of consolidated service revenues
EBITDA up 9% to 43.2 billion pesos (US$854.6 million) from 39.7 billion pesos (US$763.2 million)	▪ reflecting higher service revenues ▪ partly offset by higher cash operating expenses and provisions
EBITDA margin to 52% from 51%	▪ mainly due to higher EBITDA ▪ wireless and fixed line EBITDA margin to 61% and 38% from 60% and 38%, respectively

Capital Expenditures

Over the past five years, PLDT invested approximately 260.0 billion pesos (US$5.2 billion) in capital expenditures for network and IT platforms. These extensive investments have enabled PLDT to further strengthen its network quality and capacity, enhance its digital content and platforms, and substantially improve customer experience across all of its business segments.

In Ookla's latest report covering the first half of 2020, it again recognized PLDT and Smart's fixed and mobile networks as the fastest in the Philippines, similar to 2019. In addition, Smart's strong network performance was manifested in Open Signal's July 2020 report covering the period from March to May 2020, where Smart handily outperformed its competition in terms of LTE and 3G availability, download speeds, and latency.

In the first half of 2020, capital expenditures amounted to 31.5 billion pesos (US$623.1 million) of which 86% was used on network and technology-related expansion and transformation programs, and the remaining 14% was employed for business development, mainly last mile and customer premise equipment for home broadband customers.

Despite limited mobility that hampered network roll-out activities during the quarantine, at 30 June 2020, total homes passed by PLDT's fixed-line fiber optic network rose 8% to 7.8 million, port capacity increased 5% to 3.7 million, and the fiber footprint expanded by 11% to 358.7 thousand cable kilometers from levels at the end of 2019. On the wireless network, the number of Smart LTE base stations increased 10% to over 27,100, while the number of 3G base stations increased 9% to over 15,000. PLDT's 4G and 3G network coverage expanded to reach over 95% of the Philippines' population.

On 30 July 2020, PLDT launched commercial 5G services in selected areas of Metro Manila. The capital expenditures guidance for 2020 has been revised upward from approximately 60 billion pesos (US$1.2 billion) in the early part of the year to 70 billion pesos (US$1.4 billion), mainly for increasing capacity for digital connectivity and enhancing service offerings. The availability of powerful connectivity such as fiber, 4G and 5G and innovative digital solutions are crucial for PLDT's customers and the Philippines to rebuild their lives and livelihoods in the new normal environment.

Debt Profile

On 23 June 2020, PLDT issued US$600 million of dual tranche Senior Unsecured Notes ("the Notes"). The first tranche of US$300.0 million long 10-year Notes have a 2.5% coupon and the second tranche of US$300.0 million 30-year Notes have a 3.45% coupon. The Notes were 17 times oversubscribed. It is the first ever 30-year offering from a corporate in the Philippines. The issuance of the Notes extended PLDT's debt maturity profile, with 50% of the total debt now due to mature after 2025.

As at 30 June 2020, PLDT's consolidated net debt was US$3.8 billion while net debt-to-EBITDA stood at 2.19 times. Total gross debt stood at US$4.7 billion, of which 19% was denominated in U.S. dollars. Only 4.4% of the total debt was unhedged after taking into account the available U.S. dollar cash on hand and currency hedges allocated for debt. After interest rate swaps, 89% of the total debt are fixed-rate borrowings. The average pre-tax interest cost for the period declined slightly to 4.78% from 4.8% for the full year of 2019.

As at the end of June 2020, PLDT's credit ratings remained at investment grade at the three international credit rating agencies, S&P, Moody's and Fitch.

Interim Dividend

PLDT's dividend policy is to pay 60% of its telco core net income as dividends. On 6 August 2020, the PLDT Board of Directors approved an interim dividend of 38 pesos (US$0.76) (1H19: 36 pesos (US$0.70)) per share payable on 4 September 2020 to shareholders on record as of 20 August 2020.

Service Revenues by Business Segment

Data and broadband services continued to drive revenue growth in the period, rising 18% to 59.0 billion pesos (US$1.2 billion), led by 34% and 11% revenues increases in mobile internet and home broadband. The corporate data and data center businesses each recorded 3% revenue growth.

The Individual business registered a 12% quarter-on-quarter growth in the second quarter of 2020 driven by the continued strong rise of wireless data usage during the quarantine period. The increase was underpinned by increases in usage of video streaming, social media and mobile games. All-time high average daily top-ups were recorded in June 2020. 73% of handsets on the network are smartphones and nearly half of its subscribers are regular data users.

Individual service revenues for the first half of 2020 rose 16% to 39.8 billion pesos (US$787.3 million) of which 73% (1H19: 66%) were data and broadband revenues. Mobile data traffic volume rose more than double to 1,368 Petabytes from the first half of 2019.

The PLDT group's combined wireless subscriber base reached 70.2 million as at the end of June 2020, lower by 4% from year-end 2019 reflecting the impact of the alignment of subscriber lifecycle policy implemented in the second quarter of 2020 and certain mobile broadband subscribers having shifted to home broadband services.

During the period, PayMaya and its network of over 30,000 Smart Padala agents volume growth of cashless transactions across PLDT's Individual and Enterprise businesses more than doubled. PayMaya launched various financial applications to facilitate money transfers, bills payment, and online shopping for consumers, businesses, communities, government agencies and local governments.

The pandemic accelerated the awareness and adoption of digital payments and e-commerce, providing PayMaya an opportunity to expand its role as a key player in enabling end-to-end cashless solutions for the new normal.

Despite mobility limitations during the quarantine which constrained the installation of new connections, Home service revenues rose 7% to 19.6 billion pesos (US$387.7 million) reflecting robust demand for home broadband services and strong growth in prepaid fixed wireless broadband sales bolstered by work- and study-from-home arrangements. Data and broadband accounted for 79% (1H19: 76%) of Home service revenues.

Compared to the end of 2019, PLDT's total fixed line and broadband subscribers grew 6% and 21% to 2.9 million and 2.6 million, respectively. A total of approximately 326,000 new broadband subscribers were added from the end of 2019, consisting of 118,000 fixed broadband and 208,000 fixed wireless broadband customers.

The home broadband market in the Philippines remains largely underserved. Demand remains robust during the pandemic, heightened by work- and study-from home usage.

As the leading integrated telco provider in the Philippines with its extensive fixed and wireless networks, PLDT is able to offer the home market a portfolio of home broadband services that include fiber and fixed wireless broadband.

Enterprise service revenues rose 5% to 20.3 billion pesos (US$401.6 million) in the first half of 2020, despite SMEs being adversely impacted by the pandemic. The growth was driven by higher demand from wireless, and information and technology services as more companies adopted work-from-home arrangements and accelerated their digital transformation initiatives. Data and broadband accounted for 69% (1H19: 65%) of Enterprise service revenues.

Even as there are challenges in the SME market, there are emerging opportunities in the areas of e-learning, telemedicine, e-commerce, and telecommuting which the Enterprise teams are actively pursuing.

Outlook

The pandemic has underscored how being connected is crucial to everyone's lives. It accelerates the shift to internet usage and the development of digital solutions. PLDT's strong earnings performance enables the continuing investment in its integrated network with its focus on improving network quality, strengthening content and digital platforms. PLDT continues to champion customer experience, not least by offering new technologies such as 5G to benefit stakeholders in relation to work, education, family, health and business, and the wider society in the Philippines.

PLDT expect the revenue growth momentum will continue in the second half of 2020 and is cautiously optimistic as it continues to monitor the broader economic environment and the impact of the pandemic on its businesses.

MPIC

From the beginning of the COVID-19 community quarantine in March 2020, MPIC group companies have been working closely with the Philippine government and its agencies, hospitals, treatment and quarantine centers, schools and local communities, providing power supply, personal protective equipment, care and relief packages, toll road access and financial support.

MPIC's businesses recorded growth in the first two months of 2020. However, the quarantine measures imposed by the Philippine Government in response to the COVID-19 outbreak reduced toll road traffic, suspended rail operations, and reduced commercial and industrial demand for water and power. As a result, the financial and operational performance of MPIC group was adversely impacted.

MPIC's contribution to the Group declined 37% to US$44.4 million (1H19: US$70.0 million), reflecting lower core net income, partly offset by lower corporate overhead at MPIC head office and a stronger average peso exchange rate against the U.S. dollar.

Consolidated core net income down 38% to 5.3 billion pesos (US$105.6 million) from 8.7 billion pesos (US$166.8 million)	▪ reflecting the impact of limited movement and economic contraction in relation to the implementation of quarantine measures ▪ power, toll roads and water accounted for 66%, 11% and 23%, respectively, of the consolidated profit contribution of 7.9 billion pesos (US$157.2 million) to MPIC ▪ partly offset by lower MPIC head office expenses driven by reduced corporate overhead ▪ a 14% decrease in contribution from the power business to 5.2 billion pesos (US$103.3 million) due to lower commercial and industrial power demand ▪ a 62% decline in contribution from the toll roads business to 915 million pesos (US$18.1 million) reflecting substantial decline of traffic volumes caused by movement restrictions ▪ a 21% decline in contribution from the water business to 1.8 billion pesos (US$35.8 million) reflecting lower demand from commercial and industrial customers ▪ a net loss of 108 million pesos (US$2.1 million) from the light rail business versus a profit contribution of 169 million pesos (US$3.3 million) in the first half of 2019, reflecting a substantial decline in the average daily ridership due to the mandated suspension of operations from 17 March 2020 to 31 May 2020
Consolidated reported net income down 63% to 3.0 billion pesos (US$59.9 million) from 8.1 billion pesos (US$156.0 million)	▪ reflecting lower core net income ▪ non-core expenses of 2.3 billion pesos (US$45.7 million) primarily in relation to the full impairment provision of the carrying value of Manila Electric Company's ("Meralco") investment in PacificLight Power Pte. Ltd. ("PLP")
Revenues down 17% to 30.7 billion pesos (US$607.5 million) from 37.0 billion pesos (US$711.4 million) (restated)	▪ reflecting lower revenues recorded across all businesses

Debt Profile

As at 30 June 2020, MPIC's consolidated debt rose 3% to 256.7 billion pesos (US$5.2 billion) from 249.9 billion pesos (US$4.9 billion) as at 31 December 2019 reflecting drawdowns to finance maturing debts and support current projects. Of the total, 92% was denominated in pesos. Fixed-rate borrowings accounted for 92% of the total, the average interest cost was approximately 6.14% while debt maturity ranged from the second half of 2020 to 2037.

Capital Management

Interim Dividend

MPIC's Board of Directors declared an interim dividend of 0.0345 peso (U.S. 0.07 cent) per share payable on 3 September 2020 to shareholders on record as at 20 August 2020, unchanged from the interim dividend paid in 2019. It represented a dividend payout ratio of 20% (1H19: 13%) of core net income per share.

Share Buyback Program

On 26 February 2020, MPIC's Board of Directors approved a share buyback program of up to 5.0 billion pesos (US$98.9 million) for a three-month period. As at 26 May 2020, MPIC had bought back a total of 213.5 million shares from the open market at a cost of 704 million pesos (US$13.9 million).

Additional Investments/Divestments

On 19 February 2020, MPIC entered into a 1.6 billion pesos (US$32.1 million) investment agreement with Dusit International of Thailand to jointly develop and manage hospitality and residential properties in the Philippines. The investment agreement is subject to certain specific performance conditions precedent, including the approval of the Philippine Competition Commission. Given current industry uncertainties, both parties are evaluating COVID-19's long-term implications for the contemplated projects and on the leisure and hospitality sectors overall.

On 6 April 2020, MetroPac Water Investments Corporation ("MPW") increased its interest in BOO Phu Ninh Water Treatment Plant Joint Stock Company ("PNW") to 56.1% from 52.5% through the subscription of an additional 3.5 million new shares for a total consideration of VND35 billion (US$1.5 million). MPW paid VND5 billion (US$0.2 million) as initial payment for the subscription of shares and the remaining VND30 billion (US$1.3 million) was paid on 16 July 2020.

On 8 May 2020, Metro Pacific Tollways Corporation's ("MPTC") wholly-owned subsidiary, CIIF Infrastructure Holdings Sdn. Bhd. ("CIIF") completed the divestment of its 10.32% interest in PT Margautama Nusantara ("MUN") to West Nippon Expressway, Japan Expressway International Co., Ltd., and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development for a consideration of US$35.2 million. These strategic partners' expertise in toll roads is expected to contribute to the improvement of MUN's operational efficiencies.

On 28 May 2020, MPIC completed the divestment of approximately 34.9% interest in Metro Pacific Light Rail Corporation ("MPLRC") to Sumitomo Corporation for a consideration of approximately 3.0 billion pesos (US$60.2 million). Post the transaction, MPIC's interest in MPLRC decreased to approximately 65.1% and its effective economic interest in Light Rail Manila Corporation ("LRMC") decreased to approximately 35.8% from 55%. MPLRC owns LRMC which is the operator of Light Rail Transit 1 ("LRT1").

Power

During the period, Meralco further strengthened its provision of stable electricity supply in its franchise area, supporting the community and the government fighting against the pandemic, while prioritizing serving its customers and keeping its workforce safe and healthy. To ease the financial pressure caused by the pandemic, Meralco offered a wide range of relief measures to customers, including the suspension of all disconnection activities for non-payment of bills and offering interest-free installment payments.

The volume of electricity sold declined 7% to 21,139 gigawatt hours, reflecting a 17% decline in electricity sales volume in each of the industrial and commercial sectors while residential sales volume rose 14% with more people working from or staying at home. Residential, commercial and industrial sales volumes accounted for 39%, 35% and 26% of the total sales volume, respectively.

Revenues declined 14% to 142.3 billion pesos (US$2.8 billion) reflecting lower energy sales volume and pass-through fuel charges. The number of billed customers rose 3% to 6.9 million as at 30 June 2020.

Capital expenditure declined 36% to 6.9 billion pesos (US$135.7 million) primarily reflecting delays and limited resumption of projects and operations across all sectors caused by the community quarantine. For 2020, Meralco has budgeted 9.3 billion pesos (US$184.8 million) for networks projects, of which 51% is to be utilized mainly for adding new connections, asset renewals and capacity expansion.

At Global Business Power Corporation ("GBPC"), revenues fell 14% to 10.8 billion pesos (US$213.0 million) reflecting lower pass-through fuel charges despite a higher volume of energy sold. Capital expenditure declined 86% to 76 million pesos (US$1.5 million) as the first half of 2019 involved an acquisition of land for the construction of an additional ash pond.

Meralco is poised for the transition to the new normal in the Philippines, with a strong balance sheet and caution in the face of pandemic-related uncertainties such as the retightening of mobility and uncertain pace of economic recovery.

As at 30 June 2020, GBPC and Meralco PowerGen Corporation ("Meralco PowerGen") had combined power generating capacity of 2,346 megawatts. Meralco PowerGen's San Buenaventura Power commenced commercial operation in September 2019 and became a key profit contributor.

GBPC and Meralco PowerGen are currently developing power projects in the Philippines with total planned capacity of approximately 2,620 megawatts through Atimonan One Energy, Inc., Redondo Peninsula Energy, Inc., and St. Raphael Power Generation Corporation.

Energy from Waste

The construction of the biogas facilities for Dole Philippines, Inc. was temporarily suspended due to the quarantine. Related activities resumed after securing authority from the local government. However, due to travel restrictions brought about by the pandemic, foreign technical consultants are unable to travel to the Philippines, with the result that the project will be delayed to 2021 from the second half of 2020. This project was granted a subsidy by Japan's Ministry of Environment under the Joint Credit Mechanism ("JCM") Program for 50% of the capital expenditure. The first tranche of the JCM subsidy was received in May 2020.

For the Quezon City waste-to-energy project, MetroPac Clean Energy is waiting for the Notice of Award from the local government for the construction of the waste treatment facility. The facility is expected to generate approximately 36 megawatts (net) of energy from 3,000 metric tons of waste per day.

Toll Roads

MPTC operates the North Luzon Expressway ("NLEX"), the Manila-Cavitex Toll Expressway ("CAVITEX"), the Subic Clark Tarlac Expressway ("SCTEX") and the Cavite-Laguna Expressway ("CALAX") in the Philippines, and is a shareholder in PT Nusantara Infrastructure Tbk in Indonesia, CII Bridges and Roads Investment Joint Stock Company in Vietnam and Don Muang Tollway Public Company Limited ("DMT") in Thailand.

In the first half of 2020, revenues declined 31% to 6.1 billion pesos (US$121.6 million) reflecting lower traffic volume on all toll roads due to the implementation of various quarantine measures.

Average daily vehicle entries on MPTC's Philippine toll roads declined 34% to 341,241. Domestic traffic is continuing to recover with average traffic of 364,287 and 413,152 recorded for June and July 2020, respectively.

For regional toll roads, average daily vehicle entries declined 29% to 282,145 due to the ongoing construction work and road integration within concession areas, as well as reduced mobility in response to the pandemic.

Capital expenditure rose 26% to 13.7 billion pesos (US$271.3 million) mainly reflecting the construction of road projects and expansion of existing roads. Despite challenges caused by the pandemic, in the first half of 2020 MPTC completed the construction of the first sub-section of CALAX, additional sections along NLEX Harbour Link and NLEX Tambobong Interchange, and the groundbreaking of additional segments of CAVITEX.

MPTC plans to spend approximately 101.5 billion pesos (US$2.0 billion) on projects for Cebu Cordova Link Expressway, CALAX, NLEX Citi Link, NLEX-SLEX Connector Road and others, with a total length of 84.2 kilometers and expected completion between 2020 and 2024.

The result of a Swiss Challenge for the 50.4-kiliometer Cavite-Tagaytay-Batangas Expressway project is delayed to later this year due to the pandemic, with construction cost estimated at approximately 25.0 billion pesos (US$501.7 million).

MPTC is in the process of enhancing and expanding its electronic toll collection system to improve operational efficiency with the resulting physical distancing an effective way of protecting both its employees and drivers.

Water

Maynilad Water Services, Inc. ("Maynilad") is the biggest water utility in the Philippines, operating a concession that runs until 2037 for water distribution and sewerage and sanitation services for the West Zone of Metro Manila.

In the first half of 2020, Maynilad's average non-revenue water measured at the District Metered Area improved further to 25.1% from 26.4% at year-end 2019. Revenues decreased 6% to 11.4 billion pesos (US$225.8 million), reflecting a decline in commercial and industrial demand and higher residential consumption resulting in a lower average tariff.

Maynilad's capital expenditure decreased 2% to 5.3 billion pesos (US$104.4 million) in the period, the bulk of which was used for upgrading and expanding the capacity of its facilities.

Despite Maynilad's satisfactory performance in the provision of its services, the matter of Maynilad's two related arbitration awards in its favor has been set aside as the Philippine government conducts a review of its Concession Agreement ("CA") with the Metropolitan Waterworks and Sewerage System ("MWSS").

On 11 December 2019, Maynilad received a letter from MWSS informing it of the revocation of the extension of the CA term to 2037 from its original expiry in 2022. The MWSS Regulatory Office subsequently confirmed that the Memorandum of Agreement that provides for the 15-year extension of the CA term from year 2022 to 2037 has not yet been cancelled. Nonetheless, the Philippine government ordered a review and amendment of Maynilad's CA. As of 26 August 2020, the review of the CA is still ongoing.

Maynilad decided not to implement the rate adjustment of Pesos 1.95/cubic meter originally effective on 1 January 2020. Maynilad also executed the Release From and Waiver of Claim on Arbitral Award ("Waiver") in favor of the Philippine government. In this Waiver, Maynilad waived its claim against the Philippine government for its accumulated revenues losses for the period from 11 March 2015 to 31 December 2017 amounting to approximately 6.7 billion pesos (US$134.5 million).

MPW is MPIC's investment vehicle for expanding water investments outside the Maynilad concession area. MPW has investments in Metro Pacific Iloilo Water Inc. ("MPIWI") and Metro Pacific Dumaguete Water Services Inc. in the Philippines, and in PNW in Vietnam. MPW's current billed volume is 360 million liters per day ("MLD"), with planned capacity expansion of up to 602 MLD in the Philippines and 660 MLD in Vietnam.

The construction and rehabilitation activities for water projects in the Philippines are expected to continue as long as they are not restricted by quarantine measures, while project activities in Vietnam have resumed.

Rail

LRMC's farebox revenues declined 48% to 817 million pesos (US$16.2 million) reflecting a 27% decline in average daily ridership during operating periods due to mandated suspension of operations from 17 March 2020 to 31 May 2020. In compliance with regulator's guideline, the operations of LRT1 resumed on 1 June 2020 but is limited to 13% of its capacity. However, LRT1 operation has been suspended again from early August 2020 when the Philippine government retightening quarantine measures.

During the period, LRMC's capital expenditure fell 32% to 2.7 billion pesos (US$53.4 million), spent mainly on the rehabilitation of the train system, structural repairments and improvements, and the construction of LRT1's Cavite Extension.

Logistics and Healthcare

MetroPac Movers, Inc. ("MMI") has started preparing for the construction of a dry goods and refrigerated warehouse facility on a 52,000-square meter site. The target for opening operations in the fourth quarter of 2021 could be delayed if the Philippine government further tightens restrictions in response to the pandemic.

The healthcare sector is facing enormous challenges during the COVID-19 crisis. Three of Metro Pacific Hospital Holdings, Inc.'s ("MPHHI") 17 hospitals are designated for COVID-19 patients and are adding more beds. Outpatient visits fell 30% to 1,329,451 while inpatient admissions were down 35% to 61,293. Despite the challenges, MPHHI will continue services and support for its patients.

Outlook
COVID-19's adverse impacts on economic activities is expected to continue in the second half of 2020. However, MPIC has sufficient cash at the parent company level to sustain operations in an environment of slow economic recovery. MPIC group companies are accelerating the implementation of cashless transactions for toll collection, and digital metering at Meralco and Maynilad. It will continue the development and construction of various infrastructure projects as long as circumstances are not restricted by the pandemic.

PHILEX
The COVID-19 related community quarantine in the Philippines started in March 2020. As an export-oriented enterprise, Padcal mine was permitted to continue operating during the quarantine period. For the protection of its employees and their families, it has been implementing strict measures at its head office and at the Padcal mine site in compliance with the government's quarantine guidelines. Among them are limited curfew hours, wearing face masks, and social distancing at workplaces and residential quarters.

The community quarantine slightly disrupted the flow of critical materials and supplies and was resolved through the availability of new strategic suppliers, and the flow returned to normal from early April 2020. Since then Philex has adjusted its supply chain model to secure the flow of materials and supplies for the operation of the Padcal mine and its milling facilities.

Philex's contribution to the Group turned to a profit of US$2.2 million (1H19: a loss of US$1.2 million), reflecting higher volumes of metal sold resulting from higher production contributed by higher tonnage and ore grades, and higher average realized gold prices, partly offset by lower average realized copper prices.

In the first half of 2020, the average realized price of gold rose 27% to US$1,677 per ounce while the price of copper declined 11% to US$2.46 per pound.

Total ore milled rose 4% to 4.0 million tonnes. The average gold grade rose 12% to 0.283 grams per tonne (1H19: 0.253 grams per tonne) and the average copper grade improved 8% to 0.189% (1H19: 0.175%). As a result, gold production increased 20% to 28,332 ounces and copper production rose 13% to 13.5 million pounds, resulting in higher volumes of metal sold.

Core net income of 402 million pesos (US$8.0 million) versus core net loss of 19 million pesos (US$0.4 million)	▪ reflecting higher revenue contributed by higher production output and average realized gold prices ▪ partly offset by lower average realized copper prices
Net income up 9% to 425 million pesos (US$8.4 million) from 391 million pesos (US$7.5 million)	▪ reflecting a turn-around of core net income ▪ absence of non-recurring items as recorded in the first half of 2019, being an impairment provision for Padcal mine assets and gain on reversal of receivables from PXP previously written off
Revenue (net of smelting charges) up 19% to 3.7 billion pesos (US$72.8 million) from 3.1 billion pesos (US$59.4 million)	▪ reflecting higher metal output resulting from higher tonnage and ore grades ▪ higher realized gold prices ▪ partly offset by lower realized copper prices ▪ revenues from gold, copper and silver contributed 60%, 39% and 1% of the total, respectively
EBITDA up 71% to 1.1 billion pesos (US$22.3 million) from 660 million pesos (US$12.7 million)	▪ reflecting higher revenue ▪ partly offset by higher excise tax and royalties due to higher revenue
Operating cost per tonne of ore milled down 4% to 824 pesos (US$16.3) from 861 pesos (US$16.6)	▪ reflecting improvement in operational efficiencies ▪ lower costs for materials and supplies, power and labor ▪ partly offset by higher depreciation, and excise tax and royalties
Capital expenditure (including exploration costs) down 44% to 515 million pesos (US$10.2 million) from 923 million pesos (US$17.8 million)	▪ reflecting lower cost as a result of a slowing down in mine development and delay in the implementation of special projects at Padcal mine due to limited logistics in relation to COVID-19, which affected the availability of machinery and equipment ▪ partly offset by higher capital expenditures for the Silangan Project, mainly for pre-development costs and land banking

The mine life of Philex's major operating mining asset, Padcal mine, is projected to end in 2022. However, Philex is exploring opportunities to sustain and maximize the potential of the Padcal mine operations, and is pursuing a search for additional mine assets to develop within or in the vicinity of the Padcal mine area.

Debt Profile
As at 30 June 2020, Philex had 10.2 billion pesos (US$205.4 million) of borrowings, comprising bonds and short-term bank loans. Short-term bank debt declined 9% to 2.3 billion pesos (US$46.0 million) from year-end 2019. The average interest cost was approximately 4.4%.

Silangan Project
The Silangan Project is a large-scale gold and copper mining project located in Surigao del Norte, at the northeastern tip of Mindanao in the Philippines.

The project contains a total of 571 million tonnes of mineral resources comprising the Boyongan, Bayugo-Silangan and Bayugo-Kalayaan ore deposits. The definitive feasibility study for Boyongan, the first phase of the Silangan Project, was completed in July 2019. This phase anticipates mineable reserves of 81 million tonnes with expected high ore grades of 0.63% copper and 1.20 grams of gold per tonne from mineral resources of 279 million tonnes.

Commercial operations from underground sub-level cave mining at Boyongan is expected to begin after two and a half years of development, with an estimated mine life of 22 years at an annual average production of 4 million tonnes of ore. The estimated capital expenditure of approximately US$750 million for the development of Boyongan is expected to be funded by project finance and the entry of a strategic partner.

Philex is still pursuing the completion of the feasibility studies for the Bayugo-Silangan and Bayugo-Kalayaan deposits, the second phase of the Silangan Project, as focus was directed to the search for strategic partner/s for the project.

The project is fully compliant with all existing regulations and is ready for development and related construction.

PXP
In the first half of 2020, only one lifting was completed in the Galoc oil field with a total volume of 234,148 barrels. Petroleum revenue declined 88% to 6 million pesos (US$0.1 million) reflecting a 66% output reduction following normal decline rate in field production and a 62% decline in average crude sale price. Costs and expenses fell 54% to 40 million pesos (US$0.8 million), reflecting lower depletion and oil production cost in Galoc and reduction in overhead.

PXP's core net loss rose 11% to 27 million pesos (US$0.5 million) from 24 million pesos (US$0.5 million), while reported net loss widened to 56 million pesos (US$1.1 million) from 18 million pesos (US$0.3 million) reflecting a substantial decline in oil revenues and an impairment loss in SC 14C-1 Galoc.

SC 40 North Cebu
In April 2018, SC 40 North Cebu completed a detailed land gravity survey in the towns of Medellin and Daanbantayan in northern Cebu with a total of 94 stations acquired. A follow up survey focusing on prospective areas in Daanbantayan town and Bogo City was conducted in February and March 2020, and the corrections to gravity reading, coordinates and elevations of gravity data have been completed. Further analysis will follow with data reduction, processing, and interpretation to be conducted with a geophysical contractor.

SC 72
SC 72 is located in the Recto Bank which lies within the Philippines' Exclusive Economic Zone. Its second Sub-Phase ("SP") of exploration activities is currently suspended due to a Force Majeure imposed from 15 December 2014.

Upon the lifting of the moratorium by the Philippine government, Forum Energy Limited ("Forum") will have 20 months to drill two wells as part of its work commitment under SP 2 of SC 72.

On 20 November 2018, the Philippines and China signed a Memorandum of Understanding on Oil and Gas Development for the two governments to create an Intergovernmental Steering Committee. The Committee will endeavour to agree on a program of cooperation that could lead to joint exploration projects in the West Philippine Sea, as well as the creation of one or more Inter-Entrepreneurial Working Groups.

In October 2019, the Steering Committee on Joint Exploration was created, with Philippine Foreign Affairs Undersecretary for Policy and Chinese Vice Foreign Minister as co-chairmen. However, the Steering Committee has yet to create the Working Groups. In case of the SC 72 area, the block's operator, Forum (GSEC 101) Limited will be the main representative to the SC 72 Working Group. During the Steering Committee meeting held in October 2019 in Beijing, China, both sides agreed to further push forward communication and coordination on oil and gas development. The Steering Committee also agreed to hold the second meeting in the Philippines in early 2020, however, it was being deferred due to the COVID-19 pandemic.

Forum commissioned an Australia-based geophysical contractor to reprocess the 3D dataset (565 square kilometers) over the Sampaguita Field, using broadband Pre-Stack Depth Migration ("PSDM"). The reprocessing commenced in October 2018 and was completed in June 2019. This was followed by an interpretation of the newly reprocessed seismic data and the formulation of an appraisal program for the Sampaguita Field, the results of which are expected to be available by the end of 2020.

SC 74
At SC 74 Linapacan Block, the gravity modelling and seismic interpretation of 2D data were completed in the second quarter of 2019.

All biostratigraphic and geochemical tests of the 12 samples collected during the Calamian Islands 2018 fieldwork were completed. Additional samples were sent to Core Laboratories in July 2020 for further analysis.

A joint Well Feasibility and Rock Physics project with the SC 14C2 consortium over the Linapacan and West Linapacan areas was completed in October 2019. In connection with the abovementioned activities, PXP proceeded with a Quantitative Interpretation ("QI") study over a 400 square kilometres 3D area that includes a number of old wells, which was accomplished in the first half of 2020. Currently, PXP is conducting an in-house seismic interpretation of the 3D seismic data to incorporate the results of the QI.

COVID-19 has caused delays in the implementation of some geological and geophysical activities at SC 74 Linapacan Block, the Philippine Department of Energy ("DOE") has granted the operator a nine-month period starting from 13 March 2020 for the imposition of a Force Majeure over SC 74 Linapacan Block.

SC 75

The area covered by SC 75 is located in Northwest Palawan. It has been under Force Majeure since 27 December 2015. Upon the lifting of the Force Majeure, PXP will have 18 months to obtain 1,000 square kilometres of 3D seismic data for SP 2 of its service contract.

PXP will continue to coordinate with the DOE on the lifting of the moratorium for both SC 72 and SC 75.

Peru Block Z-38

Peru Block Z-38 is a joint venture project between Pitkin Petroleum Limited ("Pitkin"), Karoon Gas Australia Ltd. ("Karoon") and Tullow Oil Plc. (UK) ("Tullow"). The economic interests of Pitkin, Tullow, and Karoon in Peru Block Z-38 are 25%, 35% and 40%, respectively. Pitkin is not required to share the costs of two wells under a farm-in agreement signed with Karoon in 2009. The block is under the Third Exploration Period ("EP"), which will expire on 31 December 2020. The drilling of Marina-1X in January and February 2020 fulfilled the remaining work obligation of drilling of an exploratory well under the Third EP. Karoon is currently conducting an analysis of data generated from the well.

Due to the temporary closure of Karoon's Peru office caused by the COVID-19 lockdown and quarantine requirements declared by the Peruvian Government, Karoon applied for Force Majeure on Block Z-38, which was granted by Peruvian authorities on 14 July 2020. The Force Majeure applies from 16 March 2020 until such time as relevant lockdown requirements are removed.

Outlook

With the new normal associated with COVID-19, Philex has been adjusting and further enhancing its operation in the process of addressing the new challenges. The recent favourable trend of gold and copper prices and improvement in production levels suggest Philex will have a better full year performance in 2020 compared with 2019.

FPM POWER/PLP

Singapore implemented circuit breaker measures for COVID-19 from 7 April 2020, with the result that most economic activities were restricted with the exception of essential services. Electricity demand declined more than 6% when compared to the pre-COVID level. During the circuit breaker period, most employees worked from home except for critical frontline officers. Online services were strengthened to support connections with customers and to meet the needs of online sign-ups, contract renewals, e-billings and general inquiries. The economy is gradually recovering after the government lifted the circuit breaker measures in phases starting from 2 June 2020.

First Pacific's share of PLP's loss narrowed to US$1.8 million (1H19: US$7.1 million) in the first half of 2020, reflecting a lower core net loss at PLP.

PLP is one of the most efficient power plants in Singapore. In the first half of 2020, the plant's system availability remained high at 94.0% (1H19: 95.8%) in spite of scheduled maintenance work which took place in February. The heat rate was slightly higher than the target level due to lower generation level. The plant remains highly reliable: Unit 10 has operated without a single incident of forced outage since May 2016, and Unit 20 since March 2017.

During the period, the volume of electricity sold declined 7% to 2,308 gigawatt hours (1H19: 2,489 gigawatt hours), of which 91% (1H19: 93%) was for contracted sales and vesting contracts, and the remaining 9% (1H19: 7%) was for pool market sales. PLP's generation market share for the period was approximately 8% (1H19: 9%) due to scheduled maintenance work in February 2020.

Core net loss down 47% to S$19.4 million (US$13.9 million) from S$36.6 million (US$27.0 million)	▪ reflecting higher non-fuel margin for retail sales ▪ lower marketing and interest expenses ▪ partly offset by a lower reversal of provision for onerous contracts, higher maintenance expenses, and lower non-fuel margin for pool market sales
Net loss up 5% to S$43.9 million (US$31.4 million) from S$41.7 million (US$30.7 million)	▪ reflecting a foreign exchange loss on U.S. dollar-denominated shareholders' loans versus a foreign exchange gain in the first half of 2019 ▪ provision for take-or-pay obligations ▪ partly offset by a lower core net loss
Revenues down 28% to S$355.5 million (US$253.9 million) from S$494.1 million (US$364.0 million)	▪ reflecting lower average selling price per unit of electricity as a result of a decline in oil prices ▪ lower sales volume associated with the circuit breaker measures
Operating expenses down 10% to S$11.1 million (US$7.9 million) from S$12.3 million (US$9.1 million)	▪ reflecting lower marketing expenses ▪ partly offset by higher staff costs

EBITDA up 200% to S$8.7 million (US$6.2 million) from S$2.9 million (US$2.1 million)	▪ reflecting improvement in non-fuel margin for retail sales

Debt Profile
As at 30 June 2020, FPM Power's net debt stood at US$438.3 million while gross debt stood at US$484.6 million. All of the borrowings were short-term floating-rate bank loans.

Outlook
With the gradual resumption of economic activities, electricity demand is expected to increase. However, competition remains strong. PLP will optimise its fuel and operating costs and leverage its high efficiency to defend its market position.

FP NATURAL RESOURCES/RHI

The COVID-19 related community quarantine in the Philippines started from March 2020. Under established Business Continuity Plans, the RHI Group (comprising the RHI head office and its four operating units; Central Azucarera Don Pedro, Inc., Central Azucarera de la Carlota, Inc., Roxol Bioenergy Corporation and San Carlos Bioenergy, Inc.) remained fully operational during the community quarantine period, although challenges persisted with limited transport reducing the mobility of people and supplies, combined with a general slowdown in demand from customers owing to quarantine measures.

All employees of the RHI head office (which primarily performs management support functions) have been under work from home arrangements. Production plants involving critical food manufacturing and fuel supplies have been exempted from the community quarantine and thus remained operational. To maintain its operations, the plants are employing a skeletal workforce and workers are practicing social distancing as mandated by law. In addition, to further limit the number of people physically present at the plants, work from home arrangements and shortened working hours have been implemented for certain support roles, as ordered by the local government.

Recognizing the need to support government efforts to curtail the spread of virus, RHI Group extended assistance to the government and other organizations by donating ethyl alcohol.

The sugar milling season ended in April 2020. The imposed quarantine measures generally reduced fuel demand. As a result, oil companies lifted minimal quantities of ethanol and this prompted earlier production shut down of the ethanol processing plants in June 2020.

In the first half of 2020, FP Natural Resources' loss narrowed to US$3.7 million (1H19: US$4.0 million), reflecting a lower core loss at RHI.

RHI's sugar production accounts for approximately 10% of the Philippines' domestic sugar production. Its two sugar mills in Batangas and Negros Occidental have combined milling capacity of 28,000 tonnes of sugar cane per day, and the refinery facility in Batangas has capacity of 18,000 LKg per day (one LKg is equal to one 50-kilogram bag of sugar). RHI also has two ethanol plants in Negros Occidental with daily production capacity of approximately 250,000 liters in total.

In the first half of 2020, RHI's sugar business milled 1.7 million tonnes of cane, increasing 8% from the first half of 2019 due to a partnership with a major farm and an aggressive campaign to capture cane supplies from small and medium sized planters in the district and those nearby. It sold 1.4 million LKg (1H19: 1.0 million LKg) of raw sugar; 0.4 million LKg (1H19: 0.8 million LKg) of refined sugar; and 1 thousand LKg (1H19: 212 thousand LKg) of premium raw sugar. Ethanol sales volume declined 47% to 21.6 million liters (1H19: 40.6 million liters).

Core net loss down 11% to 405 million pesos (US$8.0 million) from 453 million pesos (US$8.7 million)	▪ reflecting higher sugar margins ▪ higher tonnage ▪ a gain on sugar trading versus a loss in the first half of 2019 ▪ lower operating expenses ▪ lower finance costs ▪ partly offset by lower alcohol margins and sales volume
Reported net loss down 4% to 433 million pesos (US$8.6 million) from 453 million pesos (US$8.7 million)	▪ reflecting lower core net loss ▪ a write-off of deferred tax assets
Revenues down 24% to 6.0 billion pesos (US$117.9 million) from 7.9 billion pesos (US$151.7 million)	▪ reflecting lower sales volumes of alcohol and premium raw sugar ▪ lower trading volume of sugar products ▪ partly offset by higher average selling prices of alcohol and sales volume of raw sugar
Operating expenses down 10% to 438 million pesos (US$ 8.7 million) from 487 million pesos (US$9.4 million)	▪ reflecting lower personnel costs, outside services costs and business taxes

EBITDA up 39% to 262 million pesos (US$5.2 million) from 188 million pesos (US$3.6 million)	▪ reflecting higher gross profit
EBITDA margin to 4.4% from 2.4%	▪ reflecting improved EBITDA ▪ lower revenue

On 5 June 2020, RHI entered a sales agreement with Universal Robina Corporation for the disposal of RHI's sugar mill, ethanol plant and other investment properties in La Carlota, Negros Occidental. The completion of the sales is subject to the fulfilment of the agreed conditions, as well as the approval by the Philippine Competition Commission and creditor banks.

Debt Profile

As at 30 June 2020, long-term debt of RHI stood at 2.1 billion pesos (US$41.6 million) with maturities up until August 2024 at an annual interest rate of approximately 6.2%. Short-term debt stood at 7.3 billion pesos (US$146.5 million) with an average interest rate of approximately 7.0%.

RHI plans to use the proceeds from the sales of its assets in La Carlota, Negros Occidental mentioned above to prepay all of its long-term debt and reduce the short-term debt.

Outlook

The proposed sales of assets in La Carlota, Negros Occidental would strengthen RHI's balance sheet and allow RHI to focus on rebuilding its sugar milling and refining operations in Batangas.

FINANCIAL REVIEW
LIQUIDITY AND FINANCIAL RESOURCES
NET DEBT AND GEARING

(A) Head Office net debt

The decrease in net debt mainly reflects dividend income received, partly offset by the interest expense and overhead. The Head Office's borrowings at 30 June 2020 comprise bonds of US$782.5 million (with an aggregated face value of US$784.6 million) which are due for redemption between September 2020 and May 2025, and bank loans of US$873.9 million (with a principal amount of US$880.0 million) which are due for repayment between March 2021 and June 2029.

Changes in Head Office net debt

US$ millions	Borrowings	Cash and cash equivalents[(i)]	Net debt
At 1 January 2020	1,655.6	(325.0)	1,330.6
Movement	0.8	(22.8)	(22.0)
At 30 June 2020	**1,656.4**	**(347.8)**	**1,308.6**

(i) Includes restricted cash as at 30 June 2020 of US$0.7 million and 1 January 2020 of US$0.04 million

Head Office free cash flow[(ii)]

For the six months ended 30 June US$ millions	**2020**	2019
Dividend and fee income[(iii)]	**139.5**	118.1
Less: Indofood dividend received on 14 August 2020/8 July 2019[(iii)]	**(78.4)**	(49.7)
Cash dividend and fee income	**61.1**	68.4
Head Office overhead expense	**(6.2)**	(9.2)
Net cash interest expense	**(28.6)**	(37.5)
Tax paid	**(0.2)**	(0.3)
Net cash inflow from operating activities	**26.1**	21.4
Net investments[(iv)]	**(1.0)**	(42.5)
Financing activities		
- (Repurchase of bonds)/net borrowings	**(1.1)**	13.5
- Others[(v)]	**(1.9)**	(1.4)
Net increase/(decrease) in cash and cash equivalents	**22.1**	(9.0)
Cash and cash equivalents at 1 January	**325.0**	89.5
Cash and cash equivalents at 30 June	**347.1**	80.5

(ii) Excludes restricted cash as at 30 June 2020 of US$0.7 million, 1 January 2020 of US$0.04 million, 30 June 2019 of US$0.03 million and 1 January 2019 of US$0.1 million

(iii) 1H20's dividend and fee income includes Indofood's 2019 final dividend of US$78.4 million which was received on 14 August 2020 (1H19: 2018 final dividend of US$49.7 million received on 8 July 2019).

(iv) Principally represent the investments in PLP and Goodman Fielder in 2019

(v) Mainly payments for lease liabilities and to the trustee for share purchase scheme

(B) Group net debt and gearing

An analysis of net debt and gearing for principal consolidated and associated companies follows.

Consolidated

	At 30 June 2020			At 31 December 2019		
US$ millions	**Net debt[(i)]**	**Total equity**	**Gearing[(ii)] (times)**	Net debt[(i)]	Total equity	Gearing[(ii)] (times)
Head Office	**1,308.6**	**1,641.1**	**0.80x**	1,330.6	1,740.0	0.76x
Indofood	**732.7**	**4,009.1**	**0.18x**	664.2	3,886.0	0.17x
MPIC	**3,756.4**	**5,009.9**	**0.75x**	3,361.0	4,842.5	0.69x
FPM Power	**438.3**	**(62.5)**	**-**	448.5	-	-
FP Natural Resources	**180.0**	**96.6**	**1.86x**	174.1	167.0	1.04x
Group adjustments[(iii)]	**-**	**(1,767.0)**	**-**	-	(1,877.5)	-
Total	6,416.0	8,927.2	0.72x	5,978.4	8,758.0	0.68x
Associated companies						
PLDT	**3,803.5**	**2,392.8**	**1.59x**	3,321.2	2,296.6	1.45x
Philex	**187.1**	**467.8**	**0.40x**	187.2	453.6	0.41x

(i) Includes short-term deposits and restricted cash
(ii) Calculated as net debt divided by total equity
(iii) Group adjustments mainly represents elimination of goodwill arising from acquisitions prior to 1 January 2001 against the Group's retained earnings and other standard consolidation adjustments to present the Group as a single economic entity.

Head Office's gearing increased because of a decrease in its equity reflecting its loss recorded during the period and the Company's 2019 final distribution declared and approved.

Indofood's gearing increased because of an increase in its net debt as a result of its payments for investment funds and capital expenditure, despite its operating cash inflow and a depreciation of the rupiah against U.S. dollar during the period, partly offset by an increase in its equity reflecting its profit recorded, despite a depreciation of the rupiah against U.S. dollar during the period.

MPIC's gearing increased because of an increase in its net debt as a result of its payments for capital expenditure by Maynilad and MPTC, instalment payments for its acquisition of 50% interest in Beacon Electric Asset Holdings, Inc. from PLDT Communications and Energy Ventures, Inc. and an appreciation of the peso against U.S. dollar during the period, despite its operating cash inflow, dividend received from Meralco and proceeds from divestments of 19.2% interest in LRMC and 10.3% interest in MUN, and second instalment received from the divestment of 40.1% interest in MPHHI, partly offset by an increase in its equity as a result of its profit recorded and an appreciation of the peso against U.S. dollar during the period.

FPM Power's net debt decreased because of a depreciation of the S$ against U.S. dollar during the period. The deficit mainly reflecting PLP's loss recorded during the period.

FP Natural Resources' gearing increased because of a decrease in its equity reflecting the Group's impairment provisions for investment in RHI, despite an appreciation of the peso against U.S. dollar during the period, coupled with an increase in its net debt as a result of an appreciation of the peso against U.S. dollar during the period, and RHI's capital expenditure and operating cash outflow.

The Group's gearing increased to 0.72 times because of a higher net debt level mainly as a result of MPIC's and Indofood's payments for investment and capital expenditure, despite an increase in the Group's equity reflecting the Group's profit for the period.

PLDT's gearing increased because of an increase in its net debt mainly reflecting its payments for capital expenditure. Philex's gearing decreased mainly because of an increase in its equity reflecting its profit recorded.

MATURITY PROFILE

The maturity profile of debt of consolidated and associated companies follows.

Consolidated

	Carrying amounts		**Nominal values**	
US$ millions	**At 30 June 2020**	At 31 December 2019	**At 30 June 2020**	At 31 December 2019
Within one year	**2,878.7**	2,262.8	**2,884.2**	2,268.2
One to two years	**883.6**	710.0	**890.0**	713.3
Two to five years	**2,318.0**	2,597.6	**2,332.9**	2,617.3
Over five years	**3,239.7**	3,360.4	**3,252.3**	3,369.2
Total	**9,320.0**	8,930.8	**9,359.4**	8,968.0

The change in the Group's debt maturity profile from 31 December 2019 to 30 June 2020 mainly reflects a shift in long-term borrowings among the different maturity periods for Head Office, Indofood and MPIC, and the Group's net new borrowings. Since 31 December 2019, PLP's term loans of S$610.5 million (US$437.9 million) were classified as current liabilities due to the breach of debt covenants. PLP obtained a standstill agreement with the lenders in 2019 to suspend the debt covenants testing and principal repayments due in December 2019 and June 2020, which valid until 31 August 2020.

Associated companies

US$ millions	PLDT Carrying amounts At 30 June 2020	PLDT Carrying amounts At 31 December 2019	PLDT Nominal values At 30 June 2020	PLDT Nominal values At 31 December 2019	Philex Carrying amounts At 30 June 2020	Philex Carrying amounts At 31 December 2019	Philex Nominal values At 30 June 2020	Philex Nominal values At 31 December 2019
Within one year	**713.9**	389.5	**716.6**	391.7	**46.0**	50.0	**46.0**	50.0
One to two years	**130.5**	444.9	**132.7**	446.4	**-**	-	**-**	-
Two to five years	**1,247.3**	1,103.2	**1,253.3**	1,106.8	**159.4**	152.9	**170.2**	165.0
Over five years	**2,630.4**	1,864.8	**2,641.3**	1,867.2	**-**	-	**-**	-
Total	**4,722.1**	3,802.4	**4,743.9**	3,812.1	**205.4**	202.9	**216.2**	215.0

The change in PLDT's debt maturity profile from 31 December 2019 to 30 June 2020 mainly reflects new notes of US$600 million issued and borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs, and loan repayments. The increase in Philex's debt mainly reflects an appreciation of the peso against U.S. dollar on the peso denominated Silangan Mindanao Exploration Co., Ltd.'s convertible notes ("SMECI's notes") during the period.

CHARGES ON GROUP ASSETS

At 30 June 2020, certain bank and other borrowings were secured by the Group's property, plant and equipment, accounts receivable, cash and cash equivalents, inventories and assets classified as held for sale amounting to net book values of US$1,993.8 million (31 December 2019: US$2,040.5 million) and the interests of the Group's 12% (31 December 2019: 12%) in PLDT, 56% (31 December 2019: 56%) in GBPC, 35.8% (31 December 2019: 55%) in LRMC, 100% (31 December 2019: 100%) in AIF Toll Road Holdings (Thailand) Limited, 29.5% (31 December 2019: 29.5%) in DMT, 100% (31 December 2019: 100%) in MPCALA Holdings, Inc., 100% (31 December 2019: 100%) in Cebu Cordova Link Expressway Corporation, 35% (31 December 2019: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (31 December 2019: 88.9%) in PT Bintaro Serpong Damai, 99.5% (31 December 2019: 99.5%) in PT Bosowa Marga Nusantara, 99.4% (31 December 2019: 99.4%) in PT Jalan Tol Seksi Empat and 70% (31 December 2019: 70%) in PLP.

FINANCIAL RISK MANAGEMENT

FOREIGN CURRENCY RISK

(A) Company risk

As the Head Office debts are currently denominated in U.S. dollars, foreign currency risk relates mainly to the receipt of cash dividends and to the translation of non-U.S. dollar denominated investments in subsidiary and associated companies.

The Company actively reviews the potential benefits of hedging based on forecast dividend flows and enters into hedging arrangements (including the use of forward exchange contracts) for managing its foreign currency exposure in respect of dividend income and payments in foreign currency on a transactional basis. However, the Company does not actively seek to hedge risks arising on the translation of foreign currency denominated investments due to (i) the non-cash nature of such exposure until the values of the investments are realized and (ii) the high costs associated with such hedging. Accordingly, the Company is exposed to the impact of foreign currency fluctuations on the translated U.S. dollar value of its foreign currency denominated investments.

With the exception of the Head Office, the principal components of the Group's net asset value ("NAV") mainly relate to investments denominated in the rupiah and the peso. Accordingly, any change in these currencies, against their respective 30 June 2020 exchange rates, would have an effect on the Group's NAV in U.S. dollar terms.

The following table illustrates the estimated effect on the Group's adjusted NAV for a one per cent change of the rupiah and peso exchange rates against the U.S. dollar.

Company	Basis	**Effect on adjusted NAV** US$ millions	**Effect on adjusted NAV per share** HK cents
Indofood	(i)	20.1	3.60
PLDT	(i)	13.9	2.49
MPIC	(i)	9.8	1.76
Philex	(i)	1.2	0.22
PXP	(i)	0.7	0.13
FP Natural Resources	(ii)	0.2	0.04
Head Office - Other assets	(iii)	1.0	0.18
Total		**46.9**	**8.42**

(i) Based on quoted share prices at 30 June 2020 applied to the Group's economic interests

(ii) Based on quoted share price of RHI at 30 June 2020 applied to the Group's effective economic interest

(iii) Represents the carrying amount of SMECI's notes

(B) Group risk

The results of the Group's operating entities are denominated in local currencies, principally the rupiah, the peso and S$, which are translated and consolidated to give the Group's results in U.S. dollars.

NET DEBT BY CURRENCY

It is often necessary for operating entities to borrow in U.S. dollars, which results in the risk of a translation impact on local currency results. A summary of consolidated and associated companies' net debt by currency follows.

Consolidated

US$ millions	US$	Rupiah	Peso	S$	Others	Total
Total borrowings	2,212.7	1,505.4	4,936.7	511.8	153.4	**9,320.0**
Cash and cash equivalents[(i)]	(720.1)	(779.8)	(1,323.9)	(25.5)	(54.7)	**(2,904.0)**
Net debt	1,492.6	725.6	3,612.8	486.3	98.7	**6,416.0**
Representing:						
Head Office	1,365.5	-	(15.7)	-	(41.2)	**1,308.6**
Indofood	38.8	655.7	-	20.6	17.6	**732.7**
MPIC	116.7	69.9	3,447.5	-	122.3	**3,756.4**
FPM Power	(27.4)	-	-	465.7	-	**438.3**
FP Natural Resources	(1.0)	-	181.0	-	-	**180.0**
Net debt	1,492.6	725.6	3,612.8	486.3	98.7	**6,416.0**

Associated companies

US$ millions	US$	Peso	Others	Total
Net debt				
PLDT	263.6	3,545.2	(5.3)	**3,803.5**
Philex	31.0	156.1	-	**187.1**

(i) Includes short-term deposits and restricted cash

As a result of unhedged U.S. dollar net debt, the Group's results are sensitive to fluctuations in U.S. dollar exchange rates. The following table illustrates the estimated effect on the Group's reported profitability for a one per cent change in the principal operating currencies of subsidiary and associated companies. This does not reflect the indirect effect of fluctuating exchange rates on revenues and input costs at the operating company level.

US$ millions	Total US$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	**Group net profit effect**
Head Office[(i)]	1,365.5	-	1,365.5	-	**-**
Indofood	38.8	-	38.8	0.4	**0.2**
MPIC	116.7	-	116.7	1.2	**0.3**
FPM Power	(27.4)	-	(27.4)	(0.3)	**(0.1)**
FP Natural Resources	(1.0)	-	(1.0)	(0.0)	**(0.0)**
PLDT	263.6	(21.7)	241.9	2.4	**0.4**
Philex	31.0	-	31.0	0.3	**0.1**
Total	**1,787.2**	**(21.7)**	**1,765.5**	**4.0**	**0.9**

(i) As the Group reports its results in U.S. dollars, unhedged U.S. dollar net debt at Head Office does not give rise to any significant exchange exposure.

EQUITY MARKET RISK

As the majority of the Company's investments are listed, the Company is exposed to fluctuations in the equity market values of such investments. In addition, the value of the Company's investments may be impacted by sentiment towards specific countries, especially under the continuing impact of the COVID-19 pandemic on financial markets.

INTEREST RATE RISK

The Company and its operating entities are exposed to changes in interest rates to the extent that they impact the cost of variable interest rate borrowings. An analysis of this for consolidated and associated companies follows.

Consolidated

US$ millions	Fixed interest rate borrowings[(i)]	Variable interest rate borrowings[(i)]	Cash and cash equivalents[(ii)]	**Net debt**
Head Office	1,010.2	646.2	(347.8)	**1,308.6**
Indofood	139.5	1,699.8	(1,106.6)	**732.7**
MPIC	4,723.2	428.4	(1,395.2)	**3,756.4**
FPM Power	-	484.6	(46.3)	**438.3**
FP Natural Resources	176.1	12.0	(8.1)	**180.0**
Total	6,049.0	3,271.0	(2,904.0)	**6,416.0**
Associated companies				
PLDT	4,204.5	517.6	(918.6)	**3,803.5**
Philex	159.4	46.0	(18.3)	**187.1**

(i) Reflects certain interest rate swap agreements which effectively changed variable interest rate borrowings to fixed interest rate borrowings at Head Office and PLDT

(ii) Includes short-term deposits and restricted cash

The following table illustrates the estimated effect on the Group's reported profitability for a one per cent change in average annual interest rates in respect of the variable interest rate borrowings.

US$ millions	Variable interest rate borrowings	Profit effect of 1% change in interest rates	**Group net profit effect**
Head Office	646.2	6.5	**6.5**
Indofood	1,699.8	17.0	**6.6**
MPIC	428.4	4.3	**1.3**
FPM Power	484.6	4.8	**1.7**
FP Natural Resources	12.0	0.1	**0.0**
PLDT	517.6	5.2	**0.9**
Philex	46.0	0.5	**0.2**
Total	**3,834.6**	**38.4**	**17.2**

ADJUSTED NAV PER SHARE

There follows a calculation of the Group's underlying worth.

US$ millions	Basis	**At 30 June 2020**	At 31 December 2019
Indofood	(i)	**2,005.6**	2,506.2
PLDT	(i)	**1,385.8**	1,077.8
MPIC	(i)	**981.8**	908.7
Philex	(i)	**121.3**	127.5
PXP	(i)	**74.0**	94.8
FP Natural Resources	(ii)	**21.9**	25.5
Head Office – Other assets	(iii)	**101.1**	99.5
– Net debt		**(1,308.6)**	(1,330.6)
Total valuation		**3,382.9**	3,509.4
Number of ordinary shares in issue (millions)		**4,344.9**	4,344.9
Value per share – U.S. dollars		**0.78**	0.81
– HK dollars		**6.07**	6.30
Company's closing share price (HK$)		**1.48**	2.65
Share price discount to HK$ value per share (%)		**75.6**	57.9

(i) Based on quoted share prices applied to the Group's economic interests

(ii) Based on quoted share price of RHI applied to the Group's effective economic interest

(iii) Represents the carrying amount of SMECI's notes

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2020, the Company has not repurchased any of its ordinary shares (2019: Nil) on The Stock Exchange of Hong Kong Limited (SEHK).

In January 2020, the Company repurchased US$0.1 million (Six months ended 30 June 2019: Nil) of the US$400 million 6.375% Guaranteed Secured Bonds due September 2020 issued by FPT Finance Limited at an aggregate consideration of approximately US$0.1 million (Six months ended 30 June 2019: Nil). In April 2020, the Company also repurchased US$1.0 million (Six months ended 30 June 2019: Nil) of the US$400 million 4.5% Guaranteed Bonds due April 2023 issued by FPC Treasury Limited at an aggregate consideration of approximately US$1.0 million (Six months ended 30 June 2019: Nil).

During the six months ended 30 June 2020, the independent trustee managing the Company's share award scheme bought through the SEHK a total of 1,060,000 shares (Six months ended 30 June 2019: Nil) of the Company at an aggregate consideration of approximately US$0.2 million (Six months ended 30 June 2019: Nil) at the cost of the Company. There was no subscription of new shares during the six months ended 30 June 2020 by the independent trustee under the Company's share award scheme (Six months ended 30 June 2019: 2,944,076 shares at an aggregate consideration of approximately US$1.1 million) at the cost of the Company.

Except as disclosed above, neither the Company, nor any of its subsidiary companies, has made any purchase, sale or redemption of any of the Company's listed securities during the period.

CORPORATE GOVERNANCE

Corporate Governance Practices

First Pacific is committed to building and maintaining high standards of corporate governance. The Company's Corporate Governance Committee, comprising of all Independent Non-executive Directors (INEDs), was delegated with the responsibility to supervise the Company's corporate governance functions.

During the six months ended 30 June 2020, Mr. Axton Salim was appointed as a new Non-executive Director of the Company with effect from 25 March 2020. Mr. Blair Chilton Pickerell was appointed as a new INED of the Company, a member of the Finance Committee and the Corporate Governance Committee, all with effect from 25 March 2020.

The Corporate Governance Committee reviewed the Company's corporate governance practices in respect of the six months period ended 30 June 2020 to ensure its compliance with Listing Rules. This Committee is also tasked with the responsibility of overseeing Environmental, Social and Governance (ESG) reporting in compliance with Listing Rule requirements. As recommended by the Corporate Governance Committee, the Board approved the Company's 2019 ESG report for publication on the websites of the SEHK and the Company on 22 July 2020.

The Company has adopted its own Code on Corporate Governance Practices (the First Pacific Code), which incorporates the principles and requirements set out in the Corporate Governance Code contained in Appendix 14 of the Main Board Listing Rules (the CG Code). The First Pacific Code was updated from time to time to follow relevant amendments to the Listing Rules in order to strengthen the transparency and accountability of the Board and the respective Board committees to ensure that the Company is in line with international and local corporate governance best practices.

Throughout the six months period, First Pacific has applied the principles and complied with most provisions of the CG Code and, where appropriate, adopted the Recommended Best Practices contained in the CG Code with the following exceptions:

Code Provision B.1.5: Issuers should disclose details of any remuneration payable to members of senior management by band in their annual reports. Recommended Best Practice B.1.8: Issuers should disclose details of any remuneration payable to members of senior management, on an individual and named basis, in their annual reports.

The Company does not disclose details of any remuneration payable to members of senior management, either by band or on an individual and named basis as a large number of the senior executives employed by the Group are employed in jurisdictions that do not require disclosure of such information. It would create inequality across the Group if only the remuneration of the senior executives at the head office were disclosed.

Recommended Best Practices C.1.6 and C.1.7: An issuer should announce and publish quarterly financial results within 45 days after the end of the relevant quarter.

The Company does not issue quarterly financial results as most of our major operating units already issue quarterly reports. As such, we believe that the relevant information is already available in the public domain.

Code Provision C.2.5: The Issuer should have an internal audit function. Issuers without an internal audit function should review the need for one on an annual basis and should disclose the reasons for the absence of such a function in the Corporate Governance Report.

As an investment holding and management company, the Company does not have a separate internal audit department. However, all companies in the Group are required to have their own internal audit and risk management functions to monitor internal control systems for operational and financial compliance, and risk management. The Company obtains, as part of its regular internal reporting processes, written reports and confirmations from each of the Group companies' audit and risk management committees regarding the work they undertake and any significant matters arising therefrom. The reports and confirmations received from the individual audit and risk management committees are collated by the Company and presented to and discussed with the Company's Audit and Risk Management Committee bi-annually. In addition, the Company's management also attends and participates directly in a number of the Group companies' audit and risk management committees. Accordingly, the Company relies on a combination of its regular internal reporting processes and Group resources to provide internal audit and risk management functions and, therefore, does not consider it necessary to maintain a separate internal audit function. The Company will review the need for such function on an annual basis.

Compliance of the Model Code for Securities Transactions by Directors of Listed Issuers
The Company has adopted its own Model Code for Securities Transactions by Directors (the Model Code) on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2020.

Continuing Connected Transactions and Connected Transactions
During the six months ended 30 June 2020, the INEDs agreed with the Directors in relation to the following continuing connected transactions (CCTs) and connected transactions and approved the disclosure of those transactions in the form of published announcements and circular:

- 29 January 2020 announcement: following the Company's previous announcement made on 10 October 2019 in relation to, among other things, the revised Framework Agreement between D.M. Consunji, Inc. (Consunji) and Maynilad Water Services, Inc. (Maynilad), the Company announced that Maynilad and the AA-DMCI Laguna Lake Consortium (a consortium between Acciona Agua, S.A. and Consunji), pursuant to the terms of the Framework Agreement, entered into a Service Contract on 28 January 2020, in relation to the design and build of a 150-MLD (million liters per day) Laguna Water Treatment Plant in the Philippines.

  As the term of the Service Contract exceeds a period of three years, under Rule 14A.52 of the Listing Rules, Somerley Capital Limited was appointed as the Independent Financial Adviser (IFA) to issue an independent opinion to explain the reasons for the Service Contract requiring a duration longer than three years and to confirm that it is normal business practice for agreements of this type to be of such duration.

- 24 March 2020 announcement: NLEX Corporation (NLEX) and Consunji entered into a Construction Contract, pursuant to which Consunji has agreed to construct and complete the civil works for Section 1 of the NLEX-SLEX Connector Road in the Philippines, which covers the construction of a 4-lane carriageway and two interchanges located at C3 Road/5th Avenue, Caloocan City and España in Manila (the Project) in accordance with the terms of the Construction Contract. The contract price for the Project is Php7.98 billion (equivalent to approximately US$155.0 million or HK$1.2 billion), inclusive of taxes, subject to adjustments as provided for in the Construction Contract. The Construction Contract was awarded by NLEX to Consunji following a detailed competitive bidding process conducted by NLEX. The contract price was determined pursuant to such detailed competitive bidding process and after arm's length negotiations between NLEX and Consunji and was based on normal commercial terms with reference to the expertise, experience and market position of Consunji, and the complexity, design, quality and quantity of the works for the Project, and the allocation of risks under the Construction Contract.

  The Group has an approximately 55.2% voting interest and an approximately 42.2% economic interest in Metro Pacific Investments Corporation (MPIC), which in turn indirectly owns NLEX as to approximately 75.0%. Accordingly, NLEX is a subsidiary of the Group. The Group has an approximately 51.3% interest in Maynilad Water Holdings Company Inc. (MWHC), the holding company of Maynilad, which holds an exclusive concession granted by Metropolitan Waterworks and Sewerage System (MWSS) on behalf of the Philippine Government, to provide water and sewerage services in the West Zone of the MWSS service area. DMCI Holdings Inc. (DMCI), being the 27.2% shareholder of MWHC, is a connected person of the Company. Consunji is a subsidiary of DMCI and is, therefore, a connected person of the Company. Accordingly, the entering into of the Construction Contract constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

  As for the duration of the Construction Contract, Consunji shall commence the works under the Construction Contract 14 calendar days after the date of Consunji's receipt of the notice to proceed from NLEX (the Starting Date). Consunji shall have 20 months from the Starting Date to complete the works.

- 22 May 2020 announcement: following the Company's previous announcement made on 11 February 2020 in relation to the potential acquisition of the entire issued share capital of Pinehill by ICBP, the Company announced that on 22 May 2020 (after trading hours of the SEHK), ICBP entered into an agreement with Pinehill Corpora Limited and Steele Lake Limited (collectively the Sellers) pursuant to which ICBP has conditionally agreed to purchase, and the Sellers have conditionally agreed to sell, the Sale Shares representing the entire issued share capital of Pinehill, for a consideration of US$2,998 million (equivalent to approximately HK$23.4 billion) (subject to adjustment) (the Proposed Acquisition).

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Proposed Acquisition exceeds 100%, the Proposed Acquisition constitutes a very substantial acquisition for the Company under Chapter 14 of the Listing Rules. In addition, Pinehill Corpora, which is the seller of 51% of the issued share capital of Pinehill, is a consortium indirectly owned as to 49% by Mr. Salim. As a result of the indirect beneficial ownership of Mr. Salim in Pinehill Corpora, Pinehill Corpora is a connected person of the Company. Pinehill, a 51% owned subsidiary of Pinehill Corpora, is therefore also a connected person of the Company. The Proposed Acquisition is therefore also a connected transaction for the Company under Chapter 14A of the Listing Rules, which is subject to the reporting, announcement and Independent Shareholders' approval requirements prescribed by Chapter 14A of the Listing Rules.

- 23 June 2020 circular: following the Company's announcement made on 22 May 2020 in relation to the Proposed Acquisition, the Company provided its Shareholders with, among other things, (i) further information relating to the Proposed Acquisition; (ii) the recommendation of the Independent Board Committee (IBC) to the independent Shareholders in respect of the Proposed Acquisition; (iii) the advice of the IFA in respect of Proposed Acquisition to IBC and the independent Shareholders and as to how the Independent Shareholders should vote at the special general meeting of the Company to be held on 17 July 2020 (SGM); (iv) financial information relating to the First Pacific Group; (v) the accountant's report on the Pinehill Group; (vi) management discussion and analysis on the Pinehill Group; (vii) unaudited pro forma financial information of the Enlarged Group; (viii) other information as required to be disclosed under the Listing Rules; and (ix) the SGM Notice.

  At the Company's SGM held on 17 July 2020, a majority of the Independent Shareholders approved the Proposed Acquisition.

Risk Management and Internal Control

As an investment holding and management company, the Company does not have an internal audit department as each of the Group's operating companies maintains its own internal audit and/or risk management functions responsible for the implementation and monitoring of an effective internal control system. Their effectiveness is continuously evaluated and enhanced by the respective operating companies' audit committees/risk committees, which are reviewed by the Company's Audit and Risk Management Committee on a semi-annual basis.

As a decentralized organization in which local management have substantial autonomy to run and develop their respective company business, the Group views well developed reporting systems and internal controls as essential. The Board plays a key role in the implementation and monitoring of internal controls. Their responsibilities include:

- conducting regular board meetings to focus on business strategy, operational issues and financial performance;
- active participation on the boards of subsidiaries and associated companies;
- participating in the approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities;
- monitoring the compliance with applicable laws and regulations, and also with the First Pacific Code;
- monitoring the quality, timeliness, and content of internal and external reporting; and
- monitoring risks and the effectiveness of internal controls.

The Board is responsible for maintaining an adequate system of risk management and internal controls in the Group and reviewing their effectiveness through the Audit and Risk Management Committee. The Company's Risk Assessment Committee, currently comprising of one Executive Director and senior executives, oversees head office's risk management function, in relation to its role as an investment holding and management company. This Committee reports to the Audit and Risk Management Committee twice each year.

In respect of the six months ended 30 June 2020, the Board confirmed that it has received confirmations from the operating companies' audit committees, risk committees and/or internal auditor/chief risk officer on the effectiveness of the Group's risk management and internal control systems and that there is no significant area of concern to be disclosed.

During the six months ended 30 June 2020, the Audit and Risk Management Committee reviewed and advised that:

- The risk management and internal control systems of the Group function are effective and are designed to provide reasonable assurance that material assets are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorization and the financial statements are reliable for publication and compliant with all relevant laws and regulations.

- There are processes in place for identifying, evaluating and managing the material business risks faced by the Group. Such processes are incorporated in all the Group's businesses.

- There are adequate resources, qualified and experienced staff, training programs and budget for the Group's accounting and financial reporting function.

REVIEW STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE
The Audit and Risk Management Committee has reviewed the 2020 interim results, including the accounting policies and practices adopted by the Group. The Audit and Risk Management Committee has also discussed financial reporting, auditing, risk management and internal control matters with the Company's management and its independent auditor.

REVIEW STATEMENT BY THE INDEPENDENT AUDITOR
Ernst & Young (EY), the independent auditor of the Company, has reviewed the 2020 interim results and expressed an unqualified conclusion in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by HKICPA.

INTERIM DISTRIBUTION
The Board has declared an interim distribution of HK7.0 cents (US0.9 cent) per ordinary share. It is expected that the interim distribution will be paid in cash in a currency to be determined based on the registered address of each shareholder on the Company's Register of Members as follows: Hong Kong dollars for shareholders with registered addresses in Hong Kong, Macau and the People's Republic of China; Sterling pounds for shareholders with registered addresses in the United Kingdom and U.S. dollars for shareholders with registered addresses in all other countries. It is expected that the warrants will be dispatched to shareholders on or about Monday, 28 September 2020.

CLOSURE OF REGISTER OF MEMBERS
The Register of Members will be closed from Monday, 14 September 2020 to Thursday, 17 September 2020, both days inclusive, during which period no transfer of shares will be registered. The ex-entitlement date will be Thursday, 10 September 2020. In order to qualify for the interim distribution, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 11 September 2020. The interim distribution will be paid to shareholders whose names appear on the Register of Members on Thursday, 17 September 2020 and the payment date will be on or about Monday, 28 September 2020.

INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT
This interim results announcement is published on the website of the Company (www.firstpacific.com) and the website of SEHK (www.hkexnews.hk). The 2020 interim report containing all the information required by the Listing Rules will be uploaded to the above websites and be despatched to those shareholders requiring printed copies before mid-September 2020.

On behalf of the Board of Directors
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and Chief Executive Officer

Hong Kong, 27 August 2020

As at the date of this announcement, the Board 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
Axton Salim

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
Blair Chilton Pickerell