FIRST PACIFIC

First Pacific Company Limited

Stock Code: 00142

INTERIM REPORT 2023

Creating
Long-term Value
in Asia

Corporate Profile

FIRST PACIFIC is a Hong Kong-based investment holding company with investments located in Asia-Pacific. The Company's principal investments are in consumer food products, telecommunications, infrastructure, and natural resources.

Our mission is to unlock value by:

- Delivering dividend/distribution returns to shareholders
- Delivering share price/value appreciation of First Pacific
- Making further investments in value-enhancing businesses, taking into consideration all relevant criteria, including Environmental, Social and Governance ("ESG") factors to better manage risk and generate sustainable long-term returns

Our investment criteria are clear:

- Investments must be located in or trading with the fast-growing economies of emerging Asia
- They must be related to our four industry sectors (consumer food products, telecommunications, infrastructure, and natural resources)
- Companies invested in must have a strong or dominant market position in their respective sectors
- They must possess the potential for substantial cash flows

Our strategies are threefold:

- Identify undervalued or underperforming assets with strong growth potential and possible synergies
- Help our investments set strategic direction, develop business plans, and define targets
- Raise reporting and ESG standards to world-class levels at First Pacific and its investments

First Pacific's investment portfolio is centered on our core industries and markets in PT Indofood Sukses Makmur Tbk ("Indofood"), PLDT Inc. ("PLDT"), and Metro Pacific Investments Corporation ("MPIC"). Indofood is the largest vertically integrated food company in Indonesia and producer of the global instant noodle brand *Indomie* while PLDT is the dominant integrated telecommunications and digital services provider in the Philippines with the largest fixed broadband network and the largest and most modern wireless network in the country. MPIC is a leading infrastructure investment and management company in the Philippines, with holdings in the country's largest electricity distributor, toll road operator, water distributor, and healthcare group. MPIC also holds investment in the storage of petroleum products, real estate, light rail, and dairy.

First Pacific also holds investments in PacificLight Power Pte. Ltd. ("PLP"), Philex Mining Corporation ("Philex"), PXP Energy Corporation ("PXP"), and Roxas Holdings, Inc. ("RHI"). PLP operates one of Singapore's most efficient gas-fired power plants. Philex is one of the largest metal mining companies in the Philippines, producing gold, copper and silver. PXP is an upstream oil and gas company with a number of service contracts in the Philippines, and RHI produces refined sugar and bioethanol in the Philippines.

Listed in Hong Kong, First Pacific's shares are also available for trading in the United States through American Depositary Receipts.

As at 25 August 2023, First Pacific's economic interest in Indofood is 50.1%, in PLDT 25.6%, in MPIC 46.1%, in FPM Power Holdings Limited ("FPM Power") 68.7%[(1)], in Philex 31.2%[(2)], in PXP 35.7%[(2)(3)], and in FP Natural Resources Limited ("FP Natural Resources") 80.9%[(4)].

(1) Includes a 8.7% effective economic interest in FPM Power held through First Pacific's indirect interests in Manila Electric Company ("Meralco").

(2) Two Rivers Pacific Holdings Corporation ("Two Rivers"), a Philippine affiliate of First Pacific, holds additional 15.0% and 6.7% economic interests in Philex and PXP, respectively.

(3) Includes a 14.0% effective economic interest in PXP held through First Pacific's indirect interests in Philex.

(4) Includes a 10.9% effective economic interest in FP Natural Resources held through First Pacific's indirect interests in Indofood Agri Resources Ltd. ("IndoAgri"). FP Natural Resources holds 32.7% in RHI, and its Philippine affiliate First Agri Holdings Corporation ("FAHC") holds an additional 30.2% economic interest in RHI.

Contents

maya
my money
my bank
my way
No.1 Digital Bank App
PHILIPPINES' HEALTHCARE
MEGA APP

Half-year Financial Highlights

US$5.4b
Turnover ▲ 7%

US$300.8m
Recurring profit ▲ 14%

US$345.6m
Reported profit ▲ 43%

US$3.7b
Equity attributable to owners of the parent ▲ 11%

US$27.1b
Total assets ▲ 6%

US$1.5b
Market capitalization ▲ 16%

Profit Contribution from Operations ▲ 15% to **US$348.7m**

By country

43%
Philippines
▲ 6% US$147.8m

39%
Indonesia
▲ 10% US$137.2m

18%
Singapore
▲ 63% US$63.7m

By sector

36%
Consumer food products
▲ 5% US$127.2m

21%
Telecommunications
▲ 1% US$73.4m

41%
Infrastructure
▲ 45% US$143.0m

2%
Natural resources
▼ 48% US$5.1m

Interim distribution at U.S. 1.35 cents per share

Head Office dividend and fee income from operating companies at US$142.9 million

Redeemed US$357.8 million principal amount of bonds

Head Office net interest expense at US$34.6 million

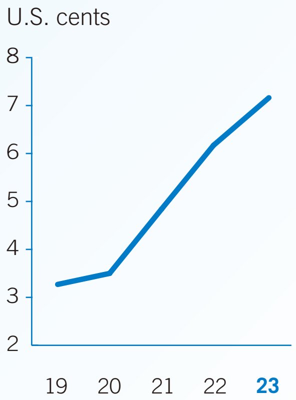
Head Office net debt at approximately US$1.3 billion

Cash interest cover at approximately 4.5 times

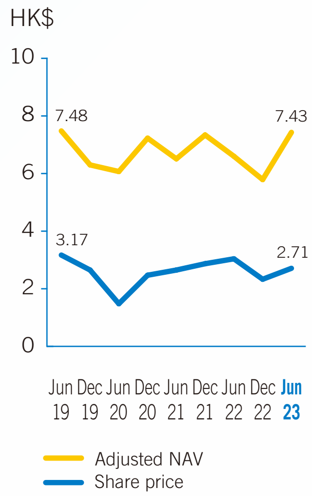
Five-year Data

(Per share)

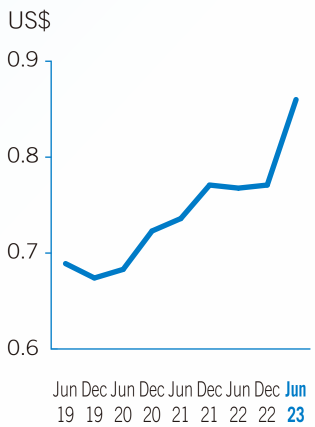
Half-year Basic Recurring Earnings



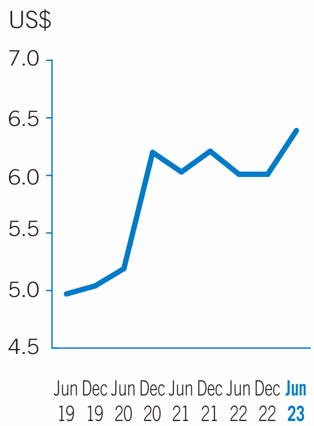
Share Price vs Adjusted NAV



Equity Attributable to Owners of the Parent



Total Assets



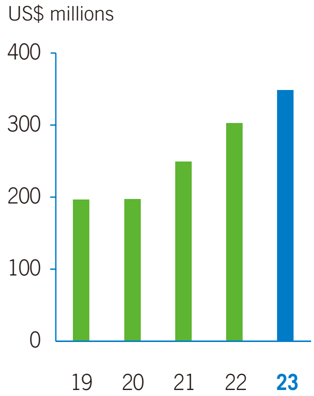
Review of Operations

Contribution and Profit Summary

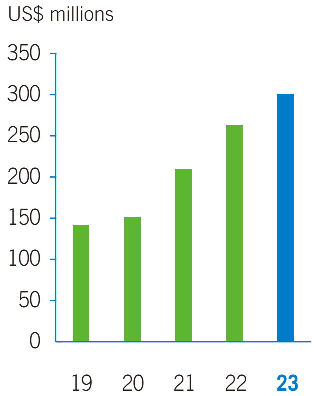
For the six months ended 30 June US$ millions	Turnover **2023**	 2022	**Contribution to Group profit**[(i)] **2023**	 2022
Indofood	**3,741.6**	3,639.8	**137.2**	124.4
PLDT[(ii)]	**–**	–	**73.4**	73.0
MPIC	**532.3**	464.8	**79.3**	59.7
FPM Power	**1,098.3**	863.7	**63.7**	39.0
Philex[(ii)]	**–**	–	**5.1**	9.8
FP Natural Resources	**39.0**	103.6	**(10.0)**	(3.4)
Contribution from Operations[(iii)]	**5,411.2**	5,071.9	**348.7**	302.5
Head Office items:				
– Corporate overhead			**(9.6)**	(11.3)
– Net interest expense			**(34.6)**	(24.4)
– Other expenses			**(3.7)**	(3.5)
Recurring Profit[(iv)]			**300.8**	263.3
Foreign exchange and derivative gains/(losses), net[(v)]			**37.6**	(49.7)
Non-recurring items[(vi)]			**7.2**	28.1
Profit Attributable to Owners of the Parent			**345.6**	241.7

(i) After taxation and non-controlling interests, where appropriate.
(ii) Associated companies.
(iii) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.
(iv) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/losses and non-recurring items.
(v) Foreign exchange and derivative gains/losses, net represent the net gains/losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair values of derivatives.
(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H23's non-recurring gains of US$7.2 million mainly represent PLDT's gains on towers sales (US$10.8 million), partly offset by PLDT's manpower reduction costs (US$6.1 million). 1H22's non-recurring gains of US$28.1 million mainly represent PLDT's gains on towers sale (US$61.9 million) and prescription of redemption liability on preference shares (US$28.8 million), and MPIC's gain on consolidation of Landco Pacific Corporation ("Landco") (US$29.2 million), partly offset by PLDT's accelerated depreciation for network assets (US$60.5 million) and manpower reduction costs (US$17.7 million), and Indofood's loss on changes in fair value of biological assets (US$1.7 million).

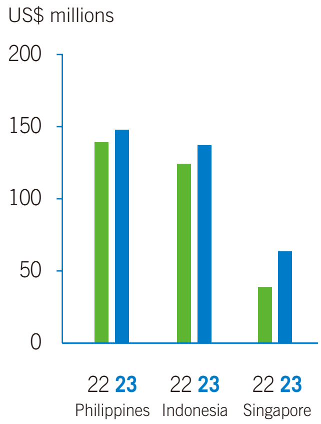
Contribution from Operations



Recurring Profit



Contribution by Country



First Pacific's performance in the first half of 2023 continued into a third consecutive year following record strong performances in 2021 and 2022 with the delivery of its highest-ever interim turnover, contribution from operations, and recurring profit as a result of contribution growth from PLP, MPIC, and Indofood. With most investee companies showing stronger performances, total contribution from operations rose 15% to US$348.7 million notwithstanding unfavourable exchange rates, interest rates and commodity prices affecting some businesses in the Group.

Turnover up 7% to US$5.4 billion from US$5.1 billion	■ reflecting higher revenues at PLP driven by higher electricity demand and average selling price ■ higher revenues at Indofood resulting from strong sales growth at each of the Consumer Branded Products ("CBP"), Bogasari, and Distribution groups ■ higher revenues at MPIC driven by toll roads and water businesses
Recurring profit up 14% to US$300.8 million from US$263.3 million	■ reflecting higher profit contributions from PLP, MPIC, Indofood, and PLDT ■ lower corporate overhead ■ partly offset by higher Head Office net interest expenses, and lower contribution from Philex due to lower metal output and lower copper prices
Non-recurring gains down 74% to US$7.2 million from US$28.1 million	■ reflecting a substantially lower gain associated with PLDT's tower sales ■ an absence of a prescription of redemption liability on preferred shares and accelerated depreciation for network assets recorded by PLDT and MPIC's gains on acquisition of Landco in the first half of 2022 ■ partly offset by lower manpower rightsizing costs at PLDT
Reported profit up 43% to US$345.6 million from US$241.7 million	■ reflecting higher recurring profit ■ net foreign exchange and derivative gains verse losses in the first half of 2022 ■ partly offset by lower non-recurring gains

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. dollars. The changes of these currencies against the U.S. dollar are summarized below.

Closing exchange rates against the U.S. dollar	**At 30 June 2023**	At 31 December 2022	Six months change
Rupiah	**15,026**	15,731	+4.7%
Peso	**55.20**	55.76	+1.0%
S$	**1.352**	1.340	–0.9%

Average exchange rates against the U.S. dollar	**Six months ended 30 June 2023**	Six months ended 30 June 2022	One year change
Rupiah	**14,990**	14,503	–3.2%
Peso	**55.18**	52.25	–5.3%
S$	**1.339**	1.367	+2.1%

During the period, the Group recorded net foreign exchange and derivative gains of US$37.6 million (1H22: losses of US$49.7 million), which can be further analyzed as follows:

For the six months ended 30 June US$ millions	**2023**	2022
Head Office	**0.8**	(9.5)
Indofood	**31.2**	(32.0)
PLDT	**4.8**	(7.1)
MPIC	**0.4**	(2.0)
FPM Power	**0.2**	0.3
Philex	**0.2**	0.6
Total	**37.6**	(49.7)

Take-Private of MPIC Through a Voluntary Delisting Tender Offer

On 26 April 2023, First Pacific through its Philippine affiliate, Metro Pacific Holdings, Inc. ("MPHI"), entered into a Memorandum of Agreement with a consortium of bidders including GT Capital Holdings, Inc., Mit-Pacific Infrastructure Holdings Corporation, and MIG Holdings Incorporated (collectively, the "Bidders") to seek to take MPIC private through a tender offer process at a price of 4.63 pesos (US$0.08) per MPIC share.

On 3 July 2023, the Bidders raised the tender offer price to 5.20 pesos (US$0.09) per share from 4.63 pesos (US$0.08) per share.

Under the proposed tender offer, the Bidders would spend up to approximately 54.8 billion pesos (US$986 million) for the remaining shares held by the minority shareholders of MPIC. The tender offer values MPIC at 149.2 billion pesos (US$2.7 billion) in equity value on 100% basis.

At a Special Shareholders Meeting on 8 August 2023, MPIC shareholders representing over 77% of the total outstanding common shares of MPIC voted to approve the proposal for voluntary delisting, while less than 1% voted against. The voting result fulfilled requirements under the Amended Voluntary Delisting Rules of the Philippine Stock Exchange ("PSE") for the tender offer to proceed. The tender offer period began on 9 August 2023 and will end on 7 September 2023, with a target settlement date of 19 September 2023.

At a Special General Meeting on 24 August 2023, over 99.99% of First Pacific shareholders voted to approve MPHI's participation in the Bidders' tender offer.

To comply with the voluntary delisting requirements of the PSE, the common shares to be tendered in the tender offer, together with the common shares owned by the Bidders and the qualifying common shares of MPIC's directors, should constitute at least 95% of the total outstanding common capital stock of MPIC, or such percentage as the PSE may allow, to effect the voluntary delisting of MPIC from the PSE.

The tender offer aims to release the intrinsic value of MPIC's core investments in infrastructure in the Philippines. No substantial change in the nature of MPIC's businesses is planned, which will continue to focus on key sectors including power, toll roads, water, healthcare, rail and newer businesses in food and agriculture.

Capital Management

Interim Distribution

First Pacific's Board of Directors declared an interim distribution of HK 10.5 cents (U.S. 1.35 cents) (1H22: HK 10.5 cents (U.S. 1.35 cents)) per share.

Credit Ratings

As at the end of June 2023, First Pacific maintained its credit rating at Baa3 with Stable outlook from Moody's Investors Service and BBB- with Stable outlook from Standard & Poor's Global Ratings.

Debt Profile

As at 30 June 2023, Head Office gross debt remained at approximately US$1.5 billion with average maturity at 3.8 years. Net debt declined to approximately US$1.3 billion. Approximately 49% of the Head Office borrowings were at fixed rates while floating rate bank loans comprised the remainder. In a high interest rate environment, the blended average interest rate rose to approximately 5.3% from approximately 4.8% at the end of 2022. All Head Office borrowings are unsecured.

On 18 April 2023, First Pacific fully redeemed the outstanding principal amount of US$357.8 million of 10-year unsecured bonds on their maturity, financed by long term banking facilities.

As at 25 August 2023, the only bond outstanding is a US$350.0 million 7-year unsecured bond at 4.375% coupon with maturity on 11 September 2027.

There is no Head Office recourse for the borrowings of subsidiary or associated companies.

Operating Cashflow and Interest Cover

For the first half of 2023, Head Office operating cash inflow before interest expense and tax increased 1.3 times to US$136.1 million from US$58.9 million in the first half of 2022, reflecting inaugural dividends received from PLP and higher dividends from PLDT.

Net cash interest expense to US$35.1 million from US$22.9 million, reflecting a higher average interest rate resulting from global financial market trends. For the 12 months ended 30 June 2023, the cash interest cover was approximately 4.5 times.

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 risk exposure in dividend income and payments in foreign currencies.

Outlook

Record highs for turnover, contribution from operations, and recurring profit in the first six months of 2023 are expected to be followed by similar outcomes for the full year as a result of steady demand growth for the products and services provided by First Pacific Group companies – extending into a third year a trend begun with 2021 full-year results. Continuing economic growth in the markets of Group businesses, the principally diversified basic infrastructure and consumer food businesses and their strong competitive positions indicate the medium-term outlook remains firmly positive notwithstanding uncertainty over exchange rates, interest rates, inflations in the region and commodity prices in the years ahead. If successful, the pending privatization of MPIC would result in a transformation of First Pacific to a more efficient and cost-effective structure owning significant private holdings in PLP and MPIC, First Pacific's two strongest-performing investments in the first half. Such a restructuring offers the Group the opportunity to better align strategy and operation initiatives between the Group and MPIC.

Indofood
THE SYMBOL OF QUALITY FOODS

Indofood continues to implement the strategies of broad product offerings, strengthened brand equity, increased product availability, as well as improving efficiencies which have supported its growth momentum in the first half of 2023 notwithstanding external uncertainties and sharply moving soft commodity prices. Sales growth was recorded in the CBP, Bogasari, and Distribution groups, while the Agribusiness group's sales performance was impacted by lower crude palm oil ("CPO") prices despite higher sales volumes of palm products and edible oils and fats ("EOF") products.

Indofood's contribution to the Group rose 10% to US$137.2 million (1H22: US$124.4 million) principally reflecting a higher core profit.

Core profit up 17% to 4.7 trillion rupiah (US$311.0 million) from 4.0 trillion rupiah (US$275.9 million)	■ reflecting higher operating profits of CBP group ■ partly offset by lower profit of the Agribusiness group on lower CPO prices despite higher sales volumes
Net income up 92% to 5.6 trillion rupiah (US$371.3 million) from 2.9 trillion rupiah (US$200.0 million)	■ reflecting higher core profit ■ higher foreign exchange gain of 1.5 trillion rupiah (US$97.1 million) resulting from a 4.7% appreciation of the rupiah closing exchange rate against the U.S. dollar, in contrast with a foreign exchange loss of 1.4 trillion rupiah (US$98.4 million) in the first half of 2022
Consolidated net sales up 6% to 56.1 trillion rupiah (US$3.7 billion) from 52.8 trillion rupiah (US$3.6 billion)	■ record high sales driven by strong sales growth at each of the CBP, Bogasari, and Distribution groups ■ partly offset by lower sales of the Agribusiness group
Gross profit margin stable at 30.9%	■ reflecting higher average selling prices and lower raw material costs such as cooking oil and packaging at the CBP group ■ offset by lower average selling prices of products at the Agribusiness group
Consolidated operating expenses up 13% to 8.4 trillion rupiah (US$563.6 million) from 7.5 trillion rupiah (US$515.5 billion)	■ reflecting a foreign exchange loss from operating activities compared with a foreign exchange gain in the first half of 2022 ■ slightly higher selling, distribution, and general and administrative expenses
EBIT margin to 15.8% from 16.7%	■ reflecting a foreign exchange loss from operating activities compared with a foreign exchange gain in the first half of 2022

Debt Profile

As at 30 June 2023, Indofood's gross debt increased slightly to 66.4 trillion rupiah (US$4.4 billion) from 66.1 trillion rupiah (US$4.2 billion) as at 31 December 2022. Of this total, 29% matures in the next 12 months and the remainder matures between July 2024 and April 2052, while 23% was denominated in rupiah and the remaining 77% in foreign currencies.

As at the end of June 2023, PT Indofood CBP Sukses Makmur Tbk ("ICBP") maintained its BBB- and Baa3 stable ratings from Fitch and Moody's, respectively.

Additional Investment

From 1 January 2023 to 30 June 2023, Indofood acquired a total of approximately 2.3 million shares of Indofood Agri Resources Ltd. ("IndoAgri") from the open market for a total consideration of approximately S$0.7 million (US$0.5 million), increasing Indofood's effective interest in IndoAgri to approximately 72.4%.

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. Its business operations are supported by 60 plants located in key regions across Indonesia. The CBP group also owns more than 20 manufacturing facilities in Malaysia, Africa, the Middle East, and South-eastern Europe serving overseas markets. In addition, the CBP group also exports many of its products from Indonesia, making them available in more than 100 countries globally.

Indofood's Noodles division is one of the world's largest producers of instant noodles and is the market leader in Indonesia, Saudi Arabia, Egypt, Kenya, Nigeria, and Türkiye, serving a population of more than 1.2 billion consumers in its major markets at home and abroad. Its annual production capacity is around 35 billion packs, across a broad range of instant noodle varieties.

The Dairy division has an annual production capacity of more than 900,000 tonnes and is one of the largest dairy manufacturers in Indonesia. It produces and markets UHT milk, sterilized bottled milk, sterilized canned milk, sweetened condensed creamer, evaporated milk, pasteurized liquid milk, multi-cereal milk, milk-flavored drinks, powdered milk, ice cream, and butter.

The Snack Foods division has an annual production capacity of around 50,000 tonnes, producing modern-style and contemporized traditional snacks, as well as extruded snacks, making it the market leader in the modern snack category in Indonesia.

The Food Seasonings division has an annual production capacity of around 180,000 tonnes, manufacturing and marketing a wide range of culinary products, including soy sauces, chili sauces, tomato sauces, recipe mixes, and soup stock as well as syrups.

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

The Beverages division offers a wide range of ready-to-drink teas, packaged water, and fruit-flavored drinks which are produced in 17 factories across Indonesia with a combined annual production capacity of approximately three billion liters.

In the first half of 2023, CBP group sales rose 6% to 34.3 trillion rupiah (US$2.3 billion), mainly driven by higher average selling prices in both domestic and overseas markets. The EBIT margin improved to 21.5% from 16.8% mainly due to higher average selling prices.

The CBP group's market position is well placed to respond to healthy demand growth in both its domestic and overseas businesses. It continues to focus on optimizing the balance between volume growth and profitability, strengthening its market position across product segments, and maintaining a healthy balance sheet and investment grade ratings. Its strategy is to drive consumption through product innovation and value creation while continuing targeted marketing activities to maintain high relevance to consumers. Product availability and visibility are increasingly the result of ongoing market penetration initiatives.

Bogasari

Bogasari is the largest integrated flour miller in Indonesia, operating four flour mills with total combined annual production capacity of approximately 4.4 million tonnes. Bogasari produces a wide range of wheat flour products and pasta for domestic and international markets.

Its sales rose 5% to 15.8 trillion rupiah (US$1.1 billion), reflecting higher average selling prices despite a small decline in sales volume. Its EBIT margin declined to 6.4% from 8.0% reflecting higher wheat cost in inventory.

The prospects for the wheat flour business remain promising in Indonesia, where people consume less flour than in neighboring countries. Continuing economic recovery from the pandemic and expansion of Indonesia's middle class are expected to drive demand growth for flour-based foods such as bread, pizza, and pasta. Global wheat prices are expected to remain volatile especially with the recent non-renewal of the Black Sea grain deal and weather uncertainties.

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. Its two divisions, Plantation and EOF, operate through IndoAgri and its main operating subsidiaries, PT Salim Ivomas Pratama Tbk and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk in Indonesia. In Brazil, IndoAgri has 36.2% equity investments in sugar and bioethanol operations in Companhia Mineira de Açúcar e Álcool Participações ("CMAA") and land assets in Bússola Empreendimentos e Participações S.A.. It is also invested in Roxas Holdings, Inc. in the Philippines through a 30%:70% joint venture with First Pacific.

The performance of the Agribusiness group was in line with the softening of CPO prices over the first six months of 2023. Agribusiness group sales declined 5% to 7.6 trillion rupiah (US$503.9 million) mainly due to lower average selling prices of palm products and EOF products despite higher sales volumes at both divisions. The sales volumes of CPO and palm kernel-related products rose 6% and 35% to 313,000 tonnes and 83,000 tonnes, respectively. The EBIT margin declined to 8.2% from 19.0%.

Plantation

In Indonesia, the total planted area declined slightly to 293,232 hectares from year-end 2022, of which oil palm accounted for 83%, while rubber, sugar cane and other crops accounted for the remainder. IndoAgri's oil palms have an average age of approximately 19 years, while around 13% of its oil palms are younger than seven years. This division has a total annual processing capacity of 7.2 million tonnes of fresh fruit bunches ("FFB").

The Plantation division recorded a 17% decline in sales to 4.7 trillion rupiah (US$312.1 million) mainly reflecting lower average selling prices of palm products despite higher sales volume.

The Plantation division's FFB nucleus production decreased 5% to 1.2 million tonnes and CPO production declined 5% to 309,000 tonnes. The CPO extraction rate was stable at 20.7%.

In Brazil, the total planted area for sugar cane rose 11% to 132,800 hectares from year-end 2022, of which 53% was owned by CMAA, while contracted third-party farmers accounted for the remainder.

The Plantation division will continue prioritising capital expenditure on critical infrastructure and tightening cost controls. It will also maintain its focus on crop management activities and explore relevant innovations and mechanisation programs to raise plantation productivity.

Edible Oils & Fats

This division manufactures cooking oils, margarines and shortenings. It has an annual CPO refinery capacity of 1.7 million tonnes.

In the first half of 2023, this division recorded a 3% decline in sales to 5.9 trillion rupiah (US$394.7 million) as a result of lower sales prices of edible oil products. Despite this, the EOF division recorded an improvement in its profitability with its EBIT margin increasing to 5.6% from 3.0%.

Looking ahead, the EOF division will focus on growing EOF sales volumes through competitive pricing strategies and thematic advertising campaigns.

Distribution

The Distribution group is a strategic component of Indofood's Total Food Solutions network 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 Indonesia.

The Distribution group's sales rose 26% to 3.6 trillion rupiah (US$241.3 million) supported by higher sales of Indofood's products and other consumer goods companies this group provides services to. The EBIT margin declined to 7.3% from 8.5% due to higher operating expenses.

With momentum in economic growth ongoing in Indonesia, the Distribution group continues to strengthen its competitiveness and operational excellence to generate and seize market opportunities. Emphasis will be placed on deepening market penetration, particularly in rural areas, as well as managing and developing its distribution channels.

Outlook

The movement of soft commodity prices, particularly wheat and CPO, the arrival of El Nino, and the purchasing power of its consumers are seen impacting the financial performance of the Indofood group. The growing spending power of rising middle classes in Indonesia and overseas markets will remain key demand drivers for Indofood's products.

Indofood will be monitoring the global situation cautiously and continuing to balance its market share with profitability and maintaining a healthy balance sheet.

Notwithstanding a challenging macroeconomic environment in the first half of 2023, PLDT's core business recorded steady growth. Its customer-centric offerings and services led to an all-time high EBITDA and is on track to achieve full-year earnings guidance. Data and broadband services remained the main revenue growth drivers.

PLDT's contribution to the Group rose 1% to US$73.4 million (1H22: US$73.0 million), reflecting higher consolidated core net income, partly offset by a 5.3% depreciation of the peso average exchange rate against the U.S. dollar during the period.

Telco core net income up 3% to 17.6 billion pesos (US$318.3 million) from 17.0 billion pesos (US$325.4 million)	■ reflecting higher EBITDA driven by growth in service revenues and lower operating expenses ■ lower depreciation and amortization ■ partly offset by higher financing costs and provision for income taxes
Consolidated core net income up 4% to 16.6 billion pesos (US$300.8 million) from 16.0 billion pesos (US$306.2 million)	■ reflecting higher telco core net income ■ share of a lower loss in Voyager Innovations Holdings Pte. Ltd. ("Voyager")
Reported net income up 10% to 18.5 billion pesos (US$334.4 million) from 16.7 billion pesos (US$320.4 million)	■ reflecting higher core net income ■ absence of accelerated depreciation for network assets recorded in the first half of 2022 ■ lower gain from the sale and leaseback of telco towers ■ partly offset by lower manpower rightsizing expenses
Consolidated service revenues (net of interconnection costs) rose to 94.5 billion pesos (US$1.7 billion) from 94.3 billion pesos (US$1.8 billion)	■ reflecting growth in Home and Enterprise revenues, and improving trends in Individual service revenues ■ Home and Enterprise service revenues rose 3% and 2%, accounted for 32% and 25% of consolidated net service revenues, respectively ■ data and broadband remained the main growth drivers, with combined revenues up 4%, representing 82% (1H22: 79%) of consolidated service revenues
EBITDA (ex-MRP)* rose 3% to 52.1 billion pesos (US$944.2 million) from 50.5 billion pesos (US$966.5 million)	■ reflecting higher service revenues and lower operating expenses
EBITDA (ex-MRP) margin at 53% from 52%	■ EBITDA (ex-MRP) margin of wireless and fixed line at 57% and 51%, respectively

* EBITDA (ex-MRP) excludes manpower rightsizing program and telco tower sale and leaseback related expenses.

Capital Expenditures

In the first half of 2023, capital expenditure declined 11% to 40.8 billion pesos (US$739.4 million). Capital expenditure intensity decreased to 41% from 48% in the first half of 2022, in line with PLDT's goal of reducing capital spending in the near- to medium-term with the aim of attaining positive free cash flow.

At the end of June 2023, total homes passed by PLDT's fiber optic network reached 17.2 million. Fiber port capacity rose to 6.1 million covering approximately 18,000 barangays. PLDT has the Philippines' most extensive fiber footprint and expanded it further to over 1.1 million cable kilometers during the period, split between about 231,000 kilometers of international fiber and around 885,000 kilometers of domestic fiber. On Smart's wireless network, base stations amounted to approximately 73,800, of which 4G/LTE was approximately 38,800 and 5G of approximately 4,700. PLDT's 3G, 4G/LTE and 5G population coverage reached 97% of the Philippines' population.

Brand Finance, an independent London-based business valuation and strategy consulting firm, in its 2023 study named PLDT as the most valuable brand in the Philippines with brand value of US$2.6 billion, besting other brands in telecommunications, banking, and food service, and cited PLDT for its consistent innovation efforts for improving services and supporting the nation to become a financial and technology hub.

Debt Profile

During the period, PLDT's consolidated net debt increased to 253.3 billion pesos (US$4.6 billion) from 225.7 billion pesos (US$4.0 billion) at year-end 2022, with net debt to EBITDA rising to 2.48 times from 2.25 times. Total gross debt rose to 270.3 billion pesos (US$4.9 billion) from 251.9 billion pesos (US$4.5 billion), with an average maturity of 6.7 years. 15% of gross debt was denominated in U.S. dollars, with only 5% of total debt unhedged after taking into account available U.S. dollar cash and currency hedges allocated for debt service. 62% of all debts are due to mature after 2027. 53% of the total are fixed-rate loans. The average pre-tax interest cost for the period rose to 4.32% from 4.04% for the full year 2022 due to a higher interest rate environment.

As at the end of June 2023, PLDT's credit ratings remained at investment grade at Moody's (Baa2) and S&P (BBB), the international credit rating agencies.

Interim Dividend

On 3 August 2023, the PLDT Board of Directors declared a regular interim cash dividend of 49 pesos (US$0.89) (1H22: 47 pesos (US$0.85)) per share payable on 1 September 2023 to shareholders on record as of 17 August 2023, representing 60% of its telco core net income for the period, in line with PLDT's dividend policy.

Service Revenues by Business Segment

Data and broadband services remained the key drivers of PLDT's performance in the period, now accounting for 82% of total service revenues. Data and broadband revenues increased 4% to 77.5 billion pesos (US$1.4 billion). Mobile data revenues grew 2% to 36.5 billion pesos (US$661.5 million), Home broadband revenues rose 5% to 26.1 billion pesos (US$473.0 million), corporate data recorded 7% growth to 12.5 billion pesos (US$226.5 million), while ICT revenues were up 13% to 2.4 billion pesos (US$43.5 million).

Double-digit growth of fiber revenues supported the growth momentum of Home service revenues in the first half of 2023 which rose 3% to 30.1 billion pesos (US$545.5 million). Fiber-only revenues rose 11% to 25.7 billion pesos (US$465.7 million), accounting for 85% of total Home service revenues. The growth was underpinned by PLDT's competitive advantages – superior network quality, strong brand equity, and a wide range of offerings to address market affordability.

In the first half of 2023, PLDT's fiber subscriber base rose to 3.1 million.

PLDT's best broadband experience at Home achieved a "five-peat" win at the Ookla Speedtest Awards 2022 – a first for the country's leading digital services provider and for the Philippines. With PLDT's top speed score of 86.52 in 2022, global benchmarking company Ookla® affirming PLDT's dominance and consistent performance, delivering the fastest Internet speeds in the Philippines for the fifth consecutive year.

In May 2023, PLDT opened an Experience Hub ("E-Hub") with Smart Home in Muntinlupa City. The first of its kind in the Philippines, this E-Hub is equipped with a wide array of intelligent devices and appliances offered by PLDT Home Fiber. The recently launched PLDT Home Fiber Unli All plan offers unlimited fiber internet, entertainment content from Cignal TV, and calls to PLDT, Smart, and TNT.

PLDT will continue to connect the unserved segments of the Philippine market by offering a suite of products at different price points to address the full gamut of market affordability, leveraging the quality leadership of the PLDT group's fixed and wireless networks.

Enterprise service revenues rose 2% to 23.2 billion pesos (US$420.4 million), driven by 13% growth of data center and cloud businesses and a 7% increase in corporate data revenues.

PLDT's Enterprise business has established a reputation for being the most trusted digital service provider in the Philippines. Its continuous improvement in capacity, capability, and infrastructure provides strong support for the Philippine government's digitalization goals, facilitates the digital transformation of enterprises, and meets the growing demands of hyperscaler businesses, data centers, and cloud consumers.

The construction of ePLDT's eleventh data center, VITRO Sta. Rosa, is on track to be operational by the second quarter of 2024. To cater to the growth potential of the Philippines becoming a data center powerhouse and home to hyperscalers, ePLDT is evaluating the construction of a 12th data center with a capacity of up to 100 megawatts. It also studying potential expansion opportunities in Southeast Asia by integrating its data center services with cybersecurity solutions and cloud businesses.

In the first half of 2023, the Individual business recorded service revenues of 40.2 billion pesos (US$728.5 million) of which 86% (1H22: 83%) were from data. Mobile data revenues rose 4% to 34.5 billion pesos (US$625.2 million) with data traffic up 15% to 2,389 petabytes. The number of active data users was approximately 39.6 million.

As at the end of June 2023, the PLDT group's combined wireless subscriber base stood at 63.0 million. Among the wireless subscribers, approximately 60.9 million were prepaid customers.

Smart's superior wireless network continued to gain recognition from Ookla®. It was awarded with the Philippines' Best Mobile Network with Fastest Speeds and Widest Network for the first half of 2023, sustaining the same achievements it made in 2022.

The Philippines is co-hosting the 2023 FIBA Basketball World Cup in Manila in August and September 2023. As the event's global partner, Smart is supporting the country and basketball fans by offering a special Gilas Power 399 to stream FIBA games on the Smart Livestream App.

Declining inflation, in addition to a superior network experience and great value promo offers, is expected to underpin the performance of the Individual wireless business in the second half of the year.

Fintech Ecosystem

PLDT's digital financial services unit Maya – a market leader with the most comprehensive fintech ecosystem in the Philippines, has transformed the country's financial services landscape with the integration of artificial intelligence and machine learning capabilities in its all-in-one digital banking platform. Maya is the number one fintech ecosystem in the Philippines, having the largest number of depositors, being the largest merchant acquirer in the country, and with its finance app rated number one among all finance apps in the Philippines.

Maya Business 1-2-3 Grow Bundle integrates payments, business deposits, and credit solutions, enabling micro, small, and medium-sized enterprises ("MSMEs") to accept card, QR PH, and e-wallet payments with a lower merchant discount rate while offering interest earnings for business deposits and loans option to Maya's payment solutions users. Among its comprehensive lending products are Maya Credit, Maya Pay in 4, and Maya Personal Loans for consumers, and Maya Flexi Loans, Negosyo Advance, and Negosyo InstaCash for MSMEs.

From its launch in April 2022 to the end of June 2023, Maya attracted 2.3 million depositors, accumulating deposits of 25 billion pesos (US$452.9 million) and disbursing loans of over 10 billion pesos (US$181.2 million). It will continue to focus on empowering consumers and MSMEs and enhancing financial services in the Philippines through innovation.

Sustainability

Sustainability has been identified as one of the key drivers of PLDT's strategy and environmental, social and governance ("ESG") initiatives have been embedded in its businesses. PLDT's Decarbonization Roadmap, deployment of solar panels in five PLDT and Smart facilities, and the expansion of digital infrastructure to facilitate communications have been cited by Brand Finance as contributors to PLDT's Sustainability Perceptions Value ("SPV") of US$222 million – the highest in the Philippines and among all brands listed by Brand Finance in its rankings. SPV quantifies a company's brand value with the sustainability perceptions among stakeholders.

For the Environment pillar, the PLDT group continues its efforts focused on energy efficiency, increasing renewables in its energy mix, promoting responsible plastic and e-Waste management and awareness, and employing technology to facilitate biodiversity management. Together with PLDT's private sector partners, the Planet Pillar of the Global Compact Network Philippines, the local chapter of the UN Global Compact, provided free webinars on enabling a circular economy for MSMEs, and promoting waste segregation and recycling through monthly activities. An e-waste collection campaign participated in by the PLDT group was held in selected offices. This helped raise employee awareness of e-waste and its proper disposal.

Under the Social pillar, PLDT continues to promote online safety and cybersecurity, diversity, and inclusion in the workplace and in communities. Its LGBTQIA+ Pride Month program featured seminars on allyship and self-awareness for employees. PLDT and Smart were recognized by the Philippine Business Coalition for Women Empowerment as two of five Philippine companies who have completed the Workplace Gender Equality ("WGE") Assessment using Gender Equality Assessment, Results and Strategies ("GEARS"), with the People Group leading the follow-through on commitments. Out of 15 Action Plan Commitments, seven have been completed with the remaining eight which require long-term commitments are in progress. They also partnered with ATRIEV, a non-profit organization focused on the visually impaired, to conduct free training via an application offering text-to-speech feedback that allows visually impaired persons to use smartphones independently. With its 'Buy Local Bazaar' program on TikTok, PLDT and Smart helped further uplift incomes of the agriculture and fishery sectors through technology-enabled livelihood efforts.

Under the Governance pillar, the PLDT group continued to champion the importance and practice of corporate governance principles in the workplace and the supply chain. Sustainability metrics have been included in its organizational performance score cards.

Outlook

The path to continued and greater success requires innovation and continuous improvements, while thinking and planning ahead with industry dynamic and technology development are critical for business growth, particularly for a telco industry with high capital expenditure requirements.

For the second half of 2023, PLDT remains focused on achieving its revenue and cost optimization targets for the year. For 2023 full year guidance, PLDT aims to achieve a low-single digit service revenue and EBITDA growth, telco core net income of 33.5–34.0 billion pesos, while capital expenditures are expected to decline to 80–85 billion pesos. Debt levels are expected to be further reduced towards the goal of positive free cash flow.

METRO PACIFIC INVESTMENTS

MPIC's core businesses – power, toll roads, and water – continued their strong performance in the first half of 2023. All core businesses recorded volume growth, with earnings further boosted by favorable tariff adjustments and operational efficiencies.

MPIC's contribution to the Group rose 33% to US$79.3 million (1H22: US$59.7 million), reflecting higher consolidated core net income, partly offset by a 5.3% depreciation of the peso average exchange rate against the U.S. dollar during the period.

Consolidated core net income up 33% to 9.9 billion pesos (US$179.4 million) from 7.5 billion pesos (US$142.8 million)	■ reflecting a 27% growth in contribution from operations to 12.4 billion pesos (US$224.7 million), mainly driven by strong performance of the power generation business and higher water tariffs ■ a 53% rise in contribution from the power business to 9.0 billion pesos (US$162.7 million) driven by growth in power generation ■ a 7% increase in contribution from the toll roads business to 2.7 billion pesos (US$48.3 million) reflecting increases in toll rates and traffic volume ■ a 56% growth in contribution from the water business to 2.3 billion pesos (US$40.9 million) reflecting higher billed volumes, higher effective tariffs, and lower amortization of service concession asset due to the extension of the Maynilad concession
Consolidated reported net income up 8% to 10.2 billion pesos (US$185.2 million) from 9.5 billion pesos (US$181.7 million)	■ reflecting higher consolidated core net income ■ non-recurring gains declined reflecting the consolidation of Landco recorded in the first half of 2022
Consolidated revenues up 21% to 29.4 billion pesos (US$532.3 million) from 24.3 billion pesos (US$464.8 million)	■ reflecting higher revenues at the toll roads, water, and rail businesses

Debt Profile

As at 30 June 2023, MPIC's consolidated debt rose slightly to 300.0 billion pesos (US$5.4 billion) from year-end 2022, while net debt increased 6% to 261.8 billion pesos (US$4.7 billion).

Of the total debt, 87% was denominated in pesos and fixed-rate borrowings accounted for 82% of the total. Notwithstanding a rising interest rate environment, the average interest rate charged on MPIC's borrowings declined slightly to 6.01% for the first half of 2023 from 6.12% for 2022, and debt maturities ranged from 2023 to 2037.

Capital Management

Interim Dividend

MPIC's Board of Directors declared an interim dividend of 0.05 peso (U.S. 0.09 cent) per share payable on 15 September 2023 to shareholders on record as of 1 September 2023. It represented a dividend payout ratio of approximately 14% (1H22: 14%) of core net income.

Additional Investments

On 6 February 2023, Metro Pacific Agro Ventures, Inc. ("MPAV"), a wholly-owned subsidiary of MPIC, entered into a sales and purchase agreement with a group of sellers to acquire an interest of approximately 31.33% in Axelum Resources Corp. ("ARC"), for a consideration of approximately 4.82 billion pesos (US$88.3 million). On the same day, MPAV and ARC entered into an agreement to subscribe to 200 million redeemable preferred shares of ARC for a consideration of 0.5 billion pesos (US$9.2 million). The completion of these two transactions is subject to the satisfaction of certain conditions, including regulatory approvals. ARC is a Philippine-listed corporation and is a leading fully integrated manufacturer and exporter of a wide range of high-quality coconut products to global markets.

On 24 March 2023, Metro Pacific Health Corporation ("MPH") completed the acquisition of a 93.4% interest in Howard Hubbard Memorial Hospital ("HHMH") for a total consideration of 170 million pesos (US$3.1 million). HHMH is a 95-bed hospital located in Polomolok, the Philippines, providing healthcare services to employees of Dole Philippines, Inc., and residents of local communities.

On 5 May 2023, MPIC completed the acquisition of 1.6 billion common shares in SP New Energy Corporation ("SPNEC") from Solar Philippines Power Project Holdings, Inc. ("SPH") for a consideration of 2.0 billion pesos (US$36.2 million). According to the agreement entered into on 28 March 2023 with SPH, MPIC may acquire up to a total of approximately 17.4 billion common shares of SPNEC (representing approximately 43% on a fully diluted basis), subject to relevant approvals. SPNEC develops, constructs, and operates solar power plants primarily in Luzon, the Philippines.

On 19 May 2023, MPIC completed the acquisition of a 51% equity interest in The Laguna Creamery, Inc. ("TLCI") from Carmen's Best Group for a total consideration of 198 million pesos (US$3.6 million). The business owns Carmen's Best Ice Cream, a premium ice cream brand in the Philippines, and Holly's Milk, the only domestic Philippine company producing pasteurized and homogenized fresh milk, yogurt, and cheese.

On 3 July 2023, MPH completed the acquisition of a 70.4% interest in Medical Center Imus ("MCI") for a total consideration of 978.4 million pesos (US$17.7 million). MCI is a 90-bed hospital located in Cavite, Philippines, providing healthcare services to the residents of local communities.

Power

Meralco is the largest electricity distributor in the Philippines, delivering electricity to users accounting for over half of the country's gross domestic product. It is also a major power generator with installed capacity of 2,240.1 megawatts (net) and a program to build a further 1,500 megawatts of renewable capacity by 2027.

The volume of electricity sold rose 3% to 24,792 gigawatt hours. The residential, commercial, and industrial sectors accounted for 35%, 37% and 28%, respectively, of the total sales volume in the first half of 2023. Residential volume rose 1% due to higher temperatures and humidity, while commercial volume increased 10% driven by increasing consumer demand and business activities. Industrial volume recorded a decline of 2% due to lower production and demand from semiconductor, plastics, cement and steel industries.

Meralco's revenues rose 13% to a record high of 224.8 billion pesos (US$4.1 billion) mainly driven by higher passthrough and power generation revenues and sales volume. The number of billed customers rose 3% to 7.7 million reflecting steady growth in both the residential and commercial sectors.

Capital expenditures were flat at 14.1 billion pesos (US$255.9 million) and spent primarily on upgrading the distribution network, relocating power poles, construction of solar power projects, and build-out of cellular communications towers.

MGen, Meralco's wholly-owned power generation subsidiary, delivered a total of 7,398 gigawatt hours of energy, 7% more than in the first half of 2022 largely due to higher plant availability. It also commissioned two solar projects in Baras and Curimao.

Renewable Energy

Meralco's electricity distribution arm has committed to securing 1,500 megawatts of its power requirements from renewable energy sources by 2027. Similarly, MGen is also accelerating the development of its renewable energy generation capacity by 1,500 megawatts by the same time.

Among solar projects under MGreen, 67.5 MWac (phase 1) of its 75 MWac solar plant in Baras, Rizal commenced generation in April 2023. Newly won projects involve the development of a 49 MWac and an 18.75 MWac solar power plants in Cordon of Isabela and in Bongabon of Nueva Ecjia, respectively.

Toll Roads

Metro Pacific Tollways Corporation ("MPTC") operates the North Luzon Expressway ("NLEX"), the Manila-Cavitex Toll Expressway ("CAVITEX"), the Subic Clark Tarlac Expressway ("SCTEX"), the Cebu-Cordova Link Expressway ("CCLEX"), and the Cavite-Laguna Expressway ("CALAX") in the Philippines and is a shareholder in PT Nusantara Infrastructure Tbk in Indonesia and CII Bridges and Roads Investment Joint Stock Company in Vietnam.

MPTC's revenues rose 24% in the first half of 2023 to 13.0 billion pesos (US$236.0 million), reflecting higher tolls and traffic volumes in the Philippines and Indonesia. Average daily vehicle entries on MPTC's toll roads rose 35% to 1,204,931 as the lifting of pandemic-related restrictions stimulated economic and social activities. In the Philippines, average daily vehicle entries rose 14% to 646,336. In Indonesia and Vietnam, average daily vehicle entries rose 88% to 480,636 and 9% to 77,959, respectively.

Capital expenditure decreased 35% to 7.6 billion pesos (US$137.0 million) with the completion of road construction projects. Construction of CAVITEX-C5 South Link, CALAX, and the NLEX-SLEX Connector Road are ongoing.

In the Philippines, construction cost of approximately 76.3 billion pesos (US$1.4 billion) was estimated for the CAVITEX-CALAX Link, CAVITEX-C5 South Link, CALAX, Candaba 3rd Viaduct, and the NLEX-SLEX Connector Road, with a total length of 66.9 kilometers. The second phase of the NLEX-SLEX Connector Road is expected to be completed in 2023 with the other roads following in 2024.

Water

Maynilad Water Services, Inc. ("Maynilad") is the Philippines' largest water utility in terms of customer numbers, operating a concession for water distribution and sewerage and sanitation services for the West Zone of Metro Manila. MetroPac Water Investments Corporation ("MPW") is MPIC's investment vehicle for water investments outside Metro Manila.

Higher billed volumes and tariffs drove a 19% increase in Maynilad's revenues to 13.3 billion pesos (US$241.3 million) in the first half of 2023.

Capital expenditures rose 37% to 9.4 billion pesos (US$171.0 million), spent largely on repairing leaks and replacing pipes under the terms of the business plan approved by its regulator.

Healthcare

MPH is the largest private healthcare provider in the Philippines, with services ranging from all aspects of outpatient care to the most intensive and advanced inpatient services such as cancer treatment and organ transplants. The recent addition of a 95-bed hospital HHMH and a 90-bed MCI increased MPH hospital network to 21 institutions.

MPIC's digital arm mWell PH ("mWell") provides affordable and accessible health and wellness services through its fully integrated digital platform. It has 1,200 primary care doctors, specialists, and mental health experts, with services extending to overseas Filipino workers. As part of its global healthcare services to Filipinos, mWell also developed mWellMD – a cutting-edge electronic medical records and clinical services delivery platform created by doctors. In June 2023, mWell represented the Philippines in London Tech Week 2023 which is Europe's largest tech festival of financial inclusion, digital health, and cybersecurity.

Sustainability

MPIC is embedding a holistic and end-to-end approach to sustainability in all aspects of its businesses, covering economic, environmental, social development, and governance, with some initiatives highlighted below.

Integrating Sustainability with Business Strategy

Meralco is accelerating the development of its renewable energy plan of generating up to 1,500 megawatts of clean energy by 2027. Under MGreen, 67.5 MWac (phase 1) of its 75 MWac solar plant in Baras, Rizal commenced generation in April 2023. It plans to declare a formal commissioning date in the third quarter of 2023.

Maynilad launched a long-term plan to decarbonize its vehicle fleet with a plan to electrify half of the fleet by 2037. The first batch of three electric vehicles arrived earlier in 2023, while a second batch of 41 units will be acquired over the next five years.

Maynilad also soft-launched the Anabu Modular Treatment Plant in Cavite which sources water from adjacent rivers. The initial water output of 5.5 million litres per day ("MLD") can serve over 13,000 people. Full operation with a total production capacity of 16 MLD for approximately 114,000 people is expected to commence in the second half of this year.

Investing in Environmental Protection Programs

MPIC continues its focus on biodiversity protection by hosting ASEAN Youth Biodiversity Leaders at the ASEAN Centre for Biodiversity's Youth Programme.

Metro Pacific Investments Foundation ("MPIF") celebrated the 15th anniversary of Shore It Up! ("SIU") by organizing a multisectoral forum "Enlarging Our Blue Footprint for Philippine Marine Biodiversity Conservation" The forum provided a platform for stakeholders from both public and private sectors to craft the next five-year plan for SIU.

Empowering Communities through Positive Impact Programs

MPIF leverages its expertise and connections with a goal of generating positive impacts on local communities. Below are some initiatives during the period:

Medical supplies and equipment were provided to the Philippine Coast Guard to support the Mindoro Oil Spill clean-up initiative.

Financial assistance was granted to the Municipality of del Carmen, Surigao del Norte for the rehabilitation of its Mangrove Protection and Information Center damaged by typhoon Odette.

Relief packages were distributed to 200 households displaced by volcanic eruptions of Mt. Mayon in Albay.

In the area of education, the "Alay Sa Batang Rizal" Program of MPIF and Gabay Guro provided financial assistance to 50 scholars at Tanay and Binangonan in Rizal.

In collaboration with Tulong Kapatid, MPIC conducted relief distribution and medical missions to those affected by Typhoon Egay.

Aligning with Global Best Practices on Sustainability

MPIC remains a constituent company of the FTSE4Good Index Series for the second consecutive year. FTSE Russell's ESG scores and data model allow investors to understand a company's exposure to and preparedness for ESG issues in multiple dimensions.

Petition for Voluntary Delisting

On 26 April 2023, MPIC received a Tender Offer Notice from a consortium including Metro Pacific Holdings, Inc. (a Philippine affiliate company of First Pacific), GT Capital Holdings, Inc., Mit-Pacific Infrastructure Holdings Corporation, and MIG Holdings Incorporated (collectively referred to as the "Bidders") which states that they intend to make a tender offer for common shares of MPIC at a price of 4.63 pesos (US$0.08) per share, with a view to taking MPIC private through a voluntary delisting process. The tender offer shall cover all outstanding common shares of MPIC, other than the common shares owned by the Bidders and the qualifying common shares of the directors of MPIC.

On 3 July 2023, MPIC received an updated Tender Offer Notice from the Bidders with the tender offer price raised to 5.20 pesos (US$0.09) per share from 4.63 pesos (US$0.08) per share.

At a Special Shareholders Meeting held on 8 August 2023, MPIC shareholders representing over 77% of the total outstanding common shares of MPIC voted to approve the proposal for voluntary delisting, while less than 1% voted against. The voting result fulfilled requirements under the Amended Voluntary Delisting Rules of the PSE for the tender to go ahead.

The tender offer period began on 9 August 2023 and will end on 7 September 2023, with a targeted settlement date of 19 September 2023.

Outlook

MPIC's strategic investments in the power generation business are beginning to bear fruit and are expected to drive growth going forward, hand in hand with MPIC's growing toll road network both domestically and in the ASEAN region.

The tender offer aims to release the intrinsic value of MPIC's core investments in infrastructure in the Philippines. The nature of MPIC's businesses will continue, as will its commitment to create long-term value for all stakeholders through responsible and sustainable investments that contribute to national progress and improve the quality of life in the communities MPIC businesses serve.

FPM POWER / PacificLight

PLP's 800-megawatt Jurong Island Power Generation Facility is one of the most efficient combined cycle power plants operating in Singapore following its launch of commercial operations in 2014.

In the first half of 2023, PLP's contribution to the Group increased 63% to US$63.7 million (1H22: US$39.0 million) mainly reflecting higher core net profit.

During the period, average plant availability declined to 86% (1H22: 92%) as a result of scheduled regular maintenance work and a system upgrade for Unit 20 which improved its efficiency and increased the capacity to 415 megawatts, Unit 20 also encountered forced outages associated with testing of its system upgrade. Unit 10 has had no operational forced outage since February 2022. The heat rate remained low and the plant highly reliable.

The volume of electricity sold in the first half of 2023 rose 4% to 2,893 gigawatt hours (1H22: 2,770 gigawatt hours), of which 91% (1H22: 91%) was for contracted sales and vesting contracts, and the remaining 9% (1H22: 9%) was sold in the pool market. PLP's generation market share for the period was approximately 9.5% (1H22: 9.4%).

Core net profit up 66% to S$216.5 million (US$161.7 million) from S$130.7 million (US$95.6 million)	■ reflecting higher non-fuel margin for electricity sales and higher sales volume ■ partly offset by higher deferred taxation, staff and finance costs
Net profit up 49% to S$221.9 million (US$165.7 million) from S$148.7 million (US$108.8 million)	■ reflecting higher core net profit
Revenues up 25% to S$1.5 billion (US$1.1 billion) from S$1.2 billion (US$863.7 million)	■ reflecting a higher volume of electricity sold on higher contracted position and higher average selling price
Net operating expenses up 36% to S$16.2 million (US$12.1 million) from S$11.9 million (US$8.7 million)	■ reflecting higher staff costs ■ partly offset by lower marketing expenses
EBITDA up 52% to S$268.9 million (US$200.8 million) from S$177.3 million (US$129.7 million)	■ reflecting higher non-fuel margin for electricity sales and higher sales volume ■ partly offset by higher staff costs

Debt Profile

In the first half of 2023, PLP prepaid S$65 million (US$48.5 million) and completed the refinancing of the remaining S$250 million (US$184.9 million) of its long-term debt. As at 30 June 2023, FPM Power's net debt stood at US$136.7 million while gross debt stood at US$184.9 million with most of the debt due to mature by June 2028. All of the borrowings were floating-rate bank loans.

Dividends

In the first half of 2023, PLP distributed total dividends of S$125 million (US$93.4 million) (1H22: Nil) to its shareholders.

Singapore's Pioneer Offshore Solar Import Project

On 25 October 2021, PLP signed a Joint Development Agreement with consortium partners Medco Power Indonesia, a leading Indonesian independent power producer, and Gallant Venture Ltd., a Salim Group company, for a pilot solar import project from Bulan Island in Indonesia to Singapore. The consortium has been granted a 100-megawatt conditional Import Licence by the Energy Market Authority of Singapore ("EMA"), which would allow the renewable electricity generated to be supplied via a subsea cable connection from a solar farm on Bulan Island to the Singapore Power Grid network at PLP's existing site at Jurong Island, Singapore. Applications for requisite permits and engineering studies are in progress. Upon completion of the development, the first phase of the project would offset over 357,000 tonnes of carbon emissions annually, in line with the Singapore Green Plan 2030 to increase renewable generation and reduce reliance on fossil fuels.

In addition, Singapore's EMA aims to import up to 4.0 gigawatts of renewable electricity by 2035 through a Request for Proposal which the consortium will seek participation opportunities.

Outlook

Singapore GDP is forecast to grow 0.5% to 1.5% in 2023 with moderate growth in electricity demand. Though the regulatory authority in Singapore is implementing a temporary price cap from July 2023 to address momentary price volatility, its impact is not expected to be significant. The overall market outlook remains stable.

PHILEX MINING CORPORATION

The Padcal mining operation was challenged in the first half of 2023 with metal production hindered by unscheduled breakdowns of aging mill equipment, power outages and a decline in gold and copper grades. The average realized copper price was lower than a year earlier while the average realized gold price was higher. Meanwhile in Surigao del Norte, Mindanao, the development of Philex's Silangan Project continued, with commercial production of gold and copper planned to begin in early 2025.

In the first half of 2023, Philex's contribution to the Group declined 48% to US$5.1 million (1H22: US$9.8 million), reflecting lower core net income.

Total ore milled was down 4% to 3.5 million tonnes due to production interruptions caused by unscheduled repairs of mill equipment. Metal output was further held back by a decline in the average gold grade by 12% to 0.246 grams per tonne, while the average copper grade decreased by 5% to 0.183%. As a result, gold production declined 19% to 20,361 ounces and copper output fell 12% to 11.2 million pounds. The average realized gold price increased 3% to US$1,924 per ounce while the copper price weakened by 11% to US$3.91 per pound.

Core net income down 47% to 702 million pesos (US$12.7 million) from 1.3 billion pesos (US$25.5 million)	■ reflecting lower revenue
Net income down 50% to 704 million pesos (US$12.8 million) from 1.4 billion pesos (US$26.8 million)	■ reflecting lower core net income ■ lower foreign exchange gain
Revenue (net of smelting charges) down 17% to 4.2 billion pesos (US$75.3 million) from 5.0 billion pesos (US$96.0 million)	■ lower metal output reflecting lower tonnage, and declining gold and copper ore grades ■ lower average realized copper price ■ partly offset by higher gold price and favourable exchange rates ■ revenues from gold, copper and silver contributed 45%, 54% and 1% of the total, respectively
EBITDA down 50% to 1.2 billion pesos (US$21.5 million) from 2.4 billion pesos (US$45.0 million)	■ mainly reflecting lower revenue and higher cash operating costs
Operating cost per tonne of ore milled up 6% to 1,037 pesos (US$18.8) from 981 pesos (US$18.8)	■ reflecting higher costs for power, materials and supplies, and labour ■ partly offset by lower non-cash charges due to the extension of the Padcal mine life to 2027 announced in December 2022
Capital expenditure (including exploration costs) up 14% to 994 million pesos (US$18.0 million) from 869 million pesos (US$16.6 million)	■ reflecting higher capital expenditure for preliminary mine development ground works at the Silangan Project ■ mine exploration for the project owned by Macawiwili Gold Mining and Development Co., Inc. ("Macawiwili")

On 23 January 2023, Philex signed a term sheet with Macawiwili for the exploration of commercial, financial, and technical aspects of Macawiwili's contract area of over 800 hectares located adjacent to the Padcal mine under a Mineral Production Sharing Agreement. Macawiwili has been engaged in mineral exploration and production of copper and gold, in Itogon in the Philippines for decades. Due diligence and preparatory works for scout drilling activities on the properties of Macawiwili are underway. Philex's possible investment in Macawiwili would potentially further extend the mine life of Padcal mine and offer the benefit of operational synergies with Macawiwili.

Debt Profile

As at 30 June 2023, Philex had 9.0 billion pesos (US$163.8 million) of borrowings, comprising 6.0 billion pesos (US$109.8 million) of bonds with a 1.5% coupon and 3.0 billion pesos (US$54.0 million) of U.S. dollar-denominated bank loans with an average interest cost of approximately 5.9%.

Silangan Project

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

According to the In-Phase Mine Plan feasibility study for the Boyongan deposit (Phase 1 of the Silangan Project) completed in January 2022, the mine life and operation for the Boyongan deposit is 28 years with a mineable reserve estimate of 81 million tonnes, and estimated gold grade of 1.13 grams per tonne and copper grade of 0.67%. From mineral resource estimates of 279 million tonnes, estimated grade of 0.70 gram per tonne for gold and 0.52% for copper.

The capital expenditure requirements under the In-Phase Mine Plan is US$224 million. Commercial operations of the Silangan Project are targeted to commence in early 2025 with initial daily estimated ore production capacity of 2,000 tonnes and climbing to 12,000 tonnes by the twelfth year of operation.

As part of the funding plan for the Silangan Project, Philex completed a Stock Rights Offering ("SRO") on 3 August 2022 and raised 2.65 billion pesos (US$47.6 million) with the issuance of 842 million new shares at 3.15 pesos (U.S. 5.66 cents) per share. The net proceeds of the SRO were allocated to fund the initial capital expenditure and development cost of the Silangan Project.

Philex is in the final stage of negotiation and documentation of a syndicated debt facility to complete the funding requirement of the Silangan Project. The debt syndication aims to raise a minimum of US$100 million to complete the full funding requirement for the Silangan Project after the 2022 SRO, along with a capital infusion from Philex's cash reserves.

Construction of the Silangan Project's east decline portal was completed in April 2023, and the tunnelling equipment necessary for tunnelling works arrived as planned. Permitting works for the tailings storage facility are underway while tender documents for the construction of the process plant have been issued to potential contractors.

PXP

In the first half of 2023, petroleum revenue from Service Contract ("SC") 14C-1 Galoc oil field decreased 13% to 39 million pesos (US$0.7 million) (1H22: 45 million pesos (US$0.9 million)) reflecting an 18% decline in average crude oil sale prices, partly offset by a 3% increase in total volume lifted to 301,339 barrels from 291,216 barrels in the first half of 2022.

Costs and expenses rose 3% to 49 million pesos (US$0.9 million) (1H22: 47 million pesos (US$0.9 million)), reflecting higher petroleum production cost which was partly offset by marginally lower overhead.

PXP's core net loss widened to 13 million pesos (US$0.2 million) from 2 million pesos (US$0.04 million), reflecting lower petroleum revenue, higher costs and expenses, and higher interest expense.

SC 72 and SC 75

Forum Energy Limited ("FEL"), a subsidiary of PXP, holds a 70% interest in SC 72 Recto Bank, which covers an area of 8,800 square kilometers located in Northwest Palawan of the Philippines. Its second Sub-Phase ("SP") of exploration activities resumed on 14 October 2020 when the Force Majeure imposed on 15 December 2014 was lifted by the Philippine Department of Energy ("DOE"). FEL was required at the time to drill a minimum of two wells as part of its work commitment under SP 2 of SC 72 in a 20-month period from 14 October 2020 to 13 June 2022.

PXP holds a 50% interest in SC 75 Northwest Palawan Block. All exploration activities of SC 75 were suspended on 27 December 2015 due to the imposition of Force Majeure until its lifting by the DOE on 14 October 2020. The SC 75 consortium is required to undertake a 3D seismic survey which includes the acquisition, processing, and interpretation of at least 1,000 square kilometers of 3D seismic data, as part of its work commitment under SP 2 of SC 75 in an 18-month period from 14 October 2020 to 13 April 2022.

The exploration activities of SC 72 and SC 75 were suspended from 6 April 2022 when FEL and PXP received a directive from the DOE to suspend such work. On 11 April 2022, FEL and PXP terminated all the related exploration work and declared Force Majeure for both SC 72 and SC 75. Subsequently, on 20 March 2023 the DOE affirmed it would credit back the period from 14 October 2020 to 6 April 2022 to both SC 72 and SC 75 with equivalent remaining terms once the Force Majeure is lifted in the future.

Outlook

Continued uncertainty of the geopolitical situation, and high inflation and interest rates threaten to slow global growth in the near term. Notwithstanding these factors in the wake of operational challenges in the first half of 2023, Philex is cautiously optimistic that progress at the Silangan Project and other potential business expansion opportunities in the pipeline will prove beneficial to Philex going forward.

FP NATURAL RESOURCES / RHi

ROXAS HOLDINGS, INC.

An industry-wide shortage of sugar cane worsened in the first half of 2023, continuing competition from low-cost imports of refined sugar, and rising feedstock costs were the most significant factors in the widening of the loss at FP Natural Resources to US$10.0 million (1H22: US$3.4 million).

RHI operates a sugar mill in Batangas with a refinery capacity of 18,000 LKg per day (an LKg is equal to one 50-kilogram bag of sugar), and a bioethanol plant in San Carlos City with a daily production capacity of approximately 100,000 liters of bioethanol used exclusively for industrial purposes with none used for human consumption.

During the period, RHI's refinery sales volumes (including tolling arrangements) declined to 80 thousand LKg (1H22: 899 thousand LKg) mainly due to lack of raw sugar supply. The sales volume of bioethanol fell 39% to 9.0 million liters (1H22: 14.8 million liters) on higher feedstock costs.

Core net loss up 102% to 814 million pesos (US$14.8 million) from 403 million pesos (US$7.7 million)	■ reflecting a loss from Batangas refinery caused by limited production volumes as a result of lack of raw sugar supply ■ a loss at bioethanol operations associated with higher cost of feedstock and lack of molasses supply ■ partly offset by an absence of milling losses due to operation suspension prior to the sales of milling assets in June 2023
Reported net loss up 97% to 775 million pesos (US$14.0 million) from 393 million pesos (US$7.5 million)	■ mainly reflecting higher core net loss
Revenues down 65% to 1.9 billion pesos (US$33.9 million) from 5.4 billion pesos (US$103.6 million)	■ reflecting lower sales volume of refined sugar caused by limited production ■ lower sales volume of bioethanol
Operating expenses down 16% to 225 million pesos (US$4.1 million) from 268 million pesos (US$5.1 million)	■ reflecting lower selling and distribution expense due to lower sales volumes
EBITDA loss to 411 million pesos (US$7.4 million) from 11 million pesos (US$0.2 million)	■ reflecting lower revenues ■ partly offset by lower cash production cost due to limited production
EBITDA margin to -21.9% from -0.2%	■ reflecting higher EBITDA loss due to lower revenues

Debt Profile
As at 30 June 2023, total debt of RHI, including the convertible note issued by San Carlos Bioenergy, Inc., stood at 5.4 billion pesos (US$97.0 million) with maturities up to December 2028 at an average interest rate of approximately 7.1%.

Outlook
RHI is exploring alternate sources of raw sugar, while continuing cost-cutting and seeking unutilized asset sales to generate cash.

Liquidity and Financial Resources

Net Debt and Gearing

(A) Head Office Net Debt

The decrease in net debt is mainly due to increased dividend income and lower capital investments during the first half year. The Head Office's borrowings at 30 June 2023 comprise bonds of US$348.7 million (with a face value of US$350.0 million) which are due for redemption in September 2027, and bank loans of US$1,116.2 million (with a principal amount of US$1,130.0 million) which are due for repayment between May 2024 and June 2029.

Changes in Head Office Net Debt

US$ millions	Borrowings	Cash and cash equivalents	Net debt
At 1 January 2023	1,459.0	(96.6)	1,362.4
Movement	5.9	(107.0)	(101.1)
At 30 June 2023	**1,464.9**	**(203.6)**	**1,261.3**

Head Office Cash Flow

For the six months ended 30 June US$ millions	**2023**	2022
Dividend and fee income	**142.9**	66.3
Head Office overhead expense	**(6.8)**	(7.4)
Net cash interest expense	**(35.1)**	(22.9)
Tax paid	**(0.1)**	(0.1)
Net Cash Inflow from Operating Activities	**100.9**	35.9
Net investments[(i)]	**(1.9)**	(23.3)
Financing activities		
– New borrowings, net	**9.2**	20.9
– Repurchase of shares	**–**	(5.6)
– Others[(ii)]	**(1.2)**	(2.3)
Net Increase in Cash and Cash Equivalents	**107.0**	25.6
Cash and cash equivalents at 1 January	**96.6**	113.0
Cash and Cash Equivalents at 30 June	**203.6**	138.6

(i) Mainly represents the investment in Voyager, an associated company of PLDT, in 2022.
(ii) Mainly payments for lease liabilities in 2022 and 2023 and also payment to the trustee for share purchase scheme in 2022.

(B) Group Net Debt and Gearing

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

Consolidated

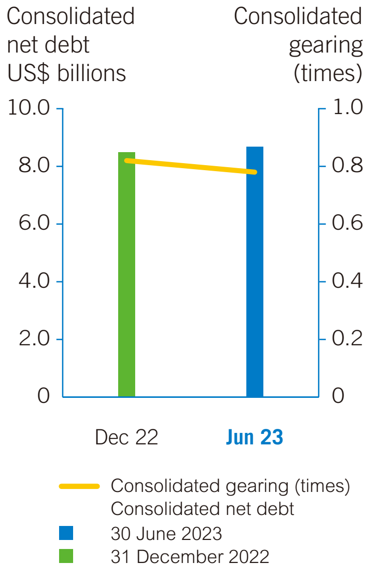
US$ millions	At 30 June 2023 Net debt[i]	Total equity/ (deficit)	Gearing[ii] (times)	At 31 December 2022 Net debt[i]	Total equity	Gearing[ii] (times)
Head Office	**1,261.3**	**1,084.2**	**1.16x**	1,362.4	1,139.5	1.20x
Indofood	**2,497.4**	**6,316.2**	**0.40x**	2,549.7	5,834.0	0.44x
MPIC	**4,721.7**	**4,486.9**	**1.05x**	4,398.8	4,276.9	1.03x
FPM Power	**136.7**	**364.4**	**0.38x**	103.6	285.1	0.36x
FP Natural Resources	**73.9**	**(6.5)**	**–**	78.7	12.2	6.45x
Group adjustments[iii]	**–**	**(1,036.1)**	**–**	–	(1,181.9)	–
Total	**8,691.0**	**11,209.1**	**0.78x**	8,493.2	10,365.8	0.82x

Associated Companies

US$ millions	At 30 June 2023 Net debt[i]	Total equity	Gearing[ii] (times)	At 31 December 2022 Net debt[i]	Total equity	Gearing[ii] (times)
PLDT	**4,563.1**	**2,156.0**	**2.12x**	4,023.8	2,043.8	1.97x
Philex	**78.4**	**570.4**	**0.14x**	64.6	553.6	0.12x

(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.

Consolidated Net Debt and Gearing

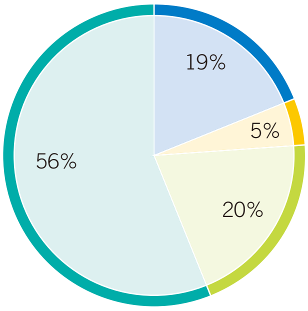


Head Office's gearing decreased because of a decrease in its net debt as a result of the increase in dividend income principally from FPM Power/PLP, partly offset by a decrease in its equity reflecting the Company's distribution to shareholders.

Indofood's gearing decreased because of an increase in its equity reflecting the appreciation of the rupiah against U.S. dollar and its profit recorded during the period, coupled with a decrease in its net debt as a result of its operating cash inflow, despite payments for capital expenditure and investment in mutual funds.

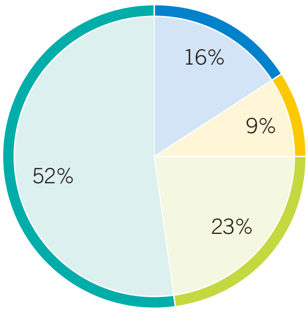
MPIC's gearing increased because of an increase in its net debt as a result of payments for capital expenditure, concession fees and its investment in SPNEC, despite its operating cash inflow and the receipt of dividend from Meralco, partly offset by an increase in its equity reflecting its profit recorded and the appreciation of the peso against U.S. dollar during the period.

Maturity Profile of Consolidated Debt 30 June 2023



	US$ millions
Within one year	2,243.8
One to two years	559.7
Two to five years	2,286.4
Over five years	6,494.4
Total	**11,584.3**

Maturity Profile of Consolidated Debt 31 December 2022



	US$ millions
Within one year	1,824.3
One to two years	996.8
Two to five years	2,555.3
Over five years	5,845.9
Total	**11,222.3**

FPM Power's gearing increased because of an increase in its net debt as a result of payments of dividends to shareholders, partly offset by an increase in its equity reflecting PLP's profit recorded during the period.

FP Natural Resources' net debt decreased because of proceeds from RHI's disposal of its sugar milling assets, despite RHI's operating cash outflow. The deficit mainly reflects RHI's loss recorded during the period.

The Group's gearing decreased to 0.78 times because of an increase in the Group's equity reflecting the appreciation of the rupiah and the peso against U.S. dollar and the Group's profit recorded during the period, partly offset by a higher net debt level mainly as a result of the Group's payment for capital expenditure and investments, despite the Group's operating cash inflow.

PLDT's gearing increased mainly because of an increase in its net debt reflecting payments of capital expenditure, partly offset by an increase in its total equity reflecting its profit recorded during the period. Philex's gearing increased mainly because of an increase in its net debt reflecting payments of capital expenditure, partly offset by an increase in its equity reflecting its profit recorded during the period.

Maturity Profile

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

Consolidated

	Carrying amounts		Nominal values	
US$ millions	**At 30 June 2023**	At 31 December 2022	**At 30 June 2023**	At 31 December 2022
Within one year	**2,243.8**	1,824.3	**2,249.3**	1,828.5
One to two years	**559.7**	996.8	**563.5**	1,003.4
Two to five years	**2,286.4**	2,555.3	**2,303.9**	2,573.3
Over five years	**6,494.4**	5,845.9	**6,543.0**	5,901.3
Total	**11,584.3**	11,222.3	**11,659.7**	11,306.5

The change in the Group's debt maturity profile from 31 December 2022 to 30 June 2023 mainly reflects a shift in long-term borrowings among the different maturity periods for Indofood and MPIC, Head Office's refinancing of US$357.8 million bonds matured in April 2023 with new long-term borrowings, PLP's prepayment of S$65.0 million (US$48.5 million) and refinancing of S$250.0 million (US$184.9 million) long-term borrowings, RHI's reclassification of Pesos 4.0 billion (US$72.9 million) loan as current due to certain covenant compliance issues, and the Group's net new borrowings.

Associated Companies

	PLDT				Philex			
	Carrying amounts		Nominal values		Carrying amounts		Nominal values	
US$ millions	**At 30 June 2023**	At 31 December 2022	**At 30 June 2023**	At 31 December 2022	**At 30 June 2023**	At 31 December 2022	**At 30 June 2023**	At 31 December 2022
Within one year	**605.9**	579.1	**612.4**	585.5	**31.0**	29.0	**31.0**	29.0
One to two years	**201.9**	203.2	**207.7**	208.8	**–**	–	**–**	–
Two to five years	**1,319.6**	1,138.5	**1,335.9**	1,154.8	**132.8**	106.0	**140.7**	114.8
Over five years	**2,728.9**	2,555.2	**2,741.0**	2,567.7	**–**	–	**–**	–
Total	**4,856.3**	4,476.0	**4,897.0**	4,516.8	**163.8**	135.0	**171.7**	143.8

The change in PLDT's debt maturity profile from 31 December 2022 to 30 June 2023 mainly reflects new borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs, and loan repayments with proceeds from towers sale. The increase in Philex's debt reflects new borrowings arranged to finance the development of Silangan project.

Charges on Group Assets

At 30 June 2023, certain bank and other borrowings were secured by the Group's property, plant and equipment, accounts and other receivables, cash and cash equivalents, and inventories amounting to net book values of US$969.6 million (31 December 2022: US$900.4 million) and the interests of the Group's 70% (31 December 2022: 70%) in PLP, 55% (31 December 2022: 55%) in Light Rail Manila Corporation ("LRMC"), 100% (31 December 2022: 100%) in MPCALA Holdings, Inc. ("MPCALA"), 100% (31 December 2022: 100%) in Cebu Cordova Link Expressway Corporation ("CCLEC"), 35% (31 December 2022: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (31 December 2022: 88.9%) in PT Bintaro Serpong Damai ("PT BSD"), 99.5% (31 December 2022: 99.5%) in PT Makassar Metro Network ("PT MMN"), 99.4% (31 December 2022: 99.4%) in PT Jalan Tol Seksi Empat ("PT JTSE"), 61.2% (31 December 2022: 61.2%) in PT Inpola Meka Energi, and 40.0% (31 December 2022: 40.0%) in Jasa Marga Jalanlayang Cikampek ("JJC").

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.

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 currencies on a transactional basis.

(B) Group Risk

The results of the Group's subsidiary and associated companies are denominated in local currencies, principally the rupiah, peso and S$, which are translated and consolidated to give the Group's results in U.S. dollars. The Group also exposed to foreign currency risk in relates to the translation of non-U.S. dollar denominated investments in subsidiary and associated companies. However, the Group 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.

The principal components of the Group's net asset value ("NAV") mainly relate to investments denominated in the rupiah and peso. Accordingly, any change in these currencies, against their respective 30 June 2023 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.

	Basis	Effect on adjusted NAV US$ millions	Effect on adjusted NAV per share HK cents
Indofood	(i)	21.5	3.95
PLDT	(i)	13.1	2.41
MPIC	(i)	11.4	2.10
Philex	(i)	1.3	0.24
PXP	(i)	0.5	0.09
FP Natural Resources	(ii)	0.1	0.02
Head Office – Other assets	(iii)	1.2	0.21
Total		**49.1**	**9.02**

(i) Based on quoted share prices at 30 June 2023 applied to the Group's economic interests.
(ii) Based on quoted share price of RHI at 30 June 2023 applied to the Group's effective economic interest.
(iii) Represents the carrying amount of Silangan Mindanao Exploration Co., Inc.'s notes ("SMECI's notes").

Net Debt by Currency

It is often necessary for subsidiary and associated companies 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

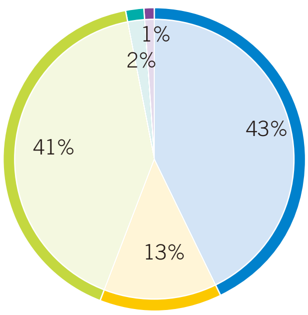
US$ millions	US$	Rupiah	Peso	S$	Others	Total
Total borrowings	4,954.2	1,476.5	4,806.5	204.6	142.5	**11,584.3**
Cash and cash equivalents[i]	(1,163.5)	(825.8)	(735.5)	(32.3)	(136.2)	**(2,893.3)**
Net Debt	3,790.7	650.7	4,071.0	172.3	6.3	**8,691.0**
Representing:						
Head Office	1,370.8	–	(45.0)	–	(64.5)	**1,261.3**
Indofood	2,323.0	223.4	–	7.0	(56.0)	**2,497.4**
MPIC	126.4	427.3	4,041.2	–	126.8	**4,721.7**
FPM Power	(28.6)	–	–	165.3	–	**136.7**
FP Natural Resources	(0.9)	–	74.8	–	–	**73.9**
Net Debt	3,790.7	650.7	4,071.0	172.3	6.3	**8,691.0**

Associated Companies

US$ millions	US$	Peso	Total
Net Debt			
PLDT	617.3	3,945.8	**4,563.1**
Philex	26.9	51.5	**78.4**

(i) Includes short-term deposits and restricted cash.

Analysis of Total Borrowings by Currency



	US$ millions
US$	4,954.2
Rupiah	1,476.5
Peso	4,806.5
S$	204.6
Others	142.5
Total	**11,584.3**

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 respective company levels.

US$ millions	Total US$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	**Group net profit effect**
Head Office[(i)]	1,370.8	–	1,370.8	–	**–**
Indofood	2,323.0	–	2,323.0	23.2	**9.1**
MPIC	126.4	–	126.4	1.3	**0.4**
FPM Power	(28.6)	–	(28.6)	(0.3)	**(0.1)**
FP Natural Resources	(0.9)	–	(0.9)	(0.0)	**(0.0)**
PLDT	617.3	(290.9)	326.4	3.3	**0.6**
Philex	26.9	–	26.9	0.3	**0.1**
Total	**4,434.9**	**(290.9)**	**4,144.0**	**27.8**	**10.1**

(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.

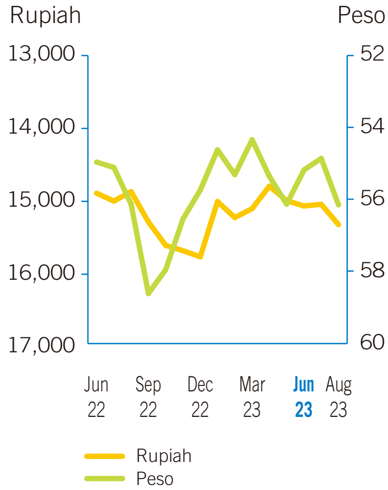
Equity Market Risk

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 market sentiment towards specific countries.

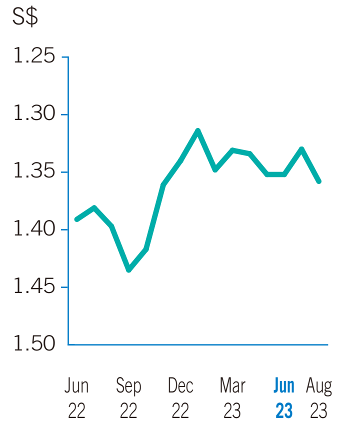
First Pacific's listed investments are located in Indonesia, the Philippines and Singapore. Accordingly, in addition to operating factors within the Company's control, the Company also has an equity market risk in respect of general investor sentiment towards these countries. Changes in the stock market indices of Indonesia, the Philippines and Singapore are summarized as follows.

	Jakarta Composite Index	**Philippine Composite Index**	**Singapore Straits Times Index**
At 31 December 2022	6,851	6,566	3,251
At 30 June 2023	**6,662**	**6,468**	**3,209**
Decrease during the first half of 2023	–2.8%	–1.5%	–1.3%

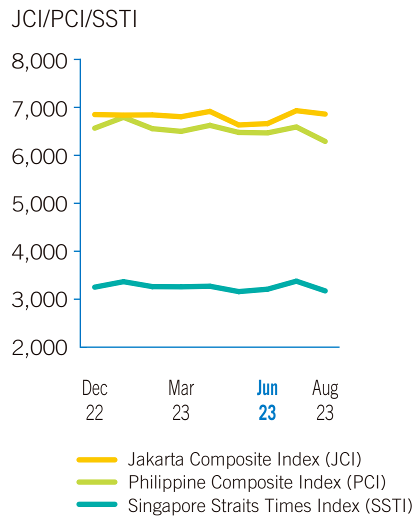
Rupiah and Peso Closing Rates against the U.S. Dollars



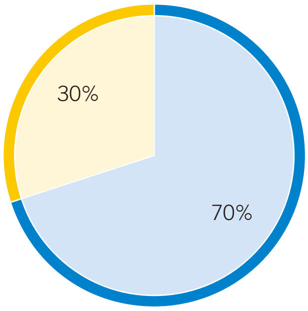
Singapore Dollars Closing Rates against the U.S. Dollars



Stock Market Indices



Interest Rate Profile



	US$ millions
Fixed	8,061.3
Variable	3,523.0
Total	**11,584.3**

Interest Rate Risk

The Company and its subsidiary and associated companies 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	Variable interest rate borrowings	Cash and cash equivalents[ii]	**Net debt**
Head Office[i]	724.7	740.2	(203.6)	**1,261.3**
Indofood	2,731.9	1,684.9	(1,919.4)	**2,497.4**
MPIC	4,594.2	841.0	(713.5)	**4,721.7**
FPM Power	–	184.9	(48.2)	**136.7**
FP Natural Resources	10.5	72.0	(8.6)	**73.9**
Total	**8,061.3**	**3,523.0**	**(2,893.3)**	**8,691.0**

Associated Companies

US$ millions	Fixed interest rate borrowings	Variable interest rate borrowings	Cash and cash equivalents[ii]	**Net debt**
PLDT[i]	2,596.3	2,260.0	(293.2)	**4,563.1**
Philex	134.8	29.0	(85.4)	**78.4**

(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	740.2	7.4	**7.4**
Indofood	1,684.9	16.8	**6.6**
MPIC	841.0	8.4	**2.9**
FPM Power	184.9	1.8	**0.6**
FP Natural Resources	72.0	0.7	**0.2**
PLDT	2,260.0	22.6	**4.3**
Philex	29.0	0.3	**0.1**
Total	**5,812.0**	**58.0**	**22.1**

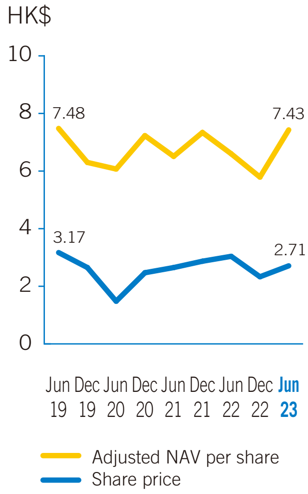
Adjusted NAV Per Share

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

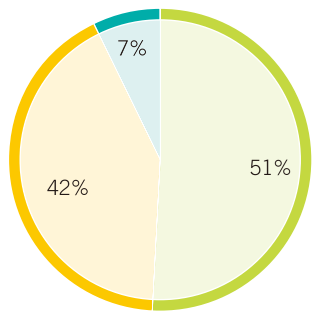
US$ millions	Basis	At 30 June 2023	At 31 December 2022
Indofood	(i)	**2,150.4**	1,879.3
PLDT	(i)	**1,313.1**	1,304.8
MPIC	(i)	**1,142.6**	811.0
FPM Power	(ii)	**370.0**	150.0
Philex	(i)	**131.6**	145.6
PXP	(i)	**49.1**	76.4
FP Natural Resources	(iii)	**10.8**	9.9
Head Office – Other assets	(iv)	**135.9**	134.7
– Net debt		**(1,261.3)**	(1,362.4)
Total Valuation		**4,042.2**	3,149.3
Number of Ordinary Shares in Issue (millions)		**4,241.7**	4,241.7
Value per share – U.S. dollars		**0.95**	0.74
– HK dollars		**7.43**	5.79
Company's closing share price (HK$)		**2.71**	2.33
Share price discount to HK$ value per share (%)		**63.5**	59.8

(i) Based on quoted share prices applied to the Group's economic interests.
(ii) Represents investment cost (31 December 2022: book carrying amount).
(iii) Based on quoted share price of RHI applied to the Group's effective economic interest.
(iv) Represents the carrying amount of SMECI's notes and the Company's investment in Voyager.

Share Price vs Adjusted NAV Per Share



Adjusted NAV by Country 30 June 2023



	US$ millions
Philippines	2,647.2
Indonesia	2,150.4
Singapore	370.0
Total	**5,167.6**

Employee Information

The following information relates to the Head Office and its subsidiary companies.

For the six months ended 30 June US$ millions	2023	2022
Employee Remuneration (including Directors' Remuneration)		
Basic salaries	**256.1**	256.5
Bonuses	**129.6**	107.4
Benefits in kind	**48.0**	52.1
Pension contributions	**9.5**	15.6
Retirement and severance allowances	**1.1**	3.5
Employee share-based compensation benefit expenses/long-term incentive plans ("LTIP")	**8.4**	6.0
Total	**452.7**	441.1

Number of employees	**2023**	2022
At 30 June	**101,352**	100,968
Average for the period	**101,375**	100,668

For details regarding the Group's remuneration policies for Directors and senior executives, please refer to page 88 of the Company's 2022 Annual Report.

EY 安永

Ernst & Young
27/F, One Taikoo Place
979 King's Road,
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道979號
太古坊一座27樓

Tel 電話 ：+852 2846 9888
Fax 傳真 ：+852 2868 4432
ey.com

To the Board of Directors of First Pacific Company Limited
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the Condensed Interim Consolidated Financial Statements set out on pages 36 to 67, which comprise the condensed consolidated statement of financial position of First Pacific Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2023 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed interim consolidated financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Directors of the Company are responsible for the preparation and presentation of these Condensed Interim Consolidated Financial Statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these Condensed Interim Consolidated Financial Statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review 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 the HKICPA. A review of the Condensed Interim Consolidated Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Interim Consolidated Financial Statements are not prepared, in all material respects, in accordance with HKAS 34.

ERNST & YOUNG
Certified Public Accountants

27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

25 August 2023

Condensed Consolidated Income Statement

For the six months ended 30 June US$ millions	Notes	(Unaudited) 2023	2022
Turnover	2	**5,411.2**	5,071.9
Cost of sales		**(3,765.7)**	(3,564.4)
Gross Profit		**1,645.5**	1,507.5
Selling and distribution expenses		**(371.5)**	(383.8)
Administrative expenses		**(309.3)**	(293.6)
Other operating income and expenses	3(A)	**123.2**	(29.3)
Interest income		**50.4**	25.1
Finance costs	3(B)	**(281.7)**	(229.2)
Share of profits less losses of associated companies and joint ventures		**230.4**	164.9
Profit Before Taxation	3	**1,087.0**	761.6
Taxation	4	**(242.2)**	(172.1)
Profit for the Period		**844.8**	589.5
Profit Attributable to:			
Owners of the parent	5	**345.6**	241.7
Non-controlling interests		**499.2**	347.8
		844.8	589.5
Earnings Per Share Attributable to Owners of the Parent (U.S. cents)	6		
Basic		**8.16**	5.67
Diluted		**8.15**	5.66

Details of the interim distribution declared for the period are disclosed in Note 7 to the Condensed Interim Consolidated Financial Statements.

The notes on pages 42 to 67 form an integral part of the Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June US$ millions	(Unaudited) **2023**	2022
Profit for the Period	**844.8**	589.5
Other Comprehensive Income/(Loss)		
Items that are or may be Reclassified to Profit or Loss:		
Exchange differences on translating foreign operations	**269.9**	(621.3)
Unrealized gains on cash flow hedges	**5.9**	68.3
Realized losses/(gains) on cash flow hedges	**5.9**	(80.1)
Income tax related to cash flow hedges	**(2.0)**	3.0
Share of other comprehensive income of associated companies and joint ventures	**10.6**	41.3
Items that will not be Reclassified to Profit or Loss:		
Changes in fair value of equity investments at fair value through other comprehensive income	**3.0**	10.4
Actuarial (losses)/gains on defined benefit pension plans	**(0.1)**	2.6
Share of other comprehensive income/(loss) of associated companies and joint ventures	**2.9**	(0.1)
Other Comprehensive Income/(Loss) for the Period, Net of Tax	**296.1**	(575.9)
Total Comprehensive Income for the Period	**1,140.9**	13.6
Total Comprehensive Income/(Loss) Attributable to:		
Owners of the parent	**432.5**	18.4
Non-controlling interests	**708.4**	(4.8)
	1,140.9	13.6

Condensed Consolidated Statement of Financial Position

US$ millions	Notes	At 30 June 2023 (Unaudited)	At 31 December 2022 (Audited)
Non-current Assets			
Property, plant and equipment	8	**3,840.9**	3,758.6
Biological assets		**21.5**	20.5
Associated companies and joint ventures	9	**5,442.2**	5,316.2
Goodwill		**4,066.8**	3,893.1
Other intangible assets	10	**6,405.2**	6,033.7
Investment properties		**18.3**	17.6
Accounts receivable, other receivables and prepayments		**111.2**	89.2
Financial assets at fair value through other comprehensive income		**579.6**	527.0
Deferred tax assets		**93.1**	96.2
Other non-current assets		**662.5**	555.2
		21,241.3	20,307.3
Current Assets			
Cash and cash equivalents and short-term deposits		**2,799.6**	2,620.6
Restricted cash	11	**93.7**	108.5
Financial assets at fair value through other comprehensive income		**206.6**	64.1
Accounts receivable, other receivables and prepayments	12	**1,430.7**	1,189.5
Inventories		**1,266.9**	1,136.8
Biological assets		**48.9**	48.9
		5,846.4	5,168.4
Assets classified as held for sale		**–**	16.1
		5,846.4	5,184.5
Current Liabilities			
Accounts payable, other payables and accruals	13	**2,023.9**	1,737.3
Short-term borrowings		**2,243.8**	1,824.3
Provision for taxation		**166.2**	134.5
Current portion of deferred liabilities, provisions and payables	14	**409.5**	412.5
		4,843.4	4,108.6
Net Current Assets		**1,003.0**	1,075.9
Total Assets Less Current Liabilities		**22,244.3**	21,383.2
Equity			
Issued share capital		**42.4**	42.4
Shares held for share award scheme	15	**(0.7)**	(2.2)
Retained earnings		**2,674.1**	2,328.3
Other components of equity		**952.7**	928.0
Equity attributable to owners of the parent		**3,668.5**	3,296.5
Non-controlling interests		**7,540.6**	7,069.3
Total Equity		**11,209.1**	10,365.8
Non-current Liabilities			
Long-term borrowings		**9,340.5**	9,398.0
Deferred liabilities, provisions and payables	14	**1,259.2**	1,216.7
Deferred tax liabilities		**435.5**	402.7
		11,035.2	11,017.4
		22,244.3	21,383.2

The notes on pages 42 to 67 form an integral part of the Condensed Interim Consolidated Financial Statements.

On behalf of the Board of Directors

CHRISTOPHER H. YOUNG
Executive Director
25 August 2023

Condensed Consolidated Statement of Changes in Equity

US$ millions	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive loss (Note 16)	Differences arising from changes in equities of subsidiary companies	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	(Unaudited) Total equity
	Equity attributable to owners of the parent											
At 1 January 2022	42.8	(2.0)	39.9	8.8	(712.3)	443.5	12.6	1,528.9	1,936.4	3,298.6	7,314.5	10,613.1
Profit for the period	–	–	–	–	–	–	–	–	241.7	241.7	347.8	589.5
Other comprehensive loss for the period	–	–	–	–	(223.3)	–	–	–	–	(223.3)	(352.6)	(575.9)
Total comprehensive (loss)/income for the period	–	–	–	–	(223.3)	–	–	–	241.7	18.4	(4.8)	13.6
Repurchase of shares	(0.1)	–	(5.6)	–	–	–	–	–	–	(5.7)	–	(5.7)
Purchase of shares under share award scheme	–	(1.0)	–	–	–	–	–	–	–	(1.0)	–	(1.0)
Issue of shares under share award scheme	–	(1.0)	1.0	–	–	–	–	–	–	–	–	–
Shares vested under share award scheme	–	1.8	–	(1.7)	–	–	–	–	(0.1)	–	–	–
Lapse of share options	–	–	–	(0.4)	–	–	–	–	0.4	–	–	–
Employee share-based compensation benefits	–	–	–	0.8	–	–	–	–	–	0.8	0.1	0.9
Acquisition of interests in subsidiary companies	–	–	–	–	(4.1)	22.4	–	–	–	18.3	(70.4)	(52.1)
Step acquisition of a joint venture	–	–	–	–	–	–	–	–	–	–	0.7	0.7
Recognition of a financial liability on non-controlling interests' put option	–	–	–	–	–	0.8	–	–	–	0.8	(12.8)	(12.0)
2021 final distribution declared	–	–	–	–	–	–	–	(54.3)	–	(54.3)	–	(54.3)
Capital contributions from non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	10.1	10.1
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(77.7)	(77.7)
At 30 June 2022	42.7	(2.2)	35.3	7.5	(939.7)	466.7	12.6	1,474.6	2,178.4	3,275.9	7,159.7	10,435.6
At 1 January 2023	42.4	(2.2)	26.7	9.0	(1,025.4)	487.4	12.6	1,417.7	2,328.3	3,296.5	7,069.3	**10,365.8**
Profit for the period	–	–	–	–	–	–	–	–	345.6	345.6	499.2	**844.8**
Other comprehensive income for the period	–	–	–	–	86.9	–	–	–	–	86.9	209.2	**296.1**
Total comprehensive income for the period	–	–	–	–	86.9	–	–	–	345.6	432.5	708.4	**1,140.9**
Shares vested under share award scheme	–	1.5	–	(1.4)	–	–	–	–	(0.1)	–	–	**–**
Employee share-based compensation benefits	–	–	–	1.0	–	–	–	–	–	1.0	–	**1.0**
Acquisition of interests in subsidiary companies	–	–	–	–	–	0.6	–	–	–	0.6	(1.9)	**(1.3)**
Acquisition of a subsidiary company	–	–	–	–	–	–	–	–	–	–	2.6	**2.6**
Recognition of a financial liability on non-controlling interests' put option	–	–	–	–	–	0.1	–	–	–	0.1	(4.0)	**(3.9)**
2022 final distribution declared	–	–	–	–	–	–	–	(62.2)	–	(62.2)	–	**(62.2)**
Transfer of fair value reserve upon disposal of equity investments at fair value through other comprehensive income	–	–	–	–	(0.3)	–	–	–	0.3	–	–	**–**
Capital contributions from non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	13.8	**13.8**
Dividends declared to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(247.6)	**(247.6)**
At 30 June 2023	**42.4**	**(0.7)**	**26.7**	**8.6**	**(938.8)**	**488.1**	**12.6**	**1,355.5**	**2,674.1**	**3,668.5**	**7,540.6**	**11,209.1**

The notes on pages 42 to 67 form an integral part of the Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June US$ millions	Notes	(Unaudited) **2023**	2022
Profit before Taxation		**1,087.0**	761.6
Adjustments for:			
Finance costs	3(B)	**281.7**	229.2
Depreciation	3(C)	**169.2**	164.5
Amortization of other intangible assets	3(C)	**67.1**	71.2
Write-down of inventories to net realizable value	3(C)	**11.4**	28.4
Loss on changes in fair value of biological assets	3(A)	**3.0**	7.4
Provision for impairment losses		**2.0**	16.1
Employee share-based compensation benefit expenses		**1.0**	0.9
Share of profits less losses of associated companies and joint ventures		**(230.4)**	(164.9)
Interest income		**(50.4)**	(25.1)
Gain on disposal of an associated company	3(A)	**(4.1)**	(2.5)
Gain on disposal of property, plant and equipment, net	3(A)	**(0.4)**	–
Gains on step acquisition of a joint venture	3(A)	**–**	(65.7)
Others (including unrealized foreign exchange difference)		**(143.1)**	(2.3)
		1,194.0	1,018.8
Increase in working capital		**(231.0)**	(154.7)
Net cash generated from operations		**963.0**	864.1
Interest received		**47.7**	22.2
Interest paid		**(262.4)**	(213.4)
Taxes paid		**(219.7)**	(230.6)
Net Cash Flows From Operating Activities		**528.6**	442.3
Dividends received from associated companies		**168.7**	149.3
Decrease in short-term deposits with original maturity of more than three months		**60.3**	19.1
Disposal of assets classified as held for sale	17(A)	**16.2**	–
Decrease/(increase) in restricted cash		**15.7**	(50.8)
Dividends received from financial assets at fair value through other comprehensive income		**14.8**	14.1
Disposal of an associated company	17(B)	**5.6**	2.5
Dividend received from a joint venture		**4.3**	8.8
Disposal of a subsidiary company	17(C)	**3.3**	–
Disposal of property, plant and equipment		**2.8**	2.1
Disposal of financial assets at fair value through other comprehensive income		**1.9**	30.1
Investments in other intangible assets		**(390.2)**	(380.9)
Investments in financial assets at fair value through other comprehensive income	17(D)	**(176.3)**	–
Payments for purchases of property, plant and equipment		**(123.4)**	(88.1)
Investments in biological assets		**(9.2)**	(8.6)
Acquisition of a subsidiary company	17(E)	**(1.3)**	–
Payments for purchases of investment properties		**(0.5)**	(1.0)
Cash acquired from step acquisition of a joint venture	17(F)	**–**	9.0
Payment for retention amount payable	17(G)	**–**	(650.0)
Investment in financial assets at fair value through profit or loss		**–**	(20.0)
Increased investments in joint ventures		**–**	(6.6)
Advances to joint ventures		**–**	(5.2)
Increased investments in associated companies		**–**	(4.0)
Investment in an associated company		**–**	(1.0)
Advances to an associated company		**–**	(0.6)
Net Cash Flows Used in Investing Activities		**(407.3)**	(981.8)

continued/...

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June US$ millions	Notes	(Unaudited) **2023**	2022
Proceeds from new bank borrowings and other loans		**2,415.9**	2,325.8
Capital contributions from non-controlling shareholders		**13.8**	10.1
Repayment of bank borrowings and other loans		**(2,166.5)**	(2,026.8)
Dividends paid to non-controlling shareholders by subsidiary companies		**(160.8)**	(93.9)
Principal portion of lease payments		**(13.9)**	(14.9)
Payments for concession fees payable		**(12.8)**	(11.8)
Increased investments in subsidiary companies		**(1.3)**	(0.3)
Repurchase of a subsidiary company's shares	17(H)	**–**	(51.8)
Repurchase of shares		**–**	(5.6)
Payments for purchase of shares under a long-term incentive plan		**–**	(1.0)
Net Cash Flows From Financing Activities		**74.4**	129.8
Net Increase/(Decrease) in Cash and Cash Equivalents		**195.7**	(409.7)
Cash and cash equivalents at 1 January		**2,457.8**	3,116.9
Exchange translation		**46.5**	(133.2)
Cash and Cash Equivalents at 30 June		**2,700.0**	2,574.0
Representing			
Cash and cash equivalents and short-term deposits as stated in the condensed consolidated statement of financial position		**2,799.6**	2,641.6
Less: short-term deposits with original maturity of more than three months		**(99.6)**	(67.6)
Cash and Cash Equivalents at 30 June		**2,700.0**	2,574.0

The notes on pages 42 to 67 form an integral part of the Condensed Interim Consolidated Financial Statements.

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 2022 annual consolidated 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 2023, the Group has initially 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 2023 issued by the HKICPA.

HKAS 1 and HKFRS Practice Statement 2 Amendments	"Disclosure of Accounting Policies"
HKAS 8 Amendments	"Definition of Accounting Estimates"
HKAS 12 Amendments	"Deferred Tax related to Assets and Liabilities arising from a Single Transaction"
HKAS 12 Amendments	"International Tax Reform – Pillar Two Model Rules"

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

The Group's adoption of the above pronouncements has had no material effect on both the profit attributable to owners of the parent for the six months ended 30 June 2023 and 2022 and the equity attributable to owners of the parent at 30 June 2023 and 31 December 2022.

2. Turnover and Segmental Information

For the six months ended 30 June US$ millions	2023	2022
Turnover		
Sale of goods		
– Consumer Food Products	**3,725.2**	3,680.2
Sale of electricity		
– Infrastructure	**1,103.5**	867.2
Sale of real estate		
– Infrastructure	**6.8**	7.1
Rendering of services		
– Consumer Food Products	**55.4**	63.2
– Infrastructure	**520.3**	454.2
Total	**5,411.2**	5,071.9

Segmental Information

A business 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 results are regularly reviewed by the Group's most senior executive management who makes decisions about how resources are to be allocated to the segment and assesses 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 located in Indonesia, the Philippines, Singapore, the Middle East, Africa and others, and the turnover information is based on the locations of the customers. Details of the Group's principal investments are provided on pages 75 and 76.

The Board of Directors assesses the performance of the business segments based on a measure of recurring profit. This basis measures the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/losses 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 Interim Consolidated Financial Statements. These assets and liabilities are allocated based on the business segment and the physical location of the assets.

The revenue, results and other information for the six months ended 30 June 2023 and 2022, and assets and liabilities at 30 June 2023 and 31 December 2022 on segmental basis are as follows:

By Principal Business Activity – 2023

For the six months ended/at 30 June US$ millions	Consumer Food Products	Telecom-munications	Infrastructure	Natural Resources	Head Office	2023 Total
Revenue						
Turnover						
– Point in time	3,725.2	–	3.2	–	–	**3,728.4**
– Over time	55.4	–	1,627.4	–	–	**1,682.8**
Total	3,780.6	–	1,630.6	–	–	**5,411.2**
Results						
Recurring profit	127.2	73.4	143.0	5.1	(47.9)	**300.8**
Assets and Liabilities						
Non-current assets (other than financial instruments and deferred tax assets)						
– Associated companies and joint ventures	578.3	1,109.2	3,556.1	198.6	–	**5,442.2**
– Others	7,532.2	–	7,416.7	–	2.6	**14,951.5**
	8,110.5	1,109.2	10,972.8	198.6	2.6	**20,393.7**
Other assets	4,620.4	–	1,735.4	–	338.2	**6,694.0**
Total assets	12,730.9	1,109.2	12,708.2	198.6	340.8	**27,087.7**
Borrowings	4,499.3	–	5,620.1	–	1,464.9	**11,584.3**
Other liabilities	1,754.5	–	2,315.9	–	223.9	**4,294.3**
Total liabilities	6,253.8	–	7,936.0	–	1,688.8	**15,878.6**
Other Information						
Depreciation and amortization	(142.9)	–	(92.1)	–	(2.3)	**(237.3)**
Impairment losses	(12.6)	–	(0.8)	–	–	**(13.4)**
Interest income	24.0	–	18.1	–	8.3	**50.4**
Finance costs	(113.5)	–	(126.5)	–	(41.7)	**(281.7)**
Share of profits less losses of associated companies and joint ventures	1.7	89.8	134.9	4.0	–	**230.4**
Taxation	(167.5)	–	(62.7)	–	(12.0)	**(242.2)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	161.1	–	381.9	–	–	**543.0**

By Geographical Market – 2023

For the six months ended/at 30 June US$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	2023 Total
Revenue					
Turnover					
– Consumer Food Products	2,935.5	49.4	67.4	728.3	**3,780.6**
– Infrastructure	27.1	504.9	1,098.3	0.3	**1,630.6**
Total	2,962.6	554.3	1,165.7	728.6	**5,411.2**
Assets					
Non-current assets (other than financial instruments and deferred tax assets)	3,640.1	10,982.7	776.5	4,994.4	**20,393.7**

By Principal Business Activity – 2022

For the six months ended 30 June/at 31 December US$ millions	Consumer Food Products	Telecom- munications	Infrastructure	Natural Resources	Head Office	2022 Total
Revenue						
Turnover						
– Point in time	3,680.2	–	4.6	–	–	3,684.8
– Over time	63.2	–	1,323.9	–	–	1,387.1
Total	3,743.4	–	1,328.5	–	–	5,071.9
Results						
Recurring profit	121.0	73.0	98.7	9.8	(39.2)	263.3
Assets and Liabilities						
Non-current assets (other than financial instruments and deferred tax assets)						
– Associated companies and joint ventures	558.5	1,081.2	3,485.2	191.3	–	5,316.2
– Others	7,179.7	–	7,039.9	–	3.7	14,223.3
	7,738.2	1,081.2	10,525.1	191.3	3.7	19,539.5
Other assets	3,931.1	–	1,771.3	–	233.8	5,936.2
Total segment assets	11,669.3	1,081.2	12,296.4	191.3	237.5	25,475.7
Assets classified as held for sales	16.1	–	–	–	–	16.1
Total assets	11,685.4	1,081.2	12,296.4	191.3	237.5	25,491.8
Borrowings	4,283.1	–	5,480.2	–	1,459.0	11,222.3
Other liabilities	1,468.6	–	2,277.4	–	157.7	3,903.7
Total liabilities	5,751.7	–	7,757.6	–	1,616.7	15,126.0
Other Information						
Depreciation and amortization	(144.7)	–	(89.8)	–	(2.1)	(236.6)
Impairment losses	(43.2)	–	(1.3)	–	–	(44.5)
Interest income	14.8	–	7.3	–	3.0	25.1
Finance costs	(102.6)	–	(100.6)	–	(26.0)	(229.2)
Share of profits less losses of associated companies and joint ventures	(1.7)	86.1	71.3	9.2	–	164.9
Taxation	(118.9)	–	(43.1)	–	(10.1)	(172.1)
Additions to non-current assets (other than financial instruments and deferred tax assets)	102.3	–	513.1	–	–	615.4

By Geographical Market – 2022

For the six months ended 30 June/at 31 December US$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	2022 Total
Revenue					
Turnover					
– Consumer Food Products	2,871.5	113.7	47.5	710.7	3,743.4
– Infrastructure	24.6	439.8	863.7	0.4	1,328.5
Total	2,896.1	553.5	911.2	711.1	5,071.9
Assets					
Non-current assets (other than financial instruments and deferred tax assets)	3,740.7	10,499.9	768.2	4,530.7	19,539.5

A reconciliation between profit before taxation as shown in the condensed consolidated income statement and recurring profit is as follows:

For the six months ended 30 June US$ millions	2023	2022
Profit before taxation	**1,087.0**	761.6
Exclusion of:		
– Foreign exchange and derivative (gains)/losses, net (Note 5(A))	**(105.6)**	120.5
– Non-recurring items	**(11.6)**	(48.5)
Deduction of attributable taxation and non-controlling interests	**(669.0)**	(570.3)
Recurring Profit	**300.8**	263.3

3. Profit before Taxation

Profit before taxation is arrived at after (crediting)/charging:

(A) Other Operating Income and Expenses

For the six months ended 30 June US$ millions	2023	2022
Foreign exchange and derivative (gains)/losses, net (Note 5(A))	**(99.3)**	115.9
Impairment losses		
– Other receivables	**1.7**	13.2
– Property, plant and equipment (Note 8)	**–**	2.8
– An associated company	**–**	1.0
Loss on changes in fair value of biological assets	**3.0**	7.4
Dividend income from financial assets at fair value through other comprehensive income (“FVOCI”)	**(14.8)**	(14.1)
Gain on disposal of an associated company	**(4.1)**	(2.5)
Gain on disposal of property, plant and equipment, net	**(0.4)**	–
Gains on step acquisition of a joint venture	**–**	(65.7)
Other income, net	**(9.3)**	(28.7)
Total	**(123.2)**	29.3

(B) Finance Costs

For the six months ended 30 June US$ millions	2023	2022
Finance costs on		
– Bank borrowings and other loans	**347.9**	294.0
– Lease liabilities	**1.5**	1.5
Less: Finance costs capitalized in		
– Other intangible assets	**(65.9)**	(63.3)
– Property, plant and equipment	**(1.8)**	(3.0)
Total	**281.7**	229.2

(C) Other items

For the six months ended 30 June US$ millions	2023	2022
Cost of inventories sold	**1,980.1**	1,970.8
Cost of services rendered	**1,096.3**	964.6
Employees' remuneration	**452.7**	441.1
Depreciation (Note 8)	**169.2**	164.5
Amortization of other intangible assets	**67.1**	71.2
Write-down of inventories to net realizable value(i)	**11.4**	28.4
Impairment losses/(reversal of impairment) on accounts receivable(ii)	**0.3**	(0.9)

(i) Included in cost of sales.
(ii) Included in selling and distribution expenses.

4. Taxation

No Hong Kong profits tax (2022: Nil) has been provided as the Group had no estimated assessable profits (2022: 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 US$ millions	2023	2022
Subsidiary Companies – Overseas		
Current taxation	**210.9**	149.9
Deferred taxation	**31.3**	22.2
Total Tax Charge	**242.2**	172.1

Included within the share of profits less losses of associated companies and joint ventures is taxation of US$59.4 million (2022: US$49.8 million) which is analyzed as follows:

For the six months ended 30 June US$ millions	2023	2022
Associated Companies and Joint Ventures – Overseas		
Current taxation	**53.5**	66.0
Deferred taxation	**5.9**	(16.2)
Total Tax Charge	**59.4**	49.8

5. Profit Attributable to Owners of the Parent

The profit attributable to owners of the parent includes (A) net foreign exchange and derivative gains/(losses), and (B) non-recurring items with details as follows:

(A) Analysis of Foreign Exchange and Derivative Gains/(Losses), Net

Net foreign exchange and derivative gains of US$37.6 million (2022: losses of US$49.7 million), which represent the foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair value of derivatives, are analyzed as follows:

For the six months ended 30 June US$ millions	2023	2022
Subsidiary companies (Note 3(A))	**99.3**	(115.9)
Associated companies and joint ventures	**6.3**	(4.6)
Subtotal (Note 2)	**105.6**	(120.5)
Attributable to taxation and non-controlling interests	**(68.0)**	70.8
Total	**37.6**	(49.7)

(B) Analysis of non-recurring items

The non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H23's non-recurring gains of US$7.2 million mainly represent PLDT's gains on towers sale (US$10.8 million), partly offset by PLDT's manpower reduction costs (US$6.1 million). 1H22's non-recurring gains of US$28.1 million mainly represent PLDT's gains on towers sale (US$61.9 million) and prescription of redemption liability on preferred shares (US$28.8 million), and MPIC's gain on consolidation of Landco (US$29.2 million), partly offset by PLDT's accelerated depreciation for network assets (US$60.5 million) and manpower reduction costs (US$17.7 million), and Indofood's loss on changes in fair value of biological assets (US$1.7 million).

6. Earnings Per Share Attributable to Owners of the Parent

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the parent, and the weighted average number of ordinary shares of 4,241.7 million (2022: 4,270.6 million) in issue less the weighted average number of ordinary shares held for a share award scheme of 4.3 million (2022: 5.7 million) during the period.

The calculation of the diluted earnings per share is based on the profit for the period attributable to owners of the parent, adjusted to reflect the dilutive impact of awarded shares of the Group's subsidiary 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 per share calculation adjusted for the dilutive effect of awarded shares and share options of the Company, where applicable.

The calculations of basic and diluted earnings per share are based on:

For the six months ended 30 June US$ millions	**2023**	2022
Earnings		
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation	**345.6**	241.7

	Number of shares	
For the six months ended 30 June Millions	**2023**	2022
Shares		
Weighted average number of ordinary shares issued during the period	**4,241.7**	4,270.6
Less: Weighted average number of ordinary shares held for a share award scheme	**(4.3)**	(5.7)
Weighted average number of ordinary shares used in the basic earnings per share calculation	**4,237.4**	4,264.9
Add: Dilutive impact of awarded shares on the weighted average number of ordinary shares	**3.4**	2.4
Add: Dilutive impact of share options on the weighted average number of ordinary shares	**–**(i)	1.2
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**4,240.8**	4,268.5

(i) For the six months ended 30 June 2023, the effect of share options 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 per share.

7. Ordinary Share Interim Distribution

At a meeting held on 25 August 2023, the Directors declared an interim cash distribution of HK10.50 cents (U.S. 1.35 cents) (2022: HK10.50 cents or U.S. 1.35 cents) per ordinary share, equivalent to a total amount of US$57.1 million (2022: US$56.9 million).

8. Property, Plant and Equipment

The movements in property, plant and equipment are set out below:

US$ millions	**2023**	2022
At 1 January	**3,758.6**	3,953.0
Exchange translation	**132.9**	(144.1)
Additions	**119.3**	104.1
Acquisition of a subsidiary	**2.8**	–
Depreciation (Note 3(C))	**(169.2)**	(164.5)
Disposals	**(3.5)**	(2.4)
Impairment (Note 3(A))	**–**	(2.8)
Step acquisition of a joint venture	**–**	2.1
At 30 June	**3,840.9**	3,745.4

9. Associated Companies and Joint Ventures

US$ millions	**At 30 June 2023**	At 31 December 2022
Meralco	**2,765.1**	2,710.6
PLDT	**1,109.2**	1,081.2
MPH	**315.3**	308.0
JJC	**276.6**	271.7
Philex	**198.6**	191.3
Others[(i)]	**777.4**	753.4
Total	**5,442.2**	5,316.2

(i) Principally represents Indofood's investments in Dufil Prima Foods PLC.

10. Other Intangible Assets

US$ millions	**At 30 June 2023**	At 31 December 2022
Concession assets – Toll roads	**3,217.8**	3,065.5
Concession assets – Water distribution	**2,394.3**	2,221.6
Concession assets – Rail	**657.5**	615.5
Brands – Dairy	**67.1**	70.3
Brands, networks and licenses – Packaged drinking water	**54.9**	52.4
Vesting contract – Power	**–**	0.8
Software and others	**13.6**	7.6
Total	**6,405.2**	6,033.7

Concession assets – Toll roads represents the concession comprising the rights, interests and privileges to finance, design, construct, operate and maintain toll roads, toll facilities and other facilities generating toll-related and non-toll related income held by (a) NLEX Corporation in respect of NLEX, SCTEX and the Connector Road; (b) Cavitex Infrastructure Corporation ("CIC") in respect of CAVITEX; (c) MPCALA in respect of CALAX; (d) CCLEC in respect of CCLEX; (e) PT JTSE in respect of Makassar Section IV Toll Road; (f) PT MMN in respect of Ujung Pandang Section I and II Toll Road; and (g) PT BSD in respect of Pondok Aren – Serpong Toll Road during their concession periods.

Concession assets – Water distribution represents the exclusive rights granted to Maynilad, Metro Pacific Iloilo Water Inc. ("MPIWI"), Philippine Hydro, Inc., Metro Iloilo Bulk Water Supply Corporation, Metro Pacific Dumaguete Water Services Inc. ("MPDW"), PT Sarana Catur Tirta Kelola, and BOO Phu Ninh Water Treatment Plant Joint Stock Company, to provide water distribution, sewerage services and water production in the Philippines, Indonesia, and Vietnam, and charge users for these services during their concession periods.

Concession assets – Rail represents concession comprising the exclusive right during the concession period to operate and maintain the current LRT1 system, collect farebox revenue and construct the LRT1 Extension.

Brands – Dairy represents the brands, with a useful life of 20 years, held by PT Indolakto for its various milk-related products, which include Indomilk, Cap Enaak, Tiga Sapi, Kremer, Indoeskrim and Milkuat.

Brands, networks and licenses – Packaged drinking water represents (a) the registered brand name, CLUB; (b) the distribution and customer networks; and (c) the water licenses of Indofood's packaged drinking water business.

Vesting contract – Power represents an agreement entered between PLP and a Singapore government agency, which requires PLP to sell electricity at specified volume and price to the agency over a period of 10 years from 1 July 2013 to 30 June 2023.

11. Restricted Cash

At 30 June 2023, the Group had cash of US$89.6 million (31 December 2022: US$89.4 million) set aside mainly to cover principal and interest payments of certain borrowings in compliance with loan agreements, and US$4.1 million (31 December 2022: US$19.1 million) held under margin accounts by brokers against open futures contracts for hedging purpose.

12. Accounts Receivable, Other Receivables and Prepayments

Included in accounts receivable, other receivables and prepayments are accounts receivable of US$866.1 million (31 December 2022: US$738.7 million) with an aging profile based on the invoice date, net of loss allowance, as follows:

US$ millions	**At 30 June 2023**	At 31 December 2022
0 to 30 days	**707.3**	611.9
31 to 60 days	**66.3**	57.6
61 to 90 days	**28.6**	30.5
Over 90 days	**63.9**	38.7
Total	**866.1**	738.7

Indofood generally allows customers 30 to 60 days of credit. MPIC generally allows seven to 60 days of credit for its water and sewerage service customers, 45 to 60 days of credit for its bulk water supply customers and an instalment period of one to three years for its real estate customers. PLP generally allows customers 30 days of credit.

13. Accounts Payable, Other Payables and Accruals

Included in accounts payable, other payables and accruals are accounts payable of US$620.6 million (31 December 2022: US$585.2 million) with an aging profile based on the invoice date as follows:

US$ millions	**At 30 June 2023**	At 31 December 2022
0 to 30 days	**518.4**	488.9
31 to 60 days	**21.5**	24.0
61 to 90 days	**18.6**	25.3
Over 90 days	**62.1**	47.0
Total	**620.6**	585.2

14. Deferred Liabilities, Provisions and Payables

US$ millions	Lease liabilities	Long-term liabilities	Pension	Loans from non-controlling shareholders	Others	**2023**	2022
At 1 January	40.5	551.6	348.7	47.7	640.7	**1,629.2**	2,639.6
Exchange translation	0.5	5.8	15.6	1.6	5.6	**29.1**	(114.8)
Additions	16.0	28.1	29.8	–	51.9	**125.8**	154.5
Payment and utilization	(16.3)	(14.1)	(20.5)	–	(64.5)	**(115.4)**	(836.7)
Step acquisition of a joint venture	–	–	–	–	–	**–**	12.0
At 30 June	40.7	571.4	373.6	49.3	633.7	**1,668.7**	1,854.6
Presented as:							
Non-current Portion	27.2	549.2	373.6	40.0	269.2	**1,259.2**	1,366.7
Current Portion	13.5	22.2	–	9.3	364.5	**409.5**	487.9
Total	40.7	571.4	373.6	49.3	633.7	**1,668.7**	1,854.6

The lease liabilities represent the present value of future lease payments in relation to the Group's right-of-use assets.

The long-term liabilities mainly relate to (a) MPCALA's concession fees payable to the Philippine government in respect of CALAX; (b) NLEX Corporation's concession fees payable to the Philippine government in respect of Connector Road; (c) Maynilad's concession fees payable to MWSS; (d) LRMC's concession fees payable to the Philippine government in respect of LRT1; (e) MPIWI's concession fees payable to the Philippine government in respect of Metro Iloilo Water District; (f) MPDW's concession fees payable to the Philippine government in respect of Dumaguete City Water District; and (g) PT Margautama Nusantara ("MUN")'s earn-out payment for its acquisition of 40% interest in JJC. In respect of MUN's earn-out payment, under the sale and purchase agreement, an earn-out payment up to Rupiah 359 billion (US$23.9 million) shall be paid subject to pre-agreed target level of tariff adjustment with a long-stop date of 31 December 2024. The earn-out payment was initially recognized at fair value at the acquisition date and subsequently remeasured at fair value through profit or loss ("FVPL"). At 30 June 2023, the fair value of the earn-out payment was Rupiah 190 billion (US$12.6 million) (31 December 2022: Rupiah 190 billion (US$12.1 million)).

The pension relates to accrued liabilities in relation to defined benefit retirement schemes and long service payments.

The loans from non-controlling shareholders represent unsecured loans provided by non-controlling shareholders of subsidiary companies of IndoAgri and Pinehill Company Limited ("Pinehill").

The others mainly represent (a) Maynilad's real property tax payables on certain common purpose facilities; (b) a financial liability recognized by MPIC in relation to a put option held by Sumitomo Corporation ("Sumitomo") in respect of 34.9% interest in Metro Pacific Light Rail Corporation ("MPLRC") (see below); (c) provisions for various claims and potential claims against the Group; (d) estimated tax warranties and indemnities in relation to the disposal of a 40.1% interest in MPH in December 2019; (e) contract liabilities; (f) contractual obligations of NLEX Corporation, CIC and PT Nusantara Infrastructure Tbk to restore their service concession assets to a specified level of serviceability during their service concession periods and to maintain these assets in good conditions prior to the handover of these assets to the government at the end of their concession periods; (g) the Group's payables on LTIP and long service payments; and (h) derivative liabilities arising from fuel swaps and foreign currency forwards.

On 28 May 2020, MPIC entered into an agreement with Sumitomo to divest its 34.9% interest in MPLRC, which holds a 55% interest in LRMC, to Sumitomo. The agreement also contains a call option of MPIC that allows MPIC to purchase all of Sumitomo's MPLRC shares, and a put option of Sumitomo that allows Sumitomo to sell all of its MPLRC shares to MPIC, in the event of a deadlock (following unsuccessful mediation procedures) and in the event of MPIC's or Sumitomo's default on its obligations under the agreement. As a result, MPIC recognized a financial liability at the present value of the amount payable on exercise of the put option by Sumitomo, which is determined based on the fair value of MPLRC shares. At 30 June 2023, the financial liability amounting to US$80.6 million (31 December 2022: US$76.0 million) was recognized in relation to the put option and included in the current portion of deferred liabilities, provisions and payables, and the carrying amount of Sumitomo's non-controlling interests in MPLRC was derecognized with the resulting differences recorded in equity.

At the end of the reporting period, certain subsidiary companies are parties to other cases and claims arising from the ordinary course of business filed by third parties, which are either pending decisions by the courts or are subject to settlement agreements. The outcome of these claims cannot be presently determined. In the opinion of the Directors and/or legal counsels, the eventual liability from these lawsuits or claims, if any, will not have a material adverse effect on the Condensed Interim Consolidated Financial Statements.

15. Shares Held for Share Award Scheme

The Company and its subsidiary companies operate share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Particulars of the share award schemes are set out below:

(A) Particulars of the Company's Share Award Scheme

	Number of allocated shares held for Purchase Awards	Number of allocated shares held for Subscription Awards	Number of unallocated shares held for Purchase Awards	Shares held for Share Award Scheme US$ millions
At 1 January 2022	4,665,846	1,055,702	254,990	(2.0)
Reallocated	254,990	–	(254,990)	–
Purchased	2,618,000	–	–	(1.0)
Granted and issued	–	2,253,526	–	(1.0)
Vested and transferred	(4,187,346)	(1,055,702)	–	1.8
At 30 June 2022	3,351,490	2,253,526	–	(2.2)
At 1 January 2023	3,351,490	2,253,526	–	**(2.2)**
Vested and transferred	(3,225,628)	(751,173)	–	**1.5**
At 30 June 2023	**125,862**	**1,502,353**	**–**	**(0.7)**

For both the Purchase Awards and Subscription Awards, during the six months ended 30 June 2023, there were no purchase of shares nor subscription of new shares by the independent trustee managing the Company's share award scheme.

For the Purchase Awards, during the six months ended 30 June 2022, the independent trustee managing the Company's share award scheme purchased 2,618,000 shares of the Company at an aggregate consideration of HK$8.1 million (US$1.0 million) from the open market at the cost of the Company.

For the Subscription Awards, during the six months ended 30 June 2022, the independent trustee managing the Company's share award scheme subscribed 2,253,526 new shares issued by the Company at an aggregate consideration of HK$7.2 million (US$1.0 million).

No awarded shares were cancelled nor lapsed during the periods ended 30 June 2023 and 2022 under the Company's share award scheme.

Particulars of the share awards of the Company granted to the Directors and senior executives of the Company at 30 June 2023 and 2022 are set out below:

(a) The Company's Purchase Awards

	Shares granted and unvested shares held at 1 January 2023	Shares vested and transferred during the period	**Shares granted and unvested shares held at 30 June 2023**	Grant date	Vesting period[i]
Non-executive Director					
Benny S. Santoso	478,500	(159,500)	**319,000**	6 May 2022	April 2023 to April 2025
Independent Non-executive Directors					
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	957,000	(319,000)	**638,000**	6 May 2022	April 2023 to April 2025
Margaret Leung Ko May Yee, *SBS, JP*	957,000	(319,000)	**638,000**	6 May 2022	April 2023 to April 2025
Philip Fan Yan Hok	478,500	(159,500)	**319,000**	6 May 2022	April 2023 to April 2025
Madeleine Lee Suh Shin	957,000	(319,000)	**638,000**	6 May 2022	April 2023 to April 2025
Blair Chilton Pickerell	478,500	(478,500)	**–**	–	–
	319,000	–	**319,000**	6 May 2022	April 2024 to April 2025
Senior Executives	4,413,390	(1,471,128)	**2,942,262**	6 May 2022	April 2023 to April 2025
Total	9,038,890	(3,225,628)[ii]	**5,813,262**		

(i) The shares would be vested in three equal tranches from the first to the third year after the shares are granted, except for an independent non-executive director (two equal tranches from the second and third year after the grant).

(ii) The average purchase price of the awarded shares vested was HK$2.99 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK$2.41 per share.

	Shares granted and unvested shares held at 1 January 2022	Shares vested and transferred during the period	Shares granted during the period	Shares granted and unvested shares held at 30 June 2022	Grant date	Vesting period[i]
Executive Director						
Christopher H. Young	1,610,283	(1,610,283)	–	–	–	–
Non-executive Director						
Benny S. Santoso	–	–	478,500	478,500	6 May 2022	April 2023 to April 2025
Independent Non-executive Directors						
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	319,000	(319,000)	–	–	–	–
	–	–	957,000	957,000	6 May 2022	April 2023 to April 2025
Margaret Leung Ko May Yee, *SBS, JP*	319,000	(319,000)	–	–	–	–
	–	–	957,000	957,000	6 May 2022	April 2023 to April 2025
Philip Fan Yan Hok	319,000	(319,000)	–	–	–	–
	–	–	478,500	478,500	6 May 2022	April 2023 to April 2025
Madeleine Lee Suh Shin	–	–	957,000	957,000	6 May 2022	April 2023 to April 2025
Blair Chilton Pickerell	957,000	(478,500)	–	478,500	25 March 2020	March 2022 to March 2023
	–	–	319,000	319,000	6 May 2022	April 2024 to April 2025
Senior Executives	1,141,563	(1,141,563)	–	–	–	–
	–	–	4,413,390	4,413,390	6 May 2022	April 2023 to April 2025
Total	4,665,846	(4,187,346)[ii]	8,560,390[iii]	9,038,890		

(i) The vesting periods of the awarded shares are as follows:
 (a) For the 2020 grant, the shares would be vested in two equal tranches in the second and the third year after the shares are granted.
 (b) For the 2022 grant, the shares would be vested in three equal tranches from the first to the third year after the shares are granted, except for an independent non-executive director (two equal tranches from the second and third year after the grant).

(ii) The average purchase price of the awarded shares vested was HK$2.64 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK$3.08 per share.

(iii) Represented 0.2% of the Company's weighted average number of ordinary shares issued during the period.

(b) The Company's Subscription Awards

	Shares granted and unvested shares held at 1 January 2023	Shares vested and transferred during the period	**Shares granted and unvested shares held at 30 June 2023**	Grant date	Vesting period[i]
Senior Executives	2,253,526	(751,173)[ii]	**1,502,353**	6 May 2022	April 2023 to April 2025

(i) The awarded shares would be vested in three equal tranches from the first to the third year after the shares are granted.

(ii) The average subscription price of the awarded shares vested was HK$3.16 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK$2.42 per share.

	Shares granted and unvested shares held at 1 January 2022	Shares vested and transferred during the period	Shares granted during the period	Shares granted and unvested shares held at 30 June 2022	Grant date	Vesting period(i)
Senior Executives	1,055,702	(1,055,702)	–	–	–	–
	–	–	2,253,526	2,253,526	6 May 2022	April 2023 to April 2025
Total	1,055,702	(1,055,702)(ii)	2,253,526(iii)	2,253,526		

(i) The awarded shares would be vested in three equal tranches from the first to the third year after the shares are granted.

(ii) The average subscription price of the awarded shares vested was HK$3.01 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK$3.06 per share.

(iii) Represented 0.1% of the Company's weighted average number of ordinary shares issued during the period.

Further information regarding the Company's Share Award Scheme has been set out on pages 185 to 188 of the Company's 2022 Annual Report.

(B) MPIC's Restricted Stock Unit Plan

On 14 July 2016, MPIC's Board approved a restricted stock unit plan ("RSUP") as part of MPIC's LTIP. The RSUP, has a validity period of 10 years. The RSUP is designed, among others, to reward the directors and certain key officers of MPIC who contribute to its growth to stay with MPIC for the long term.

On 8 March 2023, MPIC's Board approved the cancellation of the RSUP.

16. Other Comprehensive (Loss)/Income Attributable to Owners of the Parent

US$ millions	Exchange reserve	Fair value reserve of financial assets at FVOCI	Unrealized gains/ (losses) on cash flow hedges	Income tax related to cash flow hedges	Actuarial gains on defined benefit pension plans	Share of other comprehensive (loss)/income of associated companies and joint ventures	Total
At 1 January 2022	(690.0)	148.8	29.5	(4.9)	14.1	(209.8)	(712.3)
Other comprehensive (loss)/income for the period	(241.0)	4.9	(3.8)	1.6	1.0	14.0	(223.3)
Acquisition of an interest in a subsidiary company	(4.1)	–	–	–	–	–	(4.1)
At 30 June 2022	(935.1)	153.7	25.7	(3.3)	15.1	(195.8)	(939.7)
At 1 January 2023	(1,057.0)	162.7	1.9	0.6	18.5	(152.1)	**(1,025.4)**
Other comprehensive income/(loss) for the period	75.5	1.0	7.2	(1.0)	0.2	4.0	**86.9**
Transfer of fair value reserve upon the disposal of equity investments at FVOCI	–	(0.3)	–	–	–	–	**(0.3)**
At 30 June 2023	**(981.5)**	**163.4**	**9.1**	**(0.4)**	**18.7**	**(148.1)**	**(938.8)**

17. Notes to the Condensed Consolidated Statement of Cash Flows

(A) Disposal of Assets Classified as Held for Sale

2023's cash inflow of US$16.2 million relates to the proceeds from RHI's disposal of its sugar milling assets in June 2023.

(B) Disposal of an Associated Company

2023's cash inflow of US$5.6 million relates to the net proceeds from MPIC's disposal of its entire 39.0% interest in PT Intisentosa Alam Bahtera, a port services company, in February 2023.

2022's cash inflow of US$2.5 million related to the net proceeds from MPIC's disposal of its entire 39.0% interest in Manila Water Consortium Inc., a water services company, in May 2022.

(C) Disposal of a Subsidiary Company

2023's cash inflow of US$3.3 million relates to the net proceeds from MPIC's disposal of its 100% interest in PT Tirta Bangun Nusantara, a water and waste management service company, in January 2023.

(D) Investments in Financial Assets at FVOCI

2023's cash outflow of US$176.3 million relates to (i) Indofood's investments in mutual funds of US$140.0 million, and (ii) MPIC's acquisition of 1.6 billion shares in SPNEC, an integrated developer, owner, and operator of solar power projects listed in the Philippine Stock Exchange, in May 2023 of US$36.3 million.

(E) Acquisition of a Subsidiary Company

2023's cash outflow of US$1.3 million relates to MPIC's net cash outflow for its acquisition of 51.0% interest in TLCI in May 2023 for a total consideration of Pesos 198 million (US$3.6 million). The acquisition is expected to expand MPIC's footprint in agriculture sector. Following the completion of the transaction, TLCI became a subsidiary company of MPIC. TLCI owns Carmen's Best brand name and operates dairy farms and dairy products manufacturing facilities in the Philippines.

The net assets of TLCI recognized in the Group's 2023 Condensed Interim Consolidated Financial Statements of US$2.8 million were based on provisional assessment of their fair value while the Group is still evaluating the fair values of the assets acquired, and liabilities and contingent liabilities assumed. The valuation and assessment had not been completed by the date of the Group's 2023 Condensed Interim Consolidated Financial Statements were approved for issue by the Board of Directors. If new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the provisional amounts, or any provisions that existed at the acquisition date, the accounting for the acquisition will then be revised.

(F) Step Acquisition of a Joint Venture

2022's cash inflow of US$9.0 million related to the cash acquired by MPIC through the step acquisition of the remaining 61.9% interest in Landco, a joint venture of the Group up to 31 March 2022 (the date of consolidation of Landco), from AB Holdings Corporation on 31 March 2022. Further information regarding MPIC's step acquisition of Landco has been set out on pages 192 and 193 of the Company's 2022 Annual Report.

(G) Payment for Retention Amount Payable

2022's cash outflow of US$650.0 million related to ICBP's settlement of retention amount payable relating to its acquisition of 100% interest in Pinehill in August 2020 upon the Pinehill's 2020 and 2021 actual average net profit meeting the guaranteed minimum amounts.

(H) Repurchase of a Subsidiary Company's Shares

2022's cash outflow of US$51.8 million related to MPIC's shares buyback from February to June 2022.

(I) Major Non-cash Transactions

During the six months ended 30 June 2023, the Group had non-cash additions to (i) service concession assets and service concession fees payable of US$18.6 million and US$18.6 million (2022: US$7.5 million and US$7.5 million), respectively, in respect of capitalization of interest accretion on service concession fees payable into service concession assets, and (ii) right-of-use assets and lease liabilities of US$14.5 million and US$14.5 million (2022: US$14.3 million and US$14.3 million), respectively, in respect of lease arrangements for buildings, and machinery and equipment.

18. Commitments and Contingent Liabilities

(A) Capital Expenditure

US$ millions	At 30 June 2023	At 31 December 2022
Commitments in respect of subsidiary companies:		
– Authorized, but not contracted for	**838.7**	924.0
– Contracted, but not provided for	**548.0**	723.0
Total	**1,386.7**	1,647.0

The Group's capital expenditure commitments principally relate to Indofood's, MPIC's, PLP's and RHI's purchase of property, plant and equipment, and construction of infrastructures for Maynilad's and MPW's water and sewerage businesses, MPTC's toll road business and LRMC's rail business.

(B) Contingent Liabilities

At 30 June 2023, except for guarantees of US$20.8 million (31 December 2022: US$18.4 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 2022: Nil).

19. Share Options

Particulars of the share options of the Company granted to the Directors and senior executives of the Company at 30 June 2023 and 2022 are set out below:

Particulars of the Company's Share Option Scheme

	Share options held at 1 January and 30 June 2023	Share option exercise price per share (HK$)	Market price per share immediately before the date of grant (HK$)	Grant date	Vesting period[ii]	Exercisable period
Non-Executive Director						
Benny S. Santoso	**3,828,000**	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
	1,914,000	3.176	3.10	6 May 2022	April 2023 to April 2025	April 2023 to May 2028
Independent Non-Executive Director						
Madeleine Lee Suh Shin	**3,828,000**	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Philip Fan Yan Hok	**1,914,000**	3.176	3.10	6 May 2022	April 2023 to April 2025	April 2023 to May 2028
Blair Chilton Pickerell	**1,276,000**	3.176	3.10	6 May 2022	April 2024 to April 2025	April 2024 to May 2028
Senior Executives	**7,699,459**	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Total	**20,459,459**[i]					

(i) The number of outstanding share options vested and exercisable at 30 June 2023 was 16,631,459. These share options had a weighted average exercise price of HK$2.89.

(ii) The vesting periods of the share options are as follows:

(a) For the 2019 grant, the share options would be vested in three equal tranches from the first to the third year after the share options are granted.

(b) For the 2022 grant, the share options would be vested in three equal tranches from the first to the third year after the share options are granted, except for an independent non-executive director (two equal tranches from the second and third year after the grant).

	Share options held at 1 January 2022	Share options lapsed during the period	Share options granted during the period	Share options held at 30 June 2022	Share option exercise price per share (HK$)	Market price per share immediately before the date of grant (HK$)	Grant date	Vesting period[iii]	Exercisable period
Non-Executive Director									
Benny S. Santoso	1,339,600	(1,339,600)	–	–	4.972	4.950	–	–	–
	3,828,000	–	–	3,828,000	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
	–	–	1,914,000	1,914,000	3.176	3.10	6 May 2022	April 2023 to April 2025	April 2023 to May 2028
Independent Non-Executive Director									
Madeleine Lee Suh Shin	3,828,000	–	–	3,828,000	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Philip Fan Yan Hok	–	–	1,914,000	1,914,000	3.176	3.10	6 May 2022	April 2023 to April 2025	April 2023 to May 2028
Blair Chilton Pickerell	–	–	1,276,000	1,276,000	3.176	3.10	6 May 2022	April 2024 to April 2025	April 2024 to May 2028
Senior Executives	1,184,750	(1,184,750)	–	–	4.972	4.950	–	–	–
	403,025	(403,025)	–	–	6.092	5.98	–	–	–
	7,699,459	–	–	7,699,459	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Total	18,282,834	(2,927,375)	5,104,000[i]	20,459,459[ii]					

(i) Represented 0.1% of the Company's weighted average number of ordinary shares issued during the period.

(ii) The number of outstanding share options vested and exercisable at 30 June 2022 was 15,355,459. These share options had a weighted average exercise price of HK$2.87.

(iii) The vesting periods of the share options are as follows:

(a) For the 2019 grant, the share options would be vested in three equal tranches from the first to the third year after the share options are granted.

(b) For the 2022 grant, the share options would be vested in three equal tranches from the first to the third year after the share options are granted, except for an independent non-executive director (two equal tranches from the second and third year after the grant).

During the period ended 30 June 2023, no share options were cancelled nor lapsed (2022: no share options were cancelled) under the Company's share option scheme.

At 1 January and 30 June 2023, the number of share options that is available for grant under the Company's share option scheme are both 426,944,457.

Further information regarding the Company's share option scheme has been set out on pages 204 to 207 of the Company's 2022 Annual Report.

20. Related Party Transactions

Significant related party transactions entered into by the Group during the periods ended 30 June 2023 and 2022 are disclosed as follows:

(A) On 26 April 2023, MPHI, a Philippine affiliate of the Company, entered into a memorandum of agreement ("MOA") alongside GT Capital Holdings, Inc., Mit-Pacific Infrastructure Holdings Corporation and MIG Holdings Incorporated (together the "Consortium"), to participate as an offeror to make a tender offer at a price of Pesos 4.63 (US$0.08) per share to purchase the outstanding common shares of MPIC held by its minority public shareholders with the aim to take MPIC private through a voluntary delisting process. MIG Holdings Incorporated is 100% owned by Mr. Manuel V. Pangilinan, the Managing Director and Chief Executive Officer of the Company.

The tender offer price was revised upward subsequently on 3 July 2023, please refer to Note 22 for details.

(B) FPM Power has a support service agreement with GBPC with effect from 1 October 2021. Under the agreement, FPM Power shall pay GBPC for its support services rendered under the agreement until terminated in writing.

For the six months ended 30 June 2023, the fees under the above arrangement amount to US$0.5 million (2022: US$0.5 million). At 30 June 2023, FPM Power had outstanding service fees payable to GBPC of US$0.5 million (31 December 2022: US$0.3 million), which was included in accounts payable, other payables and accruals.

(C) On 1 March 2018, First Pacific Investment Management Limited ("FPIML"), a wholly-owned subsidiary company of the Company, entered into an advisory services agreement with Smart Communications, Inc. ("Smart"). The agreement is for a period of one year subject to a 12-month automatic renewal unless either party notifies the other party of its intent not to renew the agreement. FPIML provides advisory and related services in connection with the operation of Smart's business of providing mobile communications services, high-speed internet connectivity, and access to digital services and content. The agreement provides that Smart shall pay a monthly service fee and any additional fee shall be mutually agreed upon by both parties on a monthly basis.

For the six months ended 30 June 2023, the fees under this agreement amounted to approximately US$1.3 million (2022: US$1.3 million). At 30 June 2023, FPIML had US$0.7 million (31 December 2022: US$0.2 million) outstanding receivable from Smart under this agreement and was included in the current portion of accounts receivable, other receivables and prepayments.

(D) In December 2014, Asia Link B.V. ("ALBV"), a wholly-owned subsidiary company of the Company, entered into a subscription agreement with SMECI, a wholly-owned subsidiary company of Philex, in respect of the subscription for the SMECI's notes with a principal amount of Pesos 5.04 billion (US$91.3 million), principally for financing capital expenditure of the Silangan project and repaying the advances from Philex. The SMECI's notes bear interest at a coupon rate of 1.5%, payable semi-annually every 18 June and 18 December and has a maturity of 8 years. A redemption premium, payable at a rate of 3% per annum, retroactively from the issue date and compounded semi-annually, will apply upon the maturity of the SMECI's notes.

On 7 December 2022, ALBV entered into a supplementary agreement with SMECI to extend the SMECI's notes for 3 years with effect from 19 December 2022 to 18 December 2025 with a view to support the continuous development and fund-raising activities of the Silangan project. The maturity date of the SMECI's notes may be further extended twice at the option of SMECI for a period of one year and six months for each extension. The accrued redemption premium until 18 December 2022 of Pesos 1.4 billion (US$24.6 million) would be subject to an interest at coupon rate of 1.5%, payable semi-annually. In addition, the principal amount together with the redemption premium shall also attract a 3% per annum premium from 19 December 2022 up to the redemption date, unless converted.

For the six months ended 30 June 2023, ALBV accrued interest income of US$2.5 million (2022: US$2.5 million) on these notes. At 30 June 2023, ALBV had outstanding interest receivable of approximately US$58 thousand (31 December 2022: US$62 thousand) due from SMECI.

(E) Key Management Personnel Compensation

Nature of Transactions

For the six months ended 30 June US$ millions	2023	2022
Non-performance based		
– Salaries and benefits	**34.2**	40.0
– Pension contributions	**1.9**	1.1
Performance based		
– Bonuses and long-term monetary incentive awards	**24.3**	26.4
Employee share-based compensation benefit expenses/LTIP	**8.4**	6.0
Retirement benefit payments	**0.8**	2.2
Fees	**0.3**	0.4
Total	**69.9**	76.1

(F) Under certain framework agreements, Indofood has engaged in trade transactions in the ordinary course of business with certain of its associated companies, joint ventures and affiliated companies which are related to the Salim Family either through its control or joint control. Mr. Anthoni Salim is the Chairman and a substantial shareholder of the Company and is the President Director and Chief Executive Officer of Indofood.

All significant transactions with related parties, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	2023	2022
Income Statement Items		
Sales of finished goods		
– to affiliated companies	**255.0**	267.1
– to an associated company	**13.7**	14.1
Purchases of raw materials and finished goods		
– from a joint venture	**18.0**	14.0
– from affiliated companies	**0.1**	0.6
Outsourcing expenses		
– to affiliated companies	**15.1**	14.4
Insurance expenses		
– to affiliated companies	**5.6**	5.0
Pump services expenses		
– to affiliated companies	**0.3**	0.3
Royalty income and technical service fee		
– from an associated company	**2.0**	2.6
– from affiliated companies	**1.4**	1.7
Rental income		
– from affiliated companies	**0.8**	0.8

For the six months ended 30 June 2023, Indofood made lease payments of US$0.3 million (2022: US$0.5 million) to affiliated companies for the settlement of lease liabilities recognized.

Approximately 7% (2022: 8%) of Indofood's sales and 0.7% (2022: 0.6%) of its purchases were transacted with these related parties.

Nature of Balances

US$ millions	**At 30 June 2023**	At 31 December 2022
Statement of Financial Position Items		
Accounts receivable – trade		
– from affiliated companies	**52.3**	88.0
– from an associated company	**6.8**	5.8
Accounts receivable – non-trade		
– from an associated company	**15.1**	18.2
– from affiliated companies	**7.9**	8.4
Accounts payable – trade		
– to affiliated companies	**7.8**	5.4
– to joint ventures	**2.4**	3.2
Deferred liabilities, provisions and payables		
– to affiliated companies	**40.0**	38.2

(G) In February 2021, Maynilad, a subsidiary company of MPIC, renewed the framework agreement with D.M. Consunji, Inc. ("Consunji"), a subsidiary company of DMCI Holdings, Inc. (a 27.2% shareholder of Maynilad Water Holding Company, Inc., Maynilad's parent company) for the period from 19 February 2021 to 31 December 2023 on substantially the same terms as the previous framework agreement in relation to the provision of engineering, procurement and/or construction services by Consunji to Maynilad.

All significant transactions with Consunji, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2023**	2022
Capital Expenditure Item		
Construction services for water infrastructure	**8.6**	–

(H) MPIC, RHI and their subsidiary companies were charged for electricity expenses by Meralco, an associated company of the Group.

All significant transactions with Meralco, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2023**	2022
Income Statement Item		
Electricity expenses	**15.4**	19.2

Nature of Balances

US$ millions	**At 30 June 2023**	At 31 December 2022
Statement of Financial Position Item		
Accounts payable – trade	**0.1**	0.5

(I) MPIC, RHI and their subsidiary companies were charged for voice and data services provided by PLDT, an associated company of the Group.

All significant transactions with PLDT, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2023**	2022
Income Statement Item		
Voice and data service expenses	**1.3**	0.9

Nature of Balances

US$ millions	**At 30 June 2023**	At 31 December 2022
Statement of Financial Position Item		
Accounts payable – trade	**1.5**	1.5

(J) MPIC and its subsidiary companies were charged for information technology management and consultancy services provided by Indra Philippines Inc. ("Indra"), an associated company of the Group.

All significant transactions with Indra, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2023**	2022
Income Statement Item		
Information technology management and consultancy expenses	**2.7**	4.8

Nature of Balances

US$ millions	**At 30 June 2023**	At 31 December 2022
Statement of Financial Position Item		
Accounts payable – trade	**–**	0.9

(K) On 22 May 2020, ICBP entered into a conditional shares sale and purchase agreement with Pinehill Corpora Limited ("Pinehill Corpora") and Steele Lake Limited in relation to the acquisition of the entire issued share capital of Pinehill for a total consideration of US$2,998 million, of which US$650.0 million shall be retained by ICBP until 30 April 2022. Pinehill Corpora, which is the seller of 51% interest in Pinehill, is a consortium indirectly owned as to 49% by Mr. Anthoni Salim, the Chairman and a substantial shareholder of the Company.

The retention amount payable due to Pinehill Corpora of US$331.5 million was fully settled by ICBP in April 2022.

(L) In February 2022, MPIC made additional advances of Pesos 0.2 billion (US$3.8 million) to Landco, a joint venture of the Group up to 31 March 2022 (the date of consolidation of Landco), for working capital purposes.

(M) At 30 June 2022, FPM Power had outstanding loans of US$113.5 million due to MPG Asia Limited. The loans are unsecured, interest-free and repayable on demand, and were included in the current portion of deferred liabilities, provisions and payables. In November 2022, the outstanding loans of US$113.5 million due to MPG Asia Limited were capitalized into equity of FPM Power.

21. Financial Instruments

(A) Financial Instruments by Category

(a) Financial assets

The following table summarizes the Group's financial assets at the end of the reporting period:

	At 30 June 2023					At 31 December 2022				
US$ millions	Financial assets at amortized cost	Financial assets at FVOCI	Financial assets at FVPL	Derivative instruments[i]	Total	Financial assets at amortized cost	Financial assets at FVOCI	Financial assets at FVPL	Derivative instruments[i]	Total
Accounts and other receivables (Non-current)	87.3	–	–	1.1	88.4	62.6	–	–	2.0	64.6
Financial assets at FVOCI (Non-current)	–	579.6	–	–	579.6	–	527.0	–	–	527.0
Other non-current assets	66.5	–	20.0	–	86.5	60.0	–	20.0	–	80.0
Cash and cash equivalents and short-term deposits	2,799.6	–	–	–	2,799.6	2,620.6	–	–	–	2,620.6
Restricted cash	93.7	–	–	–	93.7	108.5	–	–	–	108.5
Financial assets at FVOCI (Current)	–	206.6	–	–	206.6	–	64.1	–	–	64.1
Accounts and other receivables (Current)	1,143.8	–	–	14.7	1,158.5	929.4	–	–	14.6	944.0
Total	4,190.9	786.2	20.0	15.8	5,012.9	3,781.1	591.1	20.0	16.6	4,408.8

(i) Represents derivative assets designated as hedging instruments.

(b) Financial liabilities

The following table summarizes the Group's financial liabilities at the end of the reporting period:

	At 30 June 2023				At 31 December 2022			
US$ millions	Financial liabilities at amortized cost	Financial liabilities at FVPL	Derivative instruments[ii]	Total	Financial liabilities at amortized cost	Financial liabilities at FVPL	Derivative instruments[ii]	Total
Accounts payable, other payables and accruals	1,768.3	–	–	1,768.3	1,543.4	–	–	1,543.4
Short-term borrowings	2,243.8[iii]	–	–	2,243.8	1,824.3	–	–	1,824.3
Current portion of deferred liabilities, provisions and payables	134.3	–	12.5	146.8	141.4	–	23.6	165.0
Long-term borrowings	9,340.5	–	–	9,340.5	9,398.0	–	–	9,398.0
Deferred liabilities, provisions and payables (Non-current)	659.0	12.6	3.8	675.4	643.9	12.1	4.7	660.7
Total	14,145.9	12.6	16.3	14,174.8	13,551.0	12.1	28.3	13,591.4

(ii) Represents derivative liabilities designated as hedging instruments.

(iii) Included the reclassification of RHI's Pesos 4.0 billion (US$72.9 million) loan as current due to certain covenant compliance issues. RHI has been proactively engaging in discussions with its banks to obtain a waiver.

(B) Fair Values of Financial Instruments

The fair values of the financial assets and liabilities are determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Fair values of cash and cash equivalents and short-term deposits, restricted cash, current accounts and other receivables, accounts payable, other payables and accruals, short-term borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these financial instruments.

- Fair values of non-current accounts and other receivables and other non-current assets are evaluated based on the discounted values of the expected future cash flows using the prevailing market rates for similar assets.

- Fair value of unlisted investment included in financial assets at FVPL is measured by reference to the most recent transaction price.

- Fair values of listed investments included in financial assets at FVOCI are derived from quoted market prices in active markets.

- Fair values of unlisted investments included in financial assets at FVOCI are measured by discounted cash flow models, by reference to the most recent transaction prices, market comparable companies or valuations of the underlying assets supported by independent sources.

- Fair value of contingent consideration included in financial liabilities at FVPL is determined based on the present value of the expected payment under a discounted cash flow method.

- Long-term borrowings with fixed interest rates and other non-current financial liabilities are evaluated based on the discounted value of the expected future cash flows using the prevailing market rates for similar types of liabilities. Fair values of long-term borrowings with variable interest rates approximate their carrying amounts because of regular repricing based on market conditions. Fair values of listed bonds are derived from quoted market prices in active markets.

- Derivative assets/liabilities in respect of derivative financial instruments, such as foreign exchange forward contracts, fuel swaps, electricity futures and interest rate swaps, are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include the use of present value calculations of future cash flows by reference to current forward exchange rates and fuel prices for contracts with similar maturity profiles and market values for similar instruments with similar maturity profiles.

The following table shows a comparison between the carrying amounts and fair values of the Group's financial instruments with carrying amounts not equal to or reasonably approximating their fair values at the end of the reporting period. The Group's financial instruments with carrying amounts equal to or reasonably approximating their fair values at 30 June 2023 and 31 December 2022 and lease liabilities are not included in this table.

US$ millions	**At 30 June 2023** Carrying amount	Fair value	At 31 December 2022 Carrying amount	Fair value
Financial Liabilities				
Long-term borrowings	**9,340.5**	**8,552.1**	9,398.0	8,287.7
Deferred liabilities, provisions and payables (Non-current) (other than lease liabilities)	**631.8**	**599.5**	615.7	579.3
Total	**9,972.3**	**9,151.6**	10,013.7	8,867.0

(C) Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair values that are not based on observable market data (unobservable inputs)

The Group held the following financial instruments measured at fair value at the end of the reporting period:

	At 30 June 2023				At 31 December 2022			
US$ millions	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI								
– Listed equity investments	**364.3**	**–**	**–**	**364.3**	310.9	–	–	310.9
– Unlisted investments	**–**	**329.4**	**92.5**	**421.9**	–	184.0	96.2	280.2
Financial assets at FVPL(i)								
– Unlisted investment	**–**	**20.0**	**–**	**20.0**	–	20.0	–	20.0
Derivative assets(ii)	**2.0**	**13.8**	**–**	**15.8**	2.5	14.1	–	16.6
Derivative liabilities(iii)	**–**	**(16.3)**	**–**	**(16.3)**	–	(28.3)	–	(28.3)
Financial liabilities at FVPL(iii)	**–**	**–**	**(12.6)**	**(12.6)**	–	–	(12.1)	(12.1)
Net Amount	**366.3**	**346.9**	**79.9**	**793.1**	313.4	189.8	84.1	587.3

(i) Included within other non-current assets
(ii) Included within accounts receivable, other receivables and prepayments
(iii) Included within deferred liabilities, provisions and payables

The fair values of unlisted investments, derivative assets and derivative liabilities in Level 2 are measured by reference to the most recent transaction prices, market comparable companies or valuation of the underlying assets supported by independent sources and using the discounted cash flow models as described in Note 21(B) to the Condensed Interim Consolidated Financial Statements.

The fair values of certain unlisted equity investments included in unlisted investments in the above table are categorized within Level 3 and are determined using the EBITDA multiple of comparable listed companies adjusted for lack of marketability discount up to 30% (31 December 2022: 30%) and adjusted for the net debt of the investee, if applicable. The movements during the period are as follows:

Unlisted equity investments US$ millions	**2023**	2022
At 1 January	**96.2**	28.2
Changes in fair value	**(2.7)**	0.1
Disposals	**(2.0)**	–
Exchange translation	**1.0**	(2.0)
At 30 June	**92.5**	26.3

At 30 June 2023 and 31 December 2022, the fair value of financial liabilities at FVPL, which represents MUN's earn-out payment in relating to acquisition of 40% interest in JJC, categorized with Level 3 was determined based on the present value of the expected payment.

For financial instruments that are recognized at fair value at the end of each reporting period, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the six months ended 30 June 2023 and 2022, there were no transfers of fair value measurements among Level 1, Level 2 and Level 3.

(D) Interest Rate Benchmark Reform

During the period ended 30 June 2023, the Group had refinanced/transited most of the London Interbank Offered Rate ("LIBOR") and Singapore Swap Offer Rate ("SOR") linked bank loans to Secured Overnight Financing Rate ("SOFR") and Singapore Overnight Rate Average, respectively, with no material impact to the Condensed Interim Consolidated Financial Statements.

At the end of the reporting period, the carrying amounts of financial instruments based on an interbank offered rate that have yet to transition to an alternative benchmark rate are summarized as follows:

US$ millions	**At 30 June 2023**	At 31 December 2022
Non-derivative liabilities		
Bank loans – US$ LIBOR	**326.6**	705.0
– S$ SOR	**–**	254.8
Total	**326.6**	959.8
Derivative assets, net		
Interest rate swaps – US$ LIBOR[(i)]	**7.0**	7.0

(i) The notional amount of the interest rate swaps is US$130.0 million (31 December 2022: US$130.0 million) and will mature in 2024.

In July 2023, the Group has refinanced/transited the remaining US$ LIBOR loans of US$326.6 million and the interest rate swaps with notional amount of US$130.0 million to SOFR. As such, the Group is no longer exposed to the risk arising from interest rate benchmark reform.

22. Events after the Reporting Period

On 3 July 2023, the Consortium revised the tender offer price to Pesos 5.20 (US$0.09) per MPIC common share from the original tender office price of Pesos 4.63 (US$0.08) per MPIC common share as pursuant to the MOA entered on 26 April 2023 with a view to delist MPIC from the Philippine Stock Exchange. The revised tender offer price represents a premium of 37% over the 12-month volume-weighted average trading price of MPIC as of 26 April 2023 and will increase the chance of satisfying the acceptance conditions under the tender offer.

On 3 July 2023, MPIC's Board approved the voluntary delisting, which was also approved by MPIC's shareholders on 8 August 2023. The tender offer period commenced on 9 August 2023 and will be closed on 7 September 2023. On 24 August 2023, First Pacific's independent shareholders also approved MPHI's participation in the tender offer on the special general meeting.

Under the MOA, the allocation of MPHI is up to a maximum of 1.18 billion MPIC common shares, representing approximately 4.1% of the outstanding common shares of MPIC. Based on the revised tender offer price, the aggregate maximum amount of consideration payable by MPHI would, therefore, be Pesos 6.12 billion (US$110 million), and the Group's effective economic interest and voting interest in MPIC will increase up to 50.2% and 62.2%, from 46.1% and 59.1%, respectively.

23. 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 25 August 2023.

Review Statement of the Audit and Risk Management Committee

The Audit and Risk Management Committee has reviewed the 2023 interim results, including the accounting policies and practices adopted by the Group. The Audit and Risk Management Committee also has discussed financial reporting, auditing, risk management and internal control matters with the Company's management and its independent auditor.

Corporate Governance Practices

First Pacific is committed to maintaining and upholding high standards of corporate governance with a view to safeguarding the interests of our shareholders, employees and other relevant stakeholders. The Company's Corporate Governance Committee, comprising mainly of Independent Non-executive Directors ("INEDs") and chaired by an INED, is delegated with the responsibility to supervise the Company's corporate governance functions.

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 Listing Rules (the "CG Code"). Throughout the six months ended 30 June 2023, the Company has applied the principles and complied with the material code provisions of the CG Code and, where appropriate, adopted the recommended best practices contained in the CG Code with the following exceptions:

Code Provision E.1.5: Issuers should disclose, amongst others, details of any remuneration payable to members of senior management by band in their annual reports. Recommended Best Practice E.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 was disclosed.

Recommended Best Practices D.1.5 and D.1.6: 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 investee companies already issue quarterly reports. As such, we believe that the relevant information is already available in the public domain.

Code Provision D.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 company, the Company does not have a separate internal audit department but has a Risk Assessment Committee consisting of one Executive Director and six senior executives which oversees risk management at the Head Office. Also, each of the Group's major investee companies is required to have their own internal audit and risk management functions responsible for the implementation and monitoring of effective internal control systems for operational, financial and regulatory compliance, and risk management. The Company obtains, as part of its regular internal reporting processes, written reports and confirmations from its major investee companies' audit and/or risk management committees regarding the work they undertake and any significant matters arising therefrom. The reports and confirmations received from the individual audit and/or risk management committees are collated by the Company's Risk Assessment Committee 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 major investee companies' audit and/or 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 a 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 2023.

Directors' interests in securities of the Company and its associated corporations as at 30 June 2023 have been disclosed in this interim report on pages 71 and 72.

Risk Management and Internal Control

As referred to the above and as an investment holding company, the Company does not have a separate internal audit department but has a Risk Assessment Committee consisting of one Executive Director and six senior executives which oversees risk management at the Head Office. Also, each of the Group's major investee companies are required to have their own internal audit and risk management functions responsible for the implementation and monitoring of effective internal control systems for operational, financial and regulatory compliance, and risk management. Their effectiveness is continuously evaluated and enhanced by the respective investee companies' audit committees and/or risk committees, which are reviewed by the Company's Risk Assessment Committee and 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 is responsible for maintaining an adequate system of risk management and internal controls in the Group and 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 investee 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.

In respect of the six months ended 30 June 2023, the Board confirmed that it has received confirmations from the investee companies' audit committees, risk committees and/or internal auditors/chief risk officers on the effectiveness of their risk management and internal control systems and that there was no significant area of concern to be disclosed.

During the six months ended 30 June 2023, 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 functions.

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company, as notified to the Company, subsequent to the 2022 Annual Report are set out below:

- Ms. Madeleine Lee Suh Shin was appointed as an independent non-executive director of GuocoLand Limited, the shares of which are listed on the Singapore Exchange Securities Trading Limited, on 1 April 2023.

Interests of Directors in the Company and its Associated Corporations

As at 30 June 2023, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which (a) were recorded in the register required to be kept under Section 352 of Part XV of the SFO; or (b) were notified to the Company and the SEHK pursuant to the Model Code were as follows:

(A) Long Positions in Shares in the Company

Name	Ordinary shares	Approximate percentage of issued share capital (%)	Ordinary share options
Anthoni Salim	1,925,474,957(C)(i)	45.39	–
Manuel V. Pangilinan	70,493,078(P)(ii)	1.66	–
Christopher H. Young	8,385,189(P)	0.20	–
Benny S. Santoso	478,500(P)(iii)	0.01	5,742,000
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	3,903,559(P)(iv)	0.09	–
Margaret Leung Ko May Yee, *SBS, JP*	3,045,652(P)(v)	0.07	–
Philip Fan Yan Hok	10,547,152(P)(vi)	0.25	1,914,000
Madeleine Lee Suh Shin	1,557,000(P)(vii)	0.04	3,828,000
Blair Chilton Pickerell	1,276,000(P)(viii)	0.03	1,276,000

(C) = Corporate interest, (P) = Personal interest

(i) Anthoni Salim indirectly owns 100% of First Pacific Investments (B.V.I.) Limited, his indirect interests in First Pacific Investments (B.V.I.) Limited are held through Salerni International Limited (a company of which Anthoni Salim directly holds 100% of the issued share capital). First Pacific Investments (B.V.I.) Limited and Salerni International Limited are interested in 633,186,599 shares and 502,058,994 shares respectively in the Company. Anthoni Salim also owns 83.84% of First Pacific Investments Limited which, in turn, is interested in 790,229,364 shares in the Company. Of this, 4.04% is held by Anthoni Salim directly, 20.19% by Salerni International Limited and 59.61% by Asian Capital Finance Limited (a company in which Anthoni Salim owns 100% share interests). The remaining 16.16% interest in First Pacific Investments Limited is owned as to 12.12% by the late Sutanto Djuhar and 4.04% by Tedy Djuhar (both are former Non-executive Directors of the Company).
(ii) It included Mr. Pangilinan's interests in 29,033,817 shares transferred to certain family trusts.
(iii) It included Mr. Santoso's interests in 319,000 awarded shares granted pursuant to the Company's Share Award Scheme as adopted by the Board on 19 March 2013 (the "Share Award Scheme") which remain unvested.
(iv) It included Prof. Chen's interests in 638,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(v) It included Mrs. Leung's interests in 638,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(vi) It included Mr. Fan's interests in 319,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(vii) It included Ms. Lee's interests in 638,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(viii) It included Mr. Pickerell's interests in 319,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.

(B) Long Positions in Shares and Debentures of the Associated Corporations of the Company

- Manuel V. Pangilinan owned (a) 31,622,404 common shares(P) (0.10%)* in MPIC; (b) 296,494 common shares(P) (0.14%)* in PLDT as beneficial owner and a further 15,417 common shares (less than 0.01%)* in PLDT as nominee; (c) 4,655,000 common shares(P) (0.08%)* in Philex; (d) 1,603,465 common shares(P) (0.08%)* in PXP; (e) 70,000 common shares(P) (including 15,000 stock grants which remain unvested) (less than 0.01%)* in Meralco; (f) 61,547 common shares(P) (less than 0.01%)* in RHI; as well as (g) US$1,000,000 of bonds due 2027 issued by FPC Resources Limited, which is a wholly-owned subsidiary of the Company.

- Christopher H. Young owned (a) 54,313 common shares(P) (0.02%)* in PLDT; and (b) 61,547 common shares(P) (less than 0.01%)* in RHI.

- Anthoni Salim owned (a) 1,329,770 ordinary shares(P) (0.02%)* in Indofood and an indirect interest of 4,396,103,450 Indofood shares(C) (50.07%)* through the Company's group companies; (b) an indirect interest of 2,007,788 shares(C) (0.14%)* in IndoAgri through his controlled corporations other than the Company and an indirect interest of 1,172,377,030 IndoAgri shares(C) (83.99%)* through the Company's group companies; and (c) an indirect interest of 20,483,364 shares(C) (0.13%)* in PT Salim Ivomas Pratama Tbk ("SIMP") through his controlled corporations other than the Company and an indirect interest of 12,471,746,400 SIMP shares(C) (78.85%)* through the Company's group companies.

(P) = Personal interest, (C) = Corporate interest

* Approximate percentage of the issued capital of the respective class of shares in the respective associated corporations as at 30 June 2023.

Save for those disclosed above, as at 30 June 2023, none of the Directors and chief executive of the Company had any interests or short positions in respect of shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of Part XV of the SFO, or as otherwise notified to the Company pursuant to the Model Code.

Interests of Substantial Shareholders in the Company

The interests and short positions of substantial shareholders in the shares and underlying shares of the Company as at 30 June 2023 as recorded in the register required to be kept under Section 336 of Part XV of the SFO are set out below:

(a) Salerni International Limited ("Salerni"), which was incorporated in the British Virgin Islands, was interested in 1,135,245,593 ordinary shares of the Company at 30 June 2023, representing approximately 26.76% of the Company's issued share capital at that date, by way of 502,058,994 ordinary shares of the Company held, representing approximately 11.84% of the Company's issued share capital at that date and also its 100% interest in First Pacific Investments (B.V.I.) Limited ("FPIL-BVI"). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of Salerni and, accordingly, is taken to be interested in the shares of the Company owned by Salerni.

(b) Asian Capital Finance Limited ("ACFL"), which was incorporated in the British Virgin Islands, was interested in 790,229,364 ordinary shares of the Company at 30 June 2023, representing approximately 18.63% of the Company's issued share capital at that date, by way of its 59.61% interest in First Pacific Investments Limited ("FPIL-Liberia"). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of ACFL and, accordingly, is taken to be interested in the shares of the Company owned by ACFL.

(c) FPIL-Liberia, which was incorporated in the Republic of Liberia, beneficially owned 790,229,364 ordinary shares at 30 June 2023, representing approximately 18.63% of the Company's issued share capital at that date. FPIL-Liberia is owned by Salerni, ACFL, Anthoni Salim (Chairman of the Company), Tedy Djuhar and the late Sutanto Djuhar (both are former Non-executive Directors of the Company), in the proportion specified in note (i) of the table on page 71. Anthoni Salim, Chairman of the Company, indirectly owns 83.84% of the issued share capital of FPIL-Liberia and, accordingly, is taken to be interested in the shares of the Company owned by FPIL-Liberia.

(d) FPIL-BVI, which was incorporated in the British Virgin Islands, beneficially owned 633,186,599 ordinary shares at 30 June 2023, representing approximately 14.93% of the Company's issued share capital at that date. Anthoni Salim, Chairman of the Company, indirectly owns the entire issued share capital of FPIL-BVI and, accordingly, is taken to be interested in the shares of the Company owned by FPIL-BVI.

(e) Brandes Investment Partners, L.P. ("Brandes"), a United States incorporated company, notified the Company that it held 297,632,088 ordinary shares of the Company as at 12 April 2022, representing approximately 6.97% of the Company's issued share capital at that date. At 30 June 2023, the Company has not received any other notification from Brandes of any change to such holding.

(f) Northern Trust Corporation, a United States incorporated company, and its 100% controlled corporation, The Northern Trust Company, a United States incorporated company (collectively "Northern Trust"), notified the Company that they held 214,113,495 ordinary shares of the Company (lending pool) on 19 June 2023, representing approximately 5.05% (lending pool) of the Company's issued share capital at that date. At 30 June 2023, the Company has not received any other notification from Northern Trust of any change to such holding.

Other than as disclosed above, as at 30 June 2023, the Company had not been notified of any person who had an interest or short position in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

Purchase, Sale or Redemption of Listed Securities

On 17 April 2023, FPC Treasury Limited ("FPC Treasury"), a wholly-owned subsidiary of the Company, redeemed in full the US$357,835,000 aggregate principal amount outstanding of the US$400,000,000 4.5 per cent. guaranteed bonds due 2023 (the "Bonds") issued by FPC Treasury and irrevocably and unconditionally guaranteed by the Company. The redeemed Bonds were cancelled subsequently.

Save as disclosed above, during the six months ended 30 June 2023, neither the Company, nor any of its subsidiary companies, has purchased, sold or redeemed any of the Company's listed securities.

Information for Investors

As at 25 August 2023

Financial Diary

Preliminary announcement of 2023 interim results	25 August 2023
Last day to register for interim distribution	7 September 2023
Interim report posted to shareholders	20 September 2023
Payment of interim distribution	27 September 2023
Financial year-end	31 December 2023
Preliminary announcement of 2023 results	28 March 2024*

* Subject to confirmation

Head Office

24th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong SAR
Telephone : +852 2842 4388
Fax : +852 2845 9243
Email : info@firstpacific.com

Registered Office

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda
Telephone : +1 441 295 1422
Fax : +1 441 295 4720

Website

www.firstpacific.com

Share Information

First Pacific shares are listed on The Stock Exchange of Hong Kong Limited and are traded over the counter in the United States in the form of American Depositary Receipts

Listing date	12 September 1988
Par value	U.S.1 cent per share
Lot size	2,000 shares
Number of ordinary shares issued	4,261,316,570

Stock Codes

HKSE	00142
Bloomberg	142 HK
Thomson Reuters	0142.HK

American Depositary Receipts (ADRs) Information

Level: 1
ADRs Code: FPAFY
CUSIP reference number: 335889200
ADRs to ordinary shares ratio: 1:5
ADRs depositary bank: Deutsche Bank Trust Company Americas

To Consolidate Shareholdings

Write to our principal share registrar and transfer office in Bermuda at:
Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

Or the Hong Kong branch registrar at:
Computershare Hong Kong Investor Services Limited

Registrar Office
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong SAR
Telephone : +852 2862 8555
Fax : +852 2865 0990/+852 2529 6087
Enquiry : www.computershare.com/hk/contact

Transfer Office
Shops 1712 to 1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong SAR

A Chinese Version of this Report, or Additional Information

Available at:
www.firstpacific.com

Or contact:
Sara Cheung
Vice President
Group Corporate Communications
First Pacific Company Limited
24th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong SAR
Telephone : +852 2842 4336
Email : info@firstpacific.com

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27th Floor, One Taikoo Place
979 King's Road, Quarry Bay, Hong Kong SAR

Solicitor

Gibson, Dunn & Crutcher
32nd Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong SAR

Principal Bankers

Bank of China (Hong Kong) Limited
China Banking Corporation
Mizuho Bank, Ltd.
Sumitomo Mitsui Banking Corporation
The Hongkong & Shanghai Banking Corporation Limited

Summary of Principal Investments

As at 30 June 2023

PT Indofood Sukses Makmur Tbk

Indofood (IDX: INDF) is a leading Total Food Solutions company with operations in all stages of food manufacturing from the production of raw materials and their processing through to the manufacture of consumer food and beverage products and their distribution to the market. It is based and listed in Indonesia while its Consumer Branded Products subsidiary PT Indofood CBP Sukses Makmur Tbk and Agribusiness subsidiaries PT Salim Ivomas Pratama Tbk and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk are also listed in Indonesia. Another subsidiary, Indofood Agri Resources Ltd., is listed in Singapore, and an Agribusiness associate, Roxas Holdings, Inc., is listed in the Philippines.

Indofood manufactures and distributes a wide range of food and beverage products from its four complementary Strategic Business groups: Consumer Branded Products (noodles, dairy, snack foods, food seasonings, nutrition & special foods, and beverages), Bogasari (wheat flour and pasta), Agribusiness (seed breeding, oil palm cultivation and milling, branded cooking oils, margarine and shortening, and the cultivation and processing of sugar cane, rubber, and other crops), and Distribution.

Indofood is one of the world's largest manufacturers by volume of wheat-based instant noodles, one of the largest plantation companies by area and the largest flour miller in Indonesia. Indofood also has an extensive distribution network across Indonesia.

Sector	:	Consumer Food Products
Place of incorporation/business area	:	Indonesia
Issued number of shares	:	8.8 billion
Particulars of issued shares held	:	Shares of Rupiah 100 par value
Economic and voting interests	:	50.1%
Initial investment	:	1999

Further information on Indofood can be found at www.indofood.com.

PLDT Inc.

PLDT (PSE: TEL; NYSE: PHI) is the largest integrated telecommunications company in the Philippines. Its shares are listed on the Philippine Stock Exchange and its American Depositary Shares are listed on the New York Stock Exchange. Through its principal business groups – fixed line and wireless – PLDT offers a wide range of telecommunications and digital services across the Philippines' most extensive fiber optic backbone, and fixed line and mobile networks.

Sector	:	Telecommunications
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	216.1 million
Particulars of outstanding shares held	:	Common shares of Pesos 5 par value
Economic/voting interest	:	25.6%/15.1%
Initial investment	:	1998

Further information on PLDT can be found at www.pldt.com.

Metro Pacific Investments Corporation

MPIC (PSE: MPI) is a leading infrastructure investment and management company. Its shares are listed on the Philippine Stock Exchange.

Sector	:	Infrastructure, Utilities and Healthcare
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	30.1 billion
Particulars of outstanding shares held	:	Common shares of Peso 1 par value
Economic/voting interest	:	46.1%/59.1%
Initial investment	:	2006

Further information on MPIC can be found at www.mpic.com.ph.

PacificLight Power Pte. Ltd.

PLP operates one of Singapore's most efficient power plants, housing an 800-megawatt liquified natural gas-fired combined cycle facility, powering businesses and households in Singapore with reliable and sustainable electricity that meets stringent environmental emission standards. PLP's solar energy solutions will further enhance its ability to deliver reliable and sustainable electricity. Its wholly-owned subsidiary PacificLight Energy Pte. Ltd. offers customized price packages for retail electricity customers in Singapore.

Sector	:	Infrastructure/Utilities
Place of incorporation/business area	:	Singapore
Issued number of shares	:	872.3 million
Particulars of issued shares held	:	Ordinary shares with no par value
Economic/voting interest	:	54.7%[(1)]/70.0%
Initial investment	:	2013

(1) Represents a 42.0% effective economic interest in PLP held by First Pacific through its interest in FPM Power and a 12.7% effective economic interest in PLP held by First Pacific through its indirect interests in Meralco.

Further information on PLP can be found at www.pacificlight.com.sg.

Philex Mining Corporation

Philex (PSE: PX) is a Philippine-listed company engaged in the exploration and mining of mineral resources, and holds a 30.4% interest in PXP Energy Corporation.

Sector	:	Natural Resources
Place of incorporation/business area	:	The Philippines
Issued number of shares	:	5.8 billion
Particulars of issued shares held	:	Common shares of Peso 1 par value
Economic and voting interests	:	31.2%[(2)]
Initial investment	:	2008

(2) Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic and voting interests in Philex.

Further information on Philex can be found at www.philexmining.com.ph.

PXP Energy Corporation

PXP (PSE: PXP) is a Philippine-listed company engaged in upstream oil and gas exploration and production.

Sector	:	Natural Resources
Place of incorporation/business area	:	The Philippines
Issued number of shares	:	2.0 billion
Particulars of issued shares held	:	Common shares of Peso 1 par value
Economic/voting interests	:	35.7%[(3)(4)]/21.7%[(3)]
Initial investment	:	2013

(3) Includes a 14.0% effective economic interest in PXP held by First Pacific through its interests in Philex.
(4) Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 6.7% economic and voting interests in PXP.

Further information on PXP can be found at www.pxpenergy.com.ph.

Roxas Holdings, Inc.

RHI (PSE: ROX) is a Philippine-listed sugar refiner and bioethanol producer.

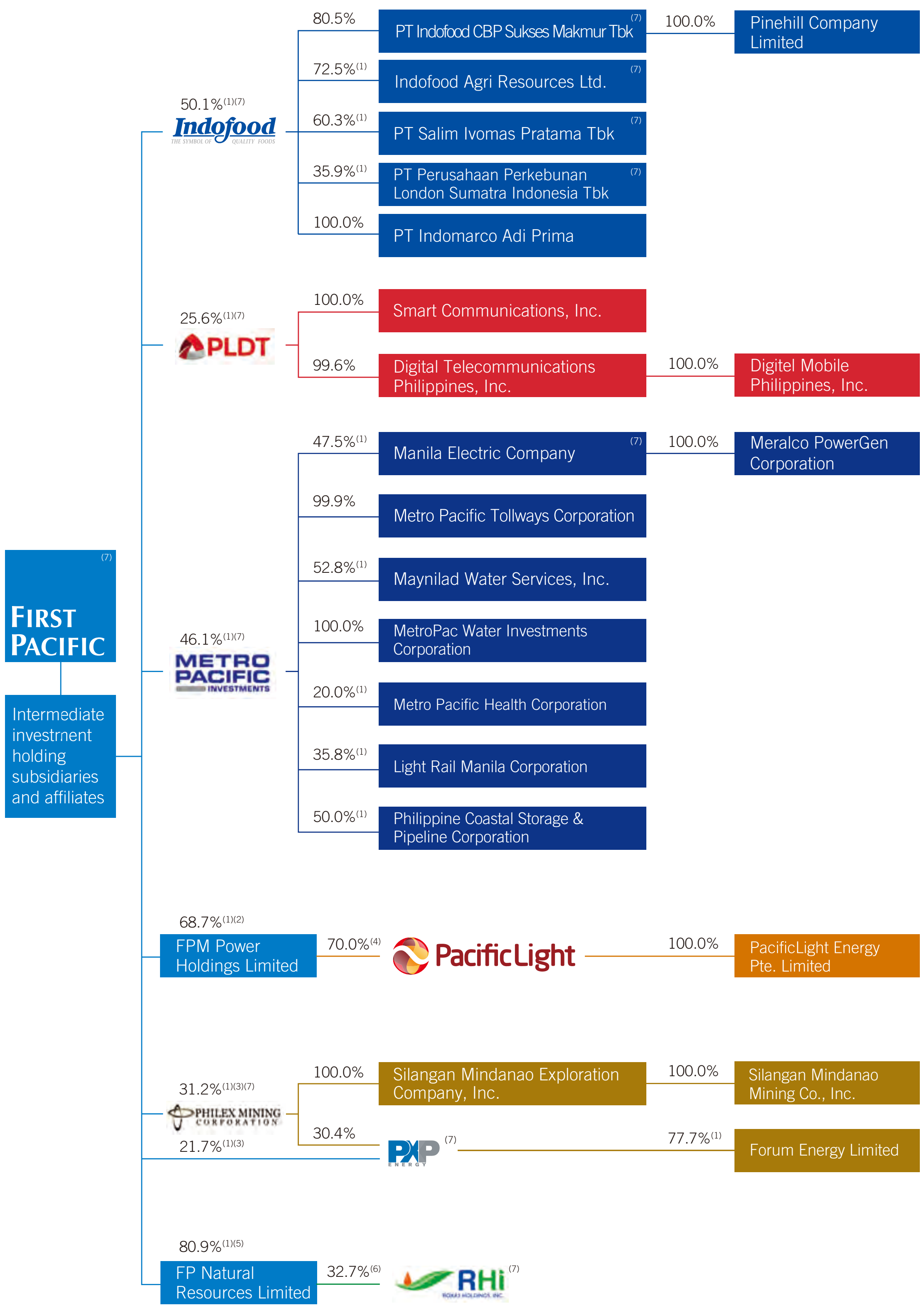
Sector	:	Consumer Food Products
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	1.5 billion
Particulars of outstanding shares held	:	Common shares of Peso 1 par value
Economic/voting interest	:	26.6%[(5)(6)]/32.7%[(6)]
Initial investment	:	2013

(5) Represents a 22.9% effective economic interest in RHI held by First Pacific through its interest in FP Natural Resources and a 3.6% effective economic interest in RHI held by First Pacific through its indirect interests in IndoAgri.
(6) FAHC, a Philippine affiliate of FP Natural Resources, holds an additional 30.2% economic and voting interests in RHI.

Further information on RHI can be found at www.roxasholdings.com.ph.

Corporate Structure

As at 25 August 2023



(1) Economic interest.
(2) Includes a 8.7% effective economic interest in FPM Power held through First Pacific's indirect interests in Meralco.
(3) Two Rivers, a Philippine affiliate of First Pacific, holds additional 15.0% and 6.7% economic interests in Philex and PXP, respectively.
(4) Meralco through its wholly-owned subsidiary MGen holds the remaining 30.0% interest in PLP.
(5) Includes a 10.9% effective economic interest in FP Natural Resources held through First Pacific's indirect interests in IndoAgri.
(6) FAHC, a Philippine affiliate of FP Natural Resources, holds an additional 30.2% economic interest in RHI.
(7) Listed company.

FIRST PACIFIC

First Pacific Company Limited

(Incorporated with limited liability under the laws of Bermuda)

24/F Two Exchange Square
8 Connaught Place, Central
Hong Kong SAR
Telephone : +852 2842 4388
Email : info@firstpacific.com
Website : **www.firstpacific.com**

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