FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

2023 Interim Results - Unaudited

FINANCIAL HIGHLIGHTS

- Turnover increased by 6.7% to US$5,411.2 million (HK$42,207.4 million) from US$5,071.9 million (HK$39,560.8 million).
- Profit contribution from operations increased by 15.3% to US$348.7 million (HK$2,719.9 million) from US$302.5 million (HK$2,359.5 million).
- Recurring profit increased by 14.2% to US$300.8 million (HK$2,346.2 million) from US$263.3 million (HK$2,053.7 million).
- Non-recurring gains decreased by 74.4% to US$7.2 million (HK$56.2 million) from US$28.1 million (HK$219.2 million).
- Profit attributable to owners of the parent increased by 43.0% to US$345.6 million (HK$2,695.6 million) from US$241.7 million (HK$1,885.3 million).
- Recurring basic earnings per share (calculated based on recurring profit) increased by 15.1% to U.S. 7.10 cents (HK55.4 cents) from U.S. 6.17 cents (HK48.1 cents).
- Basic earnings per share increased by 43.9% to U.S. 8.16 cents (HK63.6 cents) from U.S. 5.67 cents (HK44.2 cents).
- An interim distribution of HK10.50 cents (U.S. 1.35 cents) (2022: HK10.50 cents or U.S. 1.35 cents) per ordinary share has been declared.
- Equity attributable to owners of the parent increased by 11.3% to US$3,668.5 million (HK$28,614.3 million) at 30 June 2023 compared with US$3,296.5 million (HK$25,712.7 million) at 31 December 2022.
- Consolidated net debt increased by 2.3% to US$8,691.0 million (HK$67,789.8 million) at 30 June 2023 from US$8,493.2 million (HK$66,247.0 million) at 31 December 2022.
- Consolidated gearing ratio decreased to 0.78 times at 30 June 2023 from 0.82 times at 31 December 2022.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	Notes	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Turnover	2	**5,411.2**	5,071.9	**42,207.4**	39,560.8
Cost of sales		**(3,765.7)**	(3,564.4)	**(29,372.5)**	(27,802.3)
Gross profit		**1,645.5**	1,507.5	**12,834.9**	11,758.5
Selling and distribution expenses		**(371.5)**	(383.8)	**(2,897.7)**	(2,993.6)
Administrative expenses		**(309.3)**	(293.6)	**(2,412.5)**	(2,290.0)
Other operating income and expenses	3(A)	**123.2**	(29.3)	**961.0**	(228.6)
Interest income		**50.4**	25.1	**393.1**	195.8
Finance costs	3(B)	**(281.7)**	(229.2)	**(2,197.3)**	(1,787.8)
Share of profits less losses of associated companies and joint ventures		**230.4**	164.9	**1,797.1**	1,286.2
Profit before taxation	3	**1,087.0**	761.6	**8,478.6**	5,940.5
Taxation	4	**(242.2)**	(172.1)	**(1,889.2)**	(1,342.4)
Profit for the period		**844.8**	589.5	**6,589.4**	4,598.1
Profit attributable to:					
Owners of the parent	5	**345.6**	241.7	**2,695.6**	1,885.3
Non-controlling interests		**499.2**	347.8	**3,893.8**	2,712.8
		844.8	589.5	**6,589.4**	4,598.1
		US¢	US¢	**HK¢***	HK¢*
Earnings per share attributable to owners of the parent	6				
Basic		**8.16**	5.67	**63.6**	44.2
Diluted		**8.15**	5.66	**63.5**	44.1

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30 June	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Profit for the period	**844.8**	589.5	**6,589.4**	4,598.1
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)	**2,105.2**	(4,846.1)
Unrealized gains on cash flow hedges	**5.9**	68.3	**46.0**	532.7
Realized losses/(gains) on cash flow hedges	**5.9**	(80.1)	**46.0**	(624.8)
Income tax related to cash flow hedges	**(2.0)**	3.0	**(15.6)**	23.4
Share of other comprehensive income of associated companies and joint ventures	**10.6**	41.3	**82.7**	322.2
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	**23.4**	81.1
Actuarial (losses)/gains on defined benefit pension plans	**(0.1)**	2.6	**(0.8)**	20.3
Share of other comprehensive income/(loss) of associated companies and joint ventures	**2.9**	(0.1)	**22.6**	(0.8)
Other comprehensive income/(loss) for the period, net of tax	**296.1**	(575.9)	**2,309.5**	(4,492.0)
Total comprehensive income for the period	**1,140.9**	13.6	**8,898.9**	106.1
Total comprehensive income/(loss) attributable to:				
Owners of the parent	**432.5**	18.4	**3,373.4**	143.5
Non-controlling interests	**708.4**	(4.8)	**5,525.5**	(37.4)
	1,140.9	13.6	**8,898.9**	106.1

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**At 30 June 2023 (Unaudited) US$m**	At 31 December 2022 (Audited) US$m	**At 30 June 2023 (Unaudited) HK$m***	At 31 December 2022 (Audited) HK$m*
Non-current assets					
Property, plant and equipment		**3,840.9**	3,758.6	**29,959.0**	29,317.1
Biological assets		**21.5**	20.5	**167.7**	159.9
Associated companies and joint ventures		**5,442.2**	5,316.2	**42,449.2**	41,466.4
Goodwill		**4,066.8**	3,893.1	**31,721.0**	30,366.2
Other intangible assets		**6,405.2**	6,033.7	**49,960.6**	47,062.8
Investment properties		**18.3**	17.6	**142.7**	137.3
Accounts receivable, other receivables and prepayments		**111.2**	89.2	**867.4**	695.7
Financial assets at fair value through other comprehensive income		**579.6**	527.0	**4,520.9**	4,110.6
Deferred tax assets		**93.1**	96.2	**726.2**	750.3
Other non-current assets		**662.5**	555.2	**5,167.5**	4,330.6
		21,241.3	20,307.3	**165,682.2**	158,396.9
Current assets					
Cash and cash equivalents and short-term deposits		**2,799.6**	2,620.6	**21,836.8**	20,440.7
Restricted cash		**93.7**	108.5	**730.9**	846.3
Financial assets at fair value through other comprehensive income		**206.6**	64.1	**1,611.5**	500.0
Accounts receivable, other receivables and prepayments	8	**1,430.7**	1,189.5	**11,159.5**	9,278.1
Inventories		**1,266.9**	1,136.8	**9,881.8**	8,867.0
Biological assets		**48.9**	48.9	**381.4**	381.4
		5,846.4	5,168.4	**45,601.9**	40,313.5
Assets classified as held for sale		**-**	16.1	**-**	125.6
		5,846.4	5,184.5	**45,601.9**	40,439.1
Current liabilities					
Accounts payable, other payables and accruals	9	**2,023.9**	1,737.3	**15,786.4**	13,550.9
Short-term borrowings		**2,243.8**	1,824.3	**17,501.6**	14,229.6
Provision for taxation		**166.2**	134.5	**1,296.4**	1,049.1
Current portion of deferred liabilities, provisions and payables		**409.5**	412.5	**3,194.1**	3,217.5
		4,843.4	4,108.6	**37,778.5**	32,047.1
Net current assets		**1,003.0**	1,075.9	**7,823.4**	8,392.0
Total assets less current liabilities		**22,244.3**	21,383.2	**173,505.6**	166,788.9
Equity					
Issued share capital		**42.4**	42.4	**330.7**	330.7
Shares held for share award scheme		**(0.7)**	(2.2)	**(5.5)**	(17.2)
Retained earnings		**2,674.1**	2,328.3	**20,858.0**	18,160.7
Other components of equity		**952.7**	928.0	**7,431.1**	7,238.5
Equity attributable to owners of the parent		**3,668.5**	3,296.5	**28,614.3**	25,712.7
Non-controlling interests		**7,540.6**	7,069.3	**58,816.7**	55,140.5
Total equity		**11,209.1**	10,365.8	**87,431.0**	80,853.2
Non-current liabilities					
Long-term borrowings		**9,340.5**	9,398.0	**72,855.9**	73,304.4
Deferred liabilities, provisions and payables		**1,259.2**	1,216.7	**9,821.8**	9,490.3
Deferred tax liabilities		**435.5**	402.7	**3,396.9**	3,141.0
		11,035.2	11,017.4	**86,074.6**	85,935.7
		22,244.3	21,383.2	**173,505.6**	166,788.9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Equity attributable to owners of the parent											
US$ millions	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive loss (Note 10)	Differences arising from changes in equities of subsidiary companies	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	**Total equity**
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**

	Equity attributable to owners of the parent											
HK$ millions*	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive loss (Note 10)	Differences arising from changes in equities of subsidiary companies	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	**Total equity**
At 1 January 2022	333.8	(15.6)	311.2	68.6	(5,555.9)	3,459.4	98.3	11,925.4	15,103.9	25,729.1	57,053.1	82,782.2
Profit for the period	-	-	-	-	-	-	-	-	1,885.3	1,885.3	2,712.8	4,598.1
Other comprehensive loss for the period	-	-	-	-	(1,741.8)	-	-	-	-	(1,741.8)	(2,750.2)	(4,492.0)
Total comprehensive (loss)/income for the period	-	-	-	-	(1,741.8)	-	-	-	1,885.3	143.5	(37.4)	106.1
Repurchase of shares	(0.7)	-	(43.7)	-	-	-	-	-	-	(44.4)	-	(44.4)
Purchase of shares under share award scheme	-	(7.8)	-	-	-	-	-	-	-	(7.8)	-	(7.8)
Issue of shares under share award scheme	-	(7.8)	7.8	-	-	-	-	-	-	-	-	-
Shares vested under share award scheme	-	14.0	-	(13.2)	-	-	-	-	(0.8)	-	-	-
Lapse of share options	-	-	-	(3.1)	-	-	-	-	3.1	-	-	-
Employee share-based compensation benefits	-	-	-	6.2	-	-	-	-	-	6.2	0.8	7.0
Acquisition of interests in subsidiary companies	-	-	-	-	(32.0)	174.7	-	-	-	142.7	(549.1)	(406.4)
Step acquisition of a joint venture	-	-	-	-	-	-	-	-	-	-	5.4	5.4
Recognition of a financial liability on non-controlling interests' put option	-	-	-	-	-	6.2	-	-	-	6.2	(99.8)	(93.6)
2021 final distribution declared	-	-	-	-	-	-	-	(423.5)	-	(423.5)	-	(423.5)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	78.8	78.8
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(606.1)	(606.1)
At 30 June 2022	333.1	(17.2)	275.3	58.5	(7,329.7)	3,640.3	98.3	11,501.9	16,991.5	25,552.0	55,845.7	81,397.7
At 1 January 2023	330.7	(17.2)	208.3	70.2	(7,998.1)	3,801.7	98.3	11,058.1	18,160.7	25,712.7	55,140.5	**80,853.2**
Profit for the period	-	-	-	-	-	-	-	-	2,695.6	2,695.6	3,893.8	**6,589.4**
Other comprehensive income for the period	-	-	-	-	677.8	-	-	-	-	677.8	1,631.7	**2,309.5**
Total comprehensive income for the period	-	-	-	-	677.8	-	-	-	2,695.6	3,373.4	5,525.5	**8,898.9**
Shares vested under share award scheme	-	11.7	-	(11.0)	-	-	-	-	(0.7)	-	-	**-**
Employee share-based compensation benefits	-	-	-	7.8	-	-	-	-	-	7.8	-	**7.8**
Acquisition of interests in subsidiary companies	-	-	-	-	-	4.8	-	-	-	4.8	(14.8)	**(10.0)**
Acquisition of a subsidiary company	-	-	-	-	-	-	-	-	-	-	20.4	**20.4**
Recognition of a financial liability on non-controlling interests' put option	-	-	-	-	-	0.8	-	-	-	0.8	(31.2)	**(30.4)**
2022 final distribution declared	-	-	-	-	-	-	-	(485.2)	-	(485.2)	-	**(485.2)**
Transfer of fair value reserve upon disposal of equity investments at fair value through other comprehensive income	-	-	-	-	(2.4)	-	-	-	2.4	-	-	**-**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	107.6	**107.6**
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(1,931.3)	**(1,931.3)**
At 30 June 2023	**330.7**	**(5.5)**	**208.3**	**67.0**	**(7,322.7)**	**3,807.3**	**98.3**	**10,572.9**	**20,858.0**	**28,614.3**	**58,816.7**	**87,431.0**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

For the six months ended 30 June	Notes	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Profit before taxation		**1,087.0**	761.6	**8,478.6**	5,940.5
Adjustments for:					
Finance costs	3(B)	**281.7**	229.2	**2,197.3**	1,787.8
Depreciation	3(C)	**169.2**	164.5	**1,319.8**	1,283.1
Amortization of other intangible assets	3(C)	**67.1**	71.2	**523.3**	555.4
Write-down of inventories to net realizable value	3(C)	**11.4**	28.4	**88.9**	221.5
Loss on changes in fair value of biological assets	3(A)	**3.0**	7.4	**23.4**	57.7
Provision for impairment losses		**2.0**	16.1	**15.6**	125.6
Employee share-based compensation benefit expenses		**1.0**	0.9	**7.8**	7.0
Share of profits less losses of associated companies and joint ventures		**(230.4)**	(164.9)	**(1,797.1)**	(1,286.2)
Interest income		**(50.4)**	(25.1)	**(393.1)**	(195.8)
Gain on disposal of an associated company	3(A)	**(4.1)**	(2.5)	**(32.0)**	(19.5)
Gain on disposal of property, plant and equipment, net	3(A)	**(0.4)**	-	**(3.1)**	-
Gains on step acquisition of a joint venture	3(A)	**-**	(65.7)	**-**	(512.5)
Others (including unrealized foreign exchange difference)		**(143.1)**	(2.3)	**(1,116.2)**	(17.9)
		1,194.0	1,018.8	**9,313.2**	7,946.7
Increase in working capital		**(231.0)**	(154.7)	**(1,801.8)**	(1,206.7)
Net cash generated from operations		**963.0**	864.1	**7,511.4**	6,740.0
Interest received		**47.7**	22.2	**372.1**	173.2
Interest paid		**(262.4)**	(213.4)	**(2,046.7)**	(1,664.5)
Taxes paid		**(219.7)**	(230.6)	**(1,713.7)**	(1,798.7)
Net cash flows from operating activities		**528.6**	442.3	**4,123.1**	3,450.0
Dividends received from associated companies		**168.7**	149.3	**1,315.9**	1,164.5
Decrease in short-term deposits with original maturity of more than three months		**60.3**	19.1	**470.3**	149.0
Disposal of assets classified as held for sale		**16.2**	-	**126.4**	-
Decrease/(increase) in restricted cash		**15.7**	(50.8)	**122.5**	(396.2)
Dividends received from financial assets at fair value through other comprehensive income		**14.8**	14.1	**115.4**	110.0
Disposal of an associated company		**5.6**	2.5	**43.7**	19.5
Dividend received from a joint venture		**4.3**	8.8	**33.5**	68.6
Disposal of a subsidiary company		**3.3**	-	**25.7**	-
Disposal of property, plant and equipment		**2.8**	2.1	**21.8**	16.4
Disposal of financial assets at fair value through other comprehensive income		**1.9**	30.1	**14.8**	234.8
Investments in other intangible assets		**(390.2)**	(380.9)	**(3,043.5)**	(2,971.0)
Investments in financial assets at fair value through other comprehensive income		**(176.3)**	-	**(1,375.1)**	-
Payments for purchases of property, plant and equipment		**(123.4)**	(88.1)	**(962.5)**	(687.2)
Investments in biological assets		**(9.2)**	(8.6)	**(71.8)**	(67.1)
Acquisition of a subsidiary company		**(1.3)**	-	**(10.1)**	-
Payments for purchases of investment properties		**(0.5)**	(1.0)	**(3.9)**	(7.8)
Cash acquired from step acquisition of a joint venture		**-**	9.0	**-**	70.2
Payment for retention amount payable		**-**	(650.0)	**-**	(5,070.0)
Investment in financial assets at fair value through profit or loss		**-**	(20.0)	**-**	(156.0)
Increased investments in joint ventures		**-**	(6.6)	**-**	(51.5)
Advances to joint ventures		**-**	(5.2)	**-**	(40.6)
Increased investments in associated companies		**-**	(4.0)	**-**	(31.2)
Investment in an associated company		**-**	(1.0)	**-**	(7.8)
Advances to an associated company		**-**	(0.6)	**-**	(4.7)
Net cash flows used in investing activities		**(407.3)**	(981.8)	**(3,176.9)**	(7,658.1)
Proceeds from new bank borrowings and other loans		**2,415.9**	2,325.8	**18,844.0**	18,141.2
Capital contributions from non-controlling shareholders		**13.8**	10.1	**107.6**	78.8
Repayment of bank borrowings and other loans		**(2,166.5)**	(2,026.8)	**(16,898.7)**	(15,809.0)
Dividends paid to non-controlling shareholders by subsidiary companies		**(160.8)**	(93.9)	**(1,254.2)**	(732.4)
Principal portion of lease payments		**(13.9)**	(14.9)	**(108.4)**	(116.3)
Payments for concession fees payable		**(12.8)**	(11.8)	**(99.8)**	(92.0)
Increased investments in subsidiary companies		**(1.3)**	(0.3)	**(10.2)**	(2.4)
Repurchase of a subsidiary company's shares		**-**	(51.8)	**-**	(404.0)
Repurchase of shares		**-**	(5.6)	**-**	(43.6)
Payments for purchase of shares under a long-term incentive plan		**-**	(1.0)	**-**	(7.8)
Net cash flows from financing activities		**74.4**	129.8	**580.3**	1,012.5
Net increase/(decrease) in cash and cash equivalents		**195.7**	(409.7)	**1,526.5**	(3,195.6)
Cash and cash equivalents at 1 January		**2,457.8**	3,116.9	**19,170.8**	24,311.8
Exchange translation		**46.5**	(133.2)	**362.7**	(1,039.0)
Cash and cash equivalents at 30 June		**2,700.0**	2,574.0	**21,060.0**	20,077.2
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	**21,836.8**	20,604.5
Less: short-term deposits with original maturity of more than three months		**(99.6)**	(67.6)	**(776.8)**	(527.3)
Cash and cash equivalents at 30 June		**2,700.0**	2,574.0	**21,060.0**	20,077.2

Notes:-

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

(A) Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") issued by The Stock Exchange of Hong Kong Limited ("SEHK"). The condensed interim consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 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 operating segmental information

For the six months ended 30 June	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Turnover				
Sale of goods				
- Consumer Food Products	**3,725.2**	3,680.2	**29,056.6**	28,705.5
Sale of electricity				
- Infrastructure	**1,103.5**	867.2	**8,607.3**	6,764.1
Sale of real estate				
- Infrastructure	**6.8**	7.1	**53.1**	55.4
Rendering of services				
- Consumer Food Products	**55.4**	63.2	**432.1**	493.0
- Infrastructure	**520.3**	454.2	**4,058.3**	3,542.8
Total	**5,411.2**	5,071.9	**42,207.4**	39,560.8

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.

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	Consumer Food Products US$m	Telecom-munications US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	**2023 Total US$m**	**2023 Total HK$m***
Revenue							
Turnover							
- Point in time	3,725.2	-	3.2	-	-	**3,728.4**	**29,081.5**
- Over time	55.4	-	1,627.4	-	-	**1,682.8**	**13,125.9**
Total	3,780.6	-	1,630.6	-	-	**5,411.2**	**42,207.4**
Results							
Recurring profit	127.2	73.4	143.0	5.1	(47.9)	**300.8**	**2,346.2**
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**	**42,449.2**
- Others	7,532.2	-	7,416.7	-	2.6	**14,951.5**	**116,621.7**
	8,110.5	1,109.2	10,972.8	198.6	2.6	**20,393.7**	**159,070.9**
Other assets	4,620.4	-	1,735.4	-	338.2	**6,694.0**	**52,213.2**
Total assets	12,730.9	1,109.2	12,708.2	198.6	340.8	**27,087.7**	**211,284.1**
Borrowings	4,499.3	-	5,620.1	-	1,464.9	**11,584.3**	**90,357.5**
Other liabilities	1,754.5	-	2,315.9	-	223.9	**4,294.3**	**33,495.6**
Total liabilities	6,253.8	-	7,936.0	-	1,688.8	**15,878.6**	**123,853.1**
Other information							
Depreciation and amortization	(142.9)	-	(92.1)	-	(2.3)	**(237.3)**	**(1,850.9)**
Impairment losses	(12.6)	-	(0.8)	-	-	**(13.4)**	**(104.5)**
Interest income	24.0	-	18.1	-	8.3	**50.4**	**393.1**
Finance costs	(113.5)	-	(126.5)	-	(41.7)	**(281.7)**	**(2,197.3)**
Share of profits less losses of associated companies and joint ventures	1.7	89.8	134.9	4.0	-	**230.4**	**1,797.1**
Taxation	(167.5)	-	(62.7)	-	(12.0)	**(242.2)**	**(1,889.2)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	161.1	-	381.9	-	-	**543.0**	**4,235.4**

By geographical market – 2023

For the six months ended/at 30 June	Indonesia US$m	The Philippines US$m	Singapore US$m	The Middle East, Africa & Others US$m	**2023 Total US$m**	**2023 Total HK$m***
Revenue						
Turnover						
- Consumer Food Products	2,935.5	49.4	67.4	728.3	**3,780.6**	**29,488.7**
- Infrastructure	27.1	504.9	1,098.3	0.3	**1,630.6**	**12,718.7**
Total	2,962.6	554.3	1,165.7	728.6	**5,411.2**	**42,207.4**
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**	**159,070.9**

By principal business activity – 2022

For the six months ended 30 June/at 31 December	Consumer Food Products US$m	Telecom-munications US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	2022 Total US$m	2022 Total HK$m*
Revenue							
Turnover							
- Point in time	3,680.2	-	4.6	-	-	3,684.8	28,741.4
- Over time	63.2	-	1,323.9	-	-	1,387.1	10,819.4
Total	3,743.4	-	1,328.5	-	-	5,071.9	39,560.8
Results							
Recurring profit	121.0	73.0	98.7	9.8	(39.2)	263.3	2,053.7
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	41,466.4
- Others	7,179.7	-	7,039.9	-	3.7	14,223.3	110,941.7
	7,738.2	1,081.2	10,525.1	191.3	3.7	19,539.5	152,408.1
Other assets	3,931.1	-	1,771.3	-	233.8	5,936.2	46,302.3
Total segment assets	11,669.3	1,081.2	12,296.4	191.3	237.5	25,475.7	198,710.4
Assets classified as held for sales	16.1	-	-	-	-	16.1	125.6
Total assets	11,685.4	1,081.2	12,296.4	191.3	237.5	25,491.8	198,836.0
Borrowings	4,283.1	-	5,480.2	-	1,459.0	11,222.3	87,534.0
Other liabilities	1,468.6	-	2,277.4	-	157.7	3,903.7	30,448.8
Total liabilities	5,751.7	-	7,757.6	-	1,616.7	15,126.0	117,982.8
Other information							
Depreciation and amortization	(144.7)	-	(89.8)	-	(2.1)	(236.6)	(1,845.5)
Impairment losses	(43.2)	-	(1.3)	-	-	(44.5)	(347.1)
Interest income	14.8	-	7.3	-	3.0	25.1	195.8
Finance costs	(102.6)	-	(100.6)	-	(26.0)	(229.2)	(1,787.8)
Share of profits less losses of associated companies and joint ventures	(1.7)	86.1	71.3	9.2	-	164.9	1,286.2
Taxation	(118.9)	-	(43.1)	-	(10.1)	(172.1)	(1,342.4)
Additions to non-current assets (other than financial instruments and deferred tax assets)	102.3	-	513.1	-	-	615.4	4,800.1

By geographical market – 2022

For the six months ended 30 June/at 31 December	Indonesia US$m	The Philippines US$m	Singapore US$m	The Middle East, Africa & Others US$m	2022 Total US$m	2022 Total HK$m*
Revenue						
Turnover						
- Consumer Food Products	2,871.5	113.7	47.5	710.7	3,743.4	29,198.5
- Infrastructure	24.6	439.8	863.7	0.4	1,328.5	10,362.3
Total	2,896.1	553.5	911.2	711.1	5,071.9	39,560.8
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	152,408.1

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	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Foreign exchange and derivative (gains)/losses, net (Note 5(A))	**(99.3)**	115.9	**(774.5)**	904.0
Impairment losses				
- Other receivables	**1.7**	13.2	**13.3**	103.0
- Property, plant and equipment	**-**	2.8	**-**	21.8
- An associated company	**-**	1.0	**-**	7.8
Loss on changes in fair value of biological assets	**3.0**	7.4	**23.4**	57.7
Dividend income from financial assets at fair value through other comprehensive income ("FVOCI")	**(14.8)**	(14.1)	**(115.5)**	(110.0)
Gain on disposal of an associated company	**(4.1)**	(2.5)	**(32.0)**	(19.5)
Gain on disposal of property, plant and equipment, net	**(0.4)**	-	**(3.1)**	-
Gains on step acquisition of a joint venture	**-**	(65.7)	**-**	(512.5)
Other income, net	**(9.3)**	(28.7)	**(72.6)**	(223.7)
Total	**(123.2)**	29.3	**(961.0)**	228.6

(B) Finance costs

For the six months ended 30 June	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Finance costs on				
- Bank borrowings and other loans	**347.9**	294.0	**2,713.7**	2,293.2
- Lease liabilities	**1.5**	1.5	**11.7**	11.7
Less: Finance costs capitalized in				
- Other intangible assets	**(65.9)**	(63.3)	**(514.1)**	(493.7)
- Property, plant and equipment	**(1.8)**	(3.0)	**(14.0)**	(23.4)
Total	**281.7**	229.2	**2,197.3**	1,787.8

(C) Other items

For the six months ended 30 June	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Cost of inventories sold	**1,980.1**	1,970.8	**15,444.8**	15,372.2
Cost of services rendered	**1,096.3**	964.6	**8,551.1**	7,523.9
Employees' remuneration	**452.7**	441.1	**3,531.1**	3,440.6
Depreciation	**169.2**	164.5	**1,319.8**	1,283.1
Amortization of other intangible assets	**67.1**	71.2	**523.3**	555.4
Write-down of inventories to net realizable value(i)	**11.4**	28.4	**88.9**	221.5
Impairment losses/(reversal of impairment) on accounts receivable(ii)	**0.3**	(0.9)	**2.3**	(7.0)

(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	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Subsidiary companies - overseas				
Current taxation	**210.9**	149.9	**1,645.1**	1,169.2
Deferred taxation	**31.3**	22.2	**244.1**	173.2
Total tax charge	**242.2**	172.1	**1,889.2**	1,342.4

Included within the share of profits less losses of associated companies and joint ventures is taxation of US$59.4 million or HK$463.3 million) (2022: US$49.8 million or HK$388.4 million) which is analyzed as follows:

For the six months ended 30 June	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Associated companies and joint ventures - overseas				
Current taxation	**53.5**	66.0	**417.3**	514.8
Deferred taxation	**5.9**	(16.2)	**46.0**	(126.4)
Total tax charge	**59.4**	49.8	**463.3**	388.4

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 (HK$293.3 million) (2022: losses of US$49.7 million or HK$387.6 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	2023 US$m	2022 US$m	2023 HK$m*	2022 HK$m*
Subsidiary companies (Note 3(A))	**99.3**	(115.9)	**774.5**	(904.0)
Associated companies and joint ventures	**6.3**	(4.6)	**49.2**	(35.9)
Subtotal	**105.6**	(120.5)	**823.7**	(939.9)
Attributable to taxation and non-controlling interests	**(68.0)**	70.8	**(530.4)**	552.3
Total	**37.6**	(49.7)	**293.3**	(387.6)

(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 (HK$56.2 million) mainly represent PLDT's gains on towers sale (US$10.8 million or HK$84.2 million), partly offset by PLDT's manpower reduction costs (US$6.1 million or HK$47.6 million). 1H22's non-recurring gains of US$28.1 million (HK$219.2 million) mainly represent PLDT's gains on towers sale (US$61.9 million or HK$482.8 million) and prescription of redemption liability on preferred shares (US$28.8 million or HK$224.6 million), and MPIC's gain on consolidation of Landco Pacific Corporation ("Landco") (US$29.2 million or HK$227.8 million), partly offset by PLDT's accelerated depreciation for network assets (US$60.5 million or HK$471.9 million) and manpower reduction costs (US$17.7 million or HK$138.1 million), and Indofood's loss on changes in fair value of biological assets (US$1.7 million or HK$13.3 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	**2023 US$m**	2022 US$m	**2023 HK$m***	2022 HK$m*
Earnings				
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation	**345.6**	241.7	**2,695.6**	1,885.3

For the six months ended 30 June	Number of shares (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 (U.S. 1.35 cents) per ordinary share, equivalent to a total amount of US$57.1 million (HK$445.4 million) (2022: US$56.9 million (HK$443.8 million).

8. Accounts receivable, other receivables and prepayments

Included in accounts receivable, other receivables and prepayments are accounts receivable of US$866.1 million (HK$6,755.6 million) (31 December 2022: US$738.7 million or HK$5,761.9 million) with an aging profile based on the invoice date, net of loss allowance, as follows:

	At 30 June 2023 US$m	At 31 December 2022 US$m	**At 30 June 2023 HK$m***	At 31 December 2022 HK$m*
0 to 30 days	**707.3**	611.9	**5,517.0**	4,772.8
31 to 60 days	**66.3**	57.6	**517.1**	449.3
61 to 90 days	**28.6**	30.5	**223.1**	237.9
Over 90 days	**63.9**	38.7	**498.4**	301.9
Total	**866.1**	738.7	**6,755.6**	5,761.9

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.

9. Accounts payable, other payables and accruals

Included in accounts payable, other payables and accruals are accounts payable of US$620.6 million (HK$4,840.7 million) (31 December 2022: US$585.2 million or HK$4,564.6 million) with an aging profile based on the invoice date as follows:

	At 30 June 2023 US$m	At 31 December 2022 US$m	**At 30 June 2023 HK$m***	At 31 December 2022 HK$m*
0 to 30 days	**518.4**	488.9	**4,043.4**	3,813.4
31 to 60 days	**21.5**	24.0	**167.7**	187.2
61 to 90 days	**18.6**	25.3	**145.1**	197.3
Over 90 days	**62.1**	47.0	**484.5**	366.7
Total	**620.6**	585.2	**4,840.7**	4,564.6

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

	Exchange reserve US$m	Fair value reserve of financial assets at FVOCI US$m	Unrealized gains/ (losses) on cash flow hedges US$m	Income tax related to cash flow hedges US$m	Actuarial gains on defined benefit pension plans US$m	Share of other comprehensive (loss)/income of associated companies and joint ventures US$m	Total US$m	Total HK$m*
At 1 January 2022	(690.0)	148.8	29.5	(4.9)	14.1	(209.8)	(712.3)	(5,555.9)
Other comprehensive (loss)/income for the period	(241.0)	4.9	(3.8)	1.6	1.0	14.0	(223.3)	(1,741.8)
Acquisition of an interest in a subsidiary company	(4.1)	-	-	-	-	-	(4.1)	(32.0)
At 30 June 2022	(935.1)	153.7	25.7	(3.3)	15.1	(195.8)	(939.7)	(7,329.7)
At 1 January 2023	(1,057.0)	162.7	1.9	0.6	18.5	(152.1)	**(1,025.4)**	**(7,998.1)**
Other comprehensive income/(loss) for the period	75.5	1.0	7.2	(1.0)	0.2	4.0	**86.9**	**677.8**
Transfer of fair value reserve upon the disposal of equity investments at FVOCI	-	(0.3)	-	-	-	-	**(0.3)**	**(2.4)**
At 30 June 2023	**(981.5)**	**163.4**	**9.1**	**(0.4)**	**18.7**	**(148.1)**	**(938.8)**	**(7,322.7)**

11. Contingent liabilities

At 30 June 2023, except for guarantees of US$20.8 million (HK$162.2 million) (31 December 2022: US$18.4 million or HK$143.5 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).

12. Employee information

For the six months ended 30 June	**2023 US$m**	2022 US$m	**2023 HK$m***	2022 HK$m*
Employee remuneration (including Directors' remuneration)	**452.7**	441.1	**3,531.1**	3,440.6

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

13. Event after the reporting period

On 3 July 2023, Metro Pacific Holdings, Inc. ("MPHI"), a Philippine affiliate of the Company, together with GT Capital Holdings, Inc., Mit-Pacific Infrastructure Holdings Corporation and MIG Holdings Incorporated revised the tender offer price to Pesos 5.20 (US$0.09 or HK$0.73) per MPIC common share from the original tender office price of Pesos 4.63 (US$0.08 or HK$0.65) per MPIC common share as pursuant to the Memorandum of Agreement ("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 or HK$858 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.

14. Approval of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on 25 August 2023.

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

REVIEW OF OPERATIONS

FIRST PACIFIC

Contribution and profit summary

For the six months ended 30 June	Turnover		Contribution to Group profit[(i)]	
US$ millions	**2023**	2022	**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 (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).

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 31December 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, 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 10.50 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

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.

PLDT

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.

MPIC

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
Manila Electric Company ("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/PLP

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

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 Macawiwilli's contract area of over 800 hectares located adjacent to the Padcal mine under a Mineral Production Sharing Agreement. Macawiwilli 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 Macawiwilli 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
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.

FINANCIAL REVIEW
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

	At 30 June 2023			At 31 December 2022		
US$ millions	**Net debt[i]**	**Total equity/ (deficit)**	**Gearing[ii] (times)**	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						
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.

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.

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, 100% (31 December 2022: 100%) in MPCALA Holdings, Inc., 100% (31 December 2022: 100%) in Cebu Cordova Link Expressway Corporation, 35% (31 December 2022: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (31 December 2022: 88.9%) in PT Bintaro Serpong Damai, 99.5% (31 December 2022: 99.5%) in PT Makassar Metro Network, 99.4% (31 December 2022: 99.4%) in PT Jalan Tol Seksi Empat, 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.

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

Consolidated

US$ millions	US$	Rupiah	Peso	S$	Others	**Total**
Total borrowings	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

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 level.

US$ millions	Total US$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	**Group net profit effect**
Head Office[(i)]	1,370.8	-	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 sentiment towards specific countries.

INTEREST RATE RISK

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

Consolidated

US$ millions	Fixed interest rate borrowings	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				
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.

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.

CORPORATE GOVERNANCE

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, 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 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. 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.

REVIEW STATEMENT BY 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 has also discussed financial reporting, auditing, risk management and internal control matters with the Company's management and its independent auditor.

REVIEW STATEMENT BY THE INDEPENDENT AUDITOR

Ernst & Young, the independent auditor of the Company, has reviewed the 2023 interim results and expressed an unqualified conclusion in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by HKICPA.

INTERIM DISTRIBUTION

The Board has declared an interim distribution of HK10.50 cents (U.S. 1.35 cents) per ordinary share. It is expected that the interim distribution will be paid in cash in a currency to be determined based on the registered address of each shareholder on the Company's Register of Members (the "Register of Members") as follows: Hong Kong dollars for shareholders with registered addresses in Hong Kong, Macau and the People's Republic of China; Sterling pounds for shareholders with registered addresses in the United Kingdom; and U.S. dollars for shareholders with registered addresses in all other countries. It is expected that the distribution warrants will be dispatched to shareholders on or about Wednesday, 27 September 2023.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Friday, 8 September 2023 to Wednesday, 13 September 2023, both days inclusive, during which period no transfer of shares will be registered. The ex-entitlement date will be Wednesday, 6 September 2023. In order to qualify for the interim distribution, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712 to 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Thursday, 7 September 2023. The interim distribution will be paid to shareholders whose names appear on the Register of Members on Wednesday, 13 September 2023 and the payment date will be on or about Wednesday, 27 September 2023.

INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (www.firstpacific.com) and the SEHK (www.hkexnews.hk). The 2023 Interim Report will be uploaded to the above websites and be dispatched to those shareholders requiring printed copies by the end of September 2023.

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

Hong Kong, 25 August 2023

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

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

Non-executive Directors:
Anthoni Salim, *Chairman*
Benny S. Santoso
Axton Salim

Independent Non-executive Directors:
Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Margaret Leung Ko May Yee, *SBS, JP*
Philip Fan Yan Hok
Madeleine Lee Suh Shin
Blair Chilton Pickerell