# FIRST PACIFIC COMPANY LIMITED

*(Incorporated with limited liability under the laws of Bermuda)*

Website: www.firstpacific.com

**(Stock Code: 00142)**

## 2024 Interim Results - Unaudited

**FINANCIAL HIGHLIGHTS**

- Profit contribution from operations increased by 12.2% to US$391.2 million (HK$3,051.4 million) from US$348.7 million (HK$2,719.9 million).
- Recurring profit increased by 12.7% to US$339.1 million (HK$2,645.0 million) from US$300.8 million (HK$2,346.2 million).
- Turnover decreased by 7.7% to US$4,995.1 million (HK$38,961.8 million) from US$5,411.2 million (HK$42,207.4 million).
- Foreign exchange and derivative losses of US$57.9 million (HK$451.6 million) as compared to foreign exchange and derivative gains of US$37.6 million (HK$293.3 million).
- Profit attributable to owners of the parent decreased by 19.6% to US$277.8 million (HK$2,166.8 million) from US$345.6 million (HK$2,695.6 million).
- Recurring basic earnings per share (calculated based on recurring profit) increased by 12.7% to U.S. 8.00 cents (HK62.4 cents) from U.S. 7.10 cents (HK55.4 cents).
- Basic earnings per share decreased by 19.6% to U.S. 6.56 cents (HK51.2 cents) from U.S. 8.16 cents (HK63.6 cents).
- An interim distribution of HK12.00 cents (U.S. 1.54 cents) (2023: HK10.50 cents or U.S. 1.35 cents) per ordinary share has been declared.
- Equity attributable to owners of the parent decreased by 1.1% to US$3,647.6 million (HK$28,451.3 million) at 30 June 2024 compared with US$3,688.0 million (HK$28,766.4 million) at 31 December 2023.
- Consolidated net debt decreased by 1.2% to US$8,352.8 million (HK$65,151.8 million) at 30 June 2024 from US$8,450.3 million (HK$65,912.5 million) at 31 December 2023.
- Consolidated gearing ratio increased to 0.75 times at 30 June 2024 from 0.73 times at 31 December 2023.

## CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

| For the six months ended 30 June | Notes | 2024 US$m | 2023 US$m | 2024 HK$m* | 2023 HK$m* |
|---|---|---|---|---|---|
| **Turnover** | 2 | **4,995.1** | 5,411.2 | **38,961.8** | 42,207.4 |
| Cost of sales | | **(3,207.9)** | (3,765.7) | **(25,021.6)** | (29,372.5) |
| **Gross profit** | | **1,787.2** | 1,645.5 | **13,940.2** | 12,834.9 |
| Selling and distribution expenses | | **(376.9)** | (371.5) | **(2,939.8)** | (2,897.7) |
| Administrative expenses | | **(334.9)** | (309.3) | **(2,612.2)** | (2,412.5) |
| Other operating income and expenses | 3(A) | **(170.1)** | 123.2 | **(1,326.8)** | 961.0 |
| Interest income | | **85.9** | 50.4 | **670.0** | 393.1 |
| Finance costs | 3(B) | **(292.2)** | (281.7) | **(2,279.2)** | (2,197.3) |
| Share of profits less losses of associated companies and joint ventures | | **249.3** | 230.4 | **1,944.5** | 1,797.1 |
| **Profit before taxation** | 3 | **948.3** | 1,087.0 | **7,396.7** | 8,478.6 |
| Taxation | 4 | **(201.3)** | (242.2) | **(1,570.1)** | (1,889.2) |
| **Profit for the period** | | **747.0** | 844.8 | **5,826.6** | 6,589.4 |
| **Profit attributable to**: | | | | | |
| Owners of the parent | 5 | **277.8** | 345.6 | **2,166.8** | 2,695.6 |
| Non-controlling interests | | **469.2** | 499.2 | **3,659.8** | 3,893.8 |
| | | **747.0** | 844.8 | **5,826.6** | 6,589.4 |
| | | **US¢** | US¢ | **HK¢*** | HK¢* |
| **Earnings per share attributable to owners of the parent** | 6 | | | | |
| Basic | | **6.56** | 8.16 | **51.2** | 63.6 |
| Diluted | | **6.55** | 8.15 | **51.1** | 63.5 |

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 | 2024 US$m | 2023 US$m | 2024 HK$m* | 2023 HK$m* |
|---|---|---|---|---|
| **Profit for the period** | **747.0** | 844.8 | **5,826.6** | 6,589.4 |
| **Other comprehensive (loss)/income** | | | | |
| **Items that are or may be reclassified to profit or loss:** | | | | |
| Exchange differences on translating foreign operations | **(700.8)** | 269.9 | **(5,466.2)** | 2,105.2 |
| Unrealized gains on cash flow hedges | **36.3** | 5.9 | **283.1** | 46.0 |
| Realized (gains)/losses on cash flow hedges | **(10.7)** | 5.9 | **(83.5)** | 46.0 |
| Income tax related to cash flow hedges | **(4.2)** | (2.0) | **(32.8)** | (15.6) |
| Share of other comprehensive (loss)/income of associated companies and joint ventures | **(1.2)** | 10.6 | **(9.3)** | 82.7 |
| **Items that will not be reclassified to profit or loss:** | | | | |
| Changes in fair value of equity investments at fair value through other comprehensive income | **(0.3)** | 3.0 | **(2.3)** | 23.4 |
| Actuarial losses on defined benefit pension plans | **(0.5)** | (0.1) | **(3.9)** | (0.8) |
| Share of other comprehensive income of associated companies and joint ventures | **0.1** | 2.9 | **0.8** | 22.6 |
| **Other comprehensive (loss)/income for the period, net of tax** | **(681.3)** | 296.1 | **(5,314.1)** | 2,309.5 |
| **Total comprehensive income for the period** | **65.7** | 1,140.9 | **512.5** | 8,898.9 |
| **Total comprehensive income attributable to**: | | | | |
| Owners of the parent | **31.8** | 432.5 | **248.0** | 3,373.4 |
| Non-controlling interests | **33.9** | 708.4 | **264.5** | 5,525.5 |
| | **65.7** | 1,140.9 | **512.5** | 8,898.9 |

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Notes | At 30 June 2024 (Unaudited) US$m | At 31 December 2023 (Audited) US$m | At 30 June 2024 (Unaudited) HK$m* | At 31 December 2023 (Audited) HK$m* |
|---|---|---|---|---|---|
| **Non-current assets** | | | | | |
| Property, plant and equipment | | **3,503.6** | 3,730.3 | **27,328.1** | 29,096.3 |
| Biological assets | | **19.3** | 20.9 | **150.5** | 163.0 |
| Associated companies and joint ventures | | **5,102.5** | 5,283.8 | **39,799.5** | 41,213.6 |
| Goodwill | | **3,725.1** | 3,967.7 | **29,055.8** | 30,948.1 |
| Other intangible assets | | **6,814.3** | 6,839.3 | **53,151.5** | 53,346.5 |
| Investment properties | | **13.4** | 12.5 | **104.5** | 97.5 |
| Accounts receivable, other receivables and prepayments | | **114.0** | 118.7 | **889.2** | 925.9 |
| Financial assets at fair value | | **539.9** | 565.2 | **4,211.2** | 4,408.6 |
| Deferred tax assets | | **85.1** | 112.7 | **663.8** | 879.1 |
| Other non-current assets | | **752.2** | 648.4 | **5,867.2** | 5,057.5 |
| | | **20,669.4** | 21,299.5 | **161,221.3** | 166,136.1 |
| **Current assets** | | | | | |
| Biological assets | | **57.7** | 49.7 | **450.1** | 387.7 |
| Inventories | | **1,126.9** | 1,087.7 | **8,789.8** | 8,484.1 |
| Accounts receivable, other receivables and prepayments | 8 | **1,348.0** | 1,208.3 | **10,514.4** | 9,424.7 |
| Financial assets at fair value | | **600.6** | 528.2 | **4,684.7** | 4,120.1 |
| Restricted cash | | **112.2** | 315.4 | **875.2** | 2,460.1 |
| Cash and cash equivalents and short-term deposits | | **3,064.8** | 2,845.8 | **23,905.4** | 22,197.1 |
| | | **6,310.2** | 6,035.1 | **49,219.6** | 47,073.8 |
| Assets classified as held for sale | | **21.7** | 22.9 | **169.2** | 178.6 |
| | | **6,331.9** | 6,058.0 | **49,388.8** | 47,252.4 |
| **Current liabilities** | | | | | |
| Accounts payable, other payables and accruals | 9 | **2,059.6** | 1,814.9 | **16,064.9** | 14,156.2 |
| Short-term borrowings | | **2,472.5** | 2,195.3 | **19,285.5** | 17,123.3 |
| Provision for taxation | | **115.2** | 169.3 | **898.6** | 1,320.6 |
| Current portion of deferred liabilities, provisions and payables | | **367.3** | 405.9 | **2,864.9** | 3,166.0 |
| | | **5,014.6** | 4,585.4 | **39,113.9** | 35,766.1 |
| Liabilities directly associated with the assets classified as held for sale | | **6.9** | 7.2 | **53.8** | 56.2 |
| | | **5,021.5** | 4,592.6 | **39,167.7** | 35,822.3 |
| **Net current assets** | | **1,310.4** | 1,465.4 | **10,221.1** | 11,430.1 |
| **Total assets less current liabilities** | | **21,979.8** | 22,764.9 | **171,442.4** | 177,566.2 |
| **Equity** | | | | | |
| Issued share capital | | **42.4** | 42.4 | **330.7** | 330.7 |
| Shares held for share award scheme | | **(1.4)** | (1.2) | **(10.9)** | (9.4) |
| Retained earnings | | **3,100.0** | 2,829.8 | **24,180.0** | 22,072.4 |
| Other components of equity | | **506.6** | 817.0 | **3,951.5** | 6,372.7 |
| Equity attributable to owners of the parent | | **3,647.6** | 3,688.0 | **28,451.3** | 28,766.4 |
| Non-controlling interests | | **7,554.4** | 7,878.9 | **58,924.3** | 61,455.4 |
| **Total equity** | | **11,202.0** | 11,566.9 | **87,375.6** | 90,221.8 |
| **Non-current liabilities** | | | | | |
| Long-term borrowings | | **9,057.3** | 9,416.2 | **70,646.9** | 73,446.4 |
| Deferred liabilities, provisions and payables | | **1,226.3** | 1,260.1 | **9,565.1** | 9,828.8 |
| Deferred tax liabilities | | **494.2** | 521.7 | **3,854.8** | 4,069.2 |
| | | **10,777.8** | 11,198.0 | **84,066.8** | 87,344.4 |
| | | **21,979.8** | 22,764.9 | **171,442.4** | 177,566.2 |

## 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 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 |
| At 1 January 2024 | 42.4 | (1.2) | 27.0 | 9.1 | (1,063.4) | 533.0 | 12.6 | 1,298.7 | 2,829.8 | 3,688.0 | 7,878.9 | **11,566.9** |
| Profit for the period | - | - | - | - | - | - | - | - | 277.8 | 277.8 | 469.2 | **747.0** |
| Other comprehensive loss for the period | - | - | - | - | (246.0) | - | - | - | - | (246.0) | (435.3) | **(681.3)** |
| Total comprehensive (loss)/income for the period | - | - | - | - | (246.0) | - | - | - | 277.8 | 31.8 | 33.9 | **65.7** |
| Purchase of shares under share award scheme | - | (1.6) | - | - | - | - | - | - | - | (1.6) | - | **(1.6)** |
| Issue of shares upon the exercise of share options | - | - | 0.4 | (0.1) | - | - | - | - | - | 0.3 | - | **0.3** |
| Shares vested under share award scheme | - | 1.4 | - | (1.3) | - | - | - | - | (0.1) | - | - | **-** |
| Employee share-based compensation benefits | - | - | - | 0.5 | - | - | - | - | - | 0.5 | - | **0.5** |
| Acquisition of interests in subsidiary companies | - | - | - | - | (0.1) | (1.6) | - | - | - | (1.7) | (50.4) | **(52.1)** |
| Recognition of a financial liability on non-controlling interests' put option | - | - | - | - | - | (1.8) | - | - | - | (1.8) | (3.1) | **(4.9)** |
| 2023 final distribution declared | - | - | - | - | - | - | - | (67.9) | - | (67.9) | - | **(67.9)** |
| Capital contributions from non-controlling shareholders | - | - | - | - | - | - | - | - | - | - | 0.9 | **0.9** |
| Dividends declared to non-controlling shareholders | - | - | - | - | - | - | - | - | - | - | (305.8) | **(305.8)** |
| Others | - | - | - | - | 7.5 | - | - | - | (7.5) | - | - | **-** |
| **At 30 June 2024** | **42.4** | **(1.4)** | **27.4** | **8.2** | **(1,302.0)** | **529.6** | **12.6** | **1,230.8** | **3,100.0** | **3,647.6** | **7,554.4** | **11,202.0** |

| HK$ millions* | Equity attributable to owners of the parent | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 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 |
| At 1 January 2024 | 330.7 | (9.4) | 210.6 | 71.0 | (8,294.5) | 4,157.4 | 98.3 | 10,129.9 | 22,072.4 | 28,766.4 | 61,455.4 | **90,221.8** |
| Profit for the period | - | - | - | - | - | - | - | - | 2,166.8 | 2,166.8 | 3,659.8 | **5,826.6** |
| Other comprehensive loss for the period | - | - | - | - | (1,918.8) | - | - | - | - | (1,918.8) | (3,395.3) | **(5,314.1)** |
| Total comprehensive (loss)/income for the period | - | - | - | - | (1,918.8) | - | - | - | 2,166.8 | 248.0 | 264.5 | **512.5** |
| Purchase of shares under share award scheme | - | (12.3) | - | - | - | - | - | - | - | (12.3) | - | **(12.3)** |
| Issue of shares upon exercise of share options | - | - | 3.1 | (0.8) | - | - | - | - | - | 2.3 | - | **2.3** |
| Shares vested under share award scheme | - | 10.8 | - | (10.1) | - | - | - | - | (0.7) | - | - | **-** |
| Employee share-based compensation benefits | - | - | - | 3.9 | - | - | - | - | - | 3.9 | - | **3.9** |
| Acquisition of interests in subsidiary companies | - | - | - | - | (0.8) | (12.5) | - | - | - | (13.3) | (393.1) | **(406.4)** |
| Recognition of a financial liability on non-controlling interests' put option | - | - | - | - | - | (14.0) | - | - | - | (14.0) | (24.2) | **(38.2)** |
| 2023 final distribution declared | - | - | - | - | - | - | - | (529.7) | - | (529.7) | - | **(529.7)** |
| Capital contributions from non-controlling shareholders | - | - | - | - | - | - | - | - | - | - | 6.9 | **6.9** |
| Dividends declared to non-controlling shareholders | - | - | - | - | - | - | - | - | - | - | (2,385.2) | **(2,385.2)** |
| Others | - | - | - | - | 58.5 | - | - | - | (58.5) | - | - | **-** |
| **At 30 June 2024** | **330.7** | **(10.9)** | **213.7** | **64.0** | **(10,155.6)** | **4,130.9** | **98.3** | **9,600.2** | **24,180.0** | **28,451.3** | **58,924.3** | **87,375.6** |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED**

| For the six months ended 30 June | Notes | 2024 US$m | 2023 US$m | 2024 HK$m* | 2023 HK$m* |
|---|---|---|---|---|---|
| **Profit before taxation** | | **948.3** | 1,087.0 | **7,396.7** | 8,478.6 |
| Adjustments for: | | | | | |
| Finance costs | 3(B) | **292.2** | 281.7 | **2,279.2** | 2,197.3 |
| Depreciation of property, plant and equipment | 3(C) | **150.3** | 169.2 | **1,172.3** | 1,319.8 |
| Amortization of other intangible assets | 3(C) | **54.2** | 67.1 | **422.8** | 523.3 |
| Provision for impairment losses, net | | **14.3** | 2.0 | **111.5** | 15.6 |
| Write-down of inventories to net realizable value | 3(C) | **7.2** | 11.4 | **56.2** | 88.9 |
| Loss/(gain) on disposal of property, plant and equipment, net | 3(A) | **1.0** | (0.4) | **7.8** | (3.1) |
| Employee share-based compensation benefit expenses | | **0.5** | 1.0 | **3.9** | 7.8 |
| Share of profits less losses of associated companies and joint ventures | | **(249.3)** | (230.4) | **(1,944.5)** | (1,797.1) |
| Interest income | | **(85.9)** | (50.4) | **(670.0)** | (393.1) |
| (Gain)/loss on changes in fair value of biological assets | 3(A) | **(5.7)** | 3.0 | **(44.5)** | 23.4 |
| Gain on disposal of an associated company | 3(A) | **(3.7)** | (4.1) | **(28.9)** | (32.0) |
| Others (including unrealized foreign exchange difference) | | **182.2** | (143.1) | **1,421.2** | (1,116.2) |
| | | **1,305.6** | 1,194.0 | **10,183.7** | 9,313.2 |
| Increase in working capital | | **(201.4)** | (231.0) | **(1,571.0)** | (1,801.8) |
| Net cash generated from operations | | **1,104.2** | 963.0 | **8,612.7** | 7,511.4 |
| Interest received | | **88.6** | 47.7 | **691.1** | 372.1 |
| Interest paid | | **(263.1)** | (262.4) | **(2,052.2)** | (2,046.7) |
| Taxes paid | | **(250.9)** | (219.7) | **(1,957.0)** | (1,713.7) |
| **Net cash flows from operating activities** | | **678.8** | 528.6 | **5,294.6** | 4,123.1 |
| Decrease in restricted cash | | **192.5** | 15.7 | **1,501.5** | 122.5 |
| Dividends received from associated companies | | **154.8** | 168.7 | **1,207.4** | 1,315.9 |
| Dividends received from financial assets at fair value through other comprehensive income | | **12.5** | 14.8 | **97.5** | 115.4 |
| Disposal of an associated company | | **7.7** | 5.6 | **60.1** | 43.7 |
| Dividend received from a joint venture | | **5.8** | 4.3 | **45.2** | 33.5 |
| Disposal of property, plant and equipment | | **3.2** | 2.8 | **25.0** | 21.8 |
| Investments in other intangible assets | | **(403.7)** | (390.2) | **(3,148.9)** | (3,043.5) |
| Payments for purchases of property, plant and equipment | | **(234.5)** | (123.4) | **(1,829.1)** | (962.5) |
| Investments in financial assets at fair value through other comprehensive income | | **(107.5)** | (176.3) | **(838.5)** | (1,375.1) |
| (Increase)/decrease in short-term deposits with original maturity of more than three months | | **(9.1)** | 60.3 | **(71.0)** | 470.3 |
| Investments in associated companies | | **(6.5)** | - | **(50.7)** | - |
| Investments in biological assets | | **(5.6)** | (9.2) | **(43.7)** | (71.8) |
| Increased investments in associated companies | | **(3.5)** | - | **(27.2)** | - |
| Increased investment in a joint venture | | **(1.5)** | - | **(11.7)** | - |
| Investment in financial assets at fair value through profit or loss | | **(0.8)** | - | **(6.2)** | - |
| Disposal of assets classified as held for sale | | **-** | 16.2 | **-** | 126.4 |
| Disposal of a subsidiary company | | **-** | 3.3 | **-** | 25.7 |
| Disposal of financial assets at fair value through other comprehensive income | | **-** | 1.9 | **-** | 14.8 |
| Acquisition of a subsidiary company | | **-** | (1.3) | **-** | (10.1) |
| Payments for purchases of investment properties | | **-** | (0.5) | **-** | (3.9) |
| **Net cash flows used in investing activities** | | **(396.2)** | (407.3) | **(3,090.3)** | (3,176.9) |
| Proceeds from new bank borrowings and other loans | | **2,032.0** | 2,415.9 | **15,849.6** | 18,844.0 |
| Capital contributions from non-controlling shareholders | | **0.9** | 13.8 | **7.0** | 107.6 |
| Proceeds from issue of shares upon exercise of share options | | **0.3** | - | **2.3** | - |
| Repayment of bank borrowings and other loans | | **(1,697.8)** | (2,166.5) | **(13,242.8)** | (16,898.7) |
| Dividends paid to non-controlling shareholders by subsidiary companies | | **(209.7)** | (160.8) | **(1,635.7)** | (1,254.2) |
| Increased investments in subsidiary companies | | **(60.6)** | (1.3) | **(472.7)** | (10.2) |
| Principal portion of lease payments | | **(16.1)** | (13.9) | **(125.6)** | (108.4) |
| Payments for concession fees payable | | **(12.7)** | (12.8) | **(99.1)** | (99.8) |
| Payments for purchase of shares under a long-term incentive plan | | **(1.6)** | - | **(12.3)** | - |
| **Net cash flows from financing activities** | | **34.7** | 74.4 | **270.7** | 580.3 |
| **Net increase in cash and cash equivalents** | | **317.3** | 195.7 | **2,475.0** | 1,526.5 |
| Cash and cash equivalents at 1 January | | **2,814.3** | 2,457.8 | **21,951.5** | 19,170.8 |
| Exchange translation | | **(105.6)** | 46.5 | **(823.7)** | 362.7 |
| **Cash and cash equivalents at 30 June** | | **3,026.0** | 2,700.0 | **23,602.8** | 21,060.0 |
| **Representing** | | | | | |
| Cash and cash equivalents and short-term deposits as stated in the condensed consolidated statement of financial position | | **3,064.8** | 2,799.6 | **23,905.4** | 21,836.8 |
| Less: short-term deposits with original maturity of more than three months | | **(38.8)** | (99.6) | **(302.6)** | (776.8) |
| **Cash and cash equivalents at 30 June** | | **3,026.0** | 2,700.0 | **23,602.8** | 21,060.0 |

**Notes:**

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

   *(A) Basis of preparation*

   The condensed interim consolidated financial statements for the six months period ended 30 June 2024 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 2023 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 2024, the Group has adopted the following revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, HKASs and Hong Kong (International Financial Reporting Interpretations Committee) – Interpretations) effective for annual periods commencing on or after 1 January 2024 issued by the HKICPA in the condensed interim consolidated financial statements.

| | |
|---|---|
| HKAS 1 Amendments | "Classification of Liabilities as Current or Non-current" |
| HKAS 1 Amendments | "Non-current Liabilities with Covenants" |
| HKAS 7 and HKFRS 7 Amendments | "Supplier Finance Arrangements" |
| HKFRS 16 Amendments | "Lease Liability in a Sale and Leaseback" |

   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 2024 and 2023 and the equity attributable to owners of the parent at 30 June 2024 and 31 December 2023.

2. **Turnover and operating segmental information**

| **For the six months ended 30 June** | **2024 US$m** | 2023 US$m | **2024 HK$m*** | 2023 HK$m* |
|---|---|---|---|---|
| **Turnover** | | | | |
| Sale of goods | | | | |
| - Consumer Food Products | **3,536.9** | 3,725.2 | **27,587.8** | 29,056.6 |
| Sale of electricity | | | | |
| - Infrastructure | **790.8** | 1,103.5 | **6,168.2** | 8,607.3 |
| Sale of real estate | | | | |
| - Infrastructure | **11.7** | 6.8 | **91.3** | 53.1 |
| Rendering of services | | | | |
| - Consumer Food Products | **50.1** | 55.4 | **390.8** | 432.1 |
| - Infrastructure | **605.6** | 520.3 | **4,723.7** | 4,058.3 |
| **Total** | **4,995.1** | 5,411.2 | **38,961.8** | 42,207.4 |

**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 2024 and 2023, and assets and liabilities at 30 June 2024 and 31 December 2023 on segmental basis are as follows:

**By principal business activity – 2024**

| **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$m | **2024 Total US$m** | **2024 Total HK$m*** |
|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | |
| Turnover | | | | | | | |
| - Point in time | 3,536.9 | - | 2.5 | - | - | **3,539.4** | **27,607.3** |
| - Over time | 50.1 | - | 1,405.6 | - | - | **1,455.7** | **11,354.5** |
| Total | 3,587.0 | - | 1,408.1 | - | - | **4,995.1** | **38,961.8** |
| **Results** | | | | | | | |
| Recurring profit | 163.0 | 74.8 | 150.0 | 3.4 | (52.1) | **339.1** | **2,645.0** |
| **Assets and liabilities** | | | | | | | |
| Non-current assets (other than financial instruments and deferred tax assets) | | | | | | | |
| - Associated companies and joint ventures | 455.5 | 1,071.9 | 3,391.8 | 183.3 | - | **5,102.5** | **39,799.5** |
| - Others | 6,959.0 | - | 7,836.5 | - | 6.3 | **14,801.8** | **115,454.0** |
| | 7,414.5 | 1,071.9 | 11,228.3 | 183.3 | 6.3 | **19,904.3** | **155,253.5** |
| Other assets | 5,062.7 | - | 1,717.9 | - | 294.7 | **7,075.3** | **55,187.4** |
| Total segment assets | 12,477.2 | 1,071.9 | 12,946.2 | 183.3 | 301.0 | **26,979.6** | **210,440.9** |
| Assets classified as held for sale | 21.7 | - | - | - | - | **21.7** | **169.2** |
| Total assets | 12,498.9 | 1,071.9 | 12,946.2 | 183.3 | 301.0 | **27,001.3** | **210,610.1** |
| Borrowings | 4,546.8 | - | 5,527.4 | - | 1,455.6 | **11,529.8** | **89,932.4** |
| Other liabilities | 1,625.5 | - | 2,403.2 | - | 233.9 | **4,262.6** | **33,248.3** |
| Total segment liabilities | 6,172.3 | - | 7,930.6 | - | 1,689.5 | **15,792.4** | **123,180.7** |
| Liabilities directly associated with the assets classified as held for sale | 6.9 | - | - | - | - | **6.9** | **53.8** |
| Total liabilities | 6,179.2 | - | 7,930.6 | - | 1,689.5 | **15,799.3** | **123,234.5** |
| **Other information** | | | | | | | |
| Depreciation and amortization | (132.2) | - | (71.0) | - | (1.8) | **(205.0)** | **(1,599.0)** |
| Impairment losses, net of reversal | (9.2) | - | (12.3) | - | - | **(21.5)** | **(167.7)** |
| Interest income | 59.2 | - | 21.2 | - | 5.5 | **85.9** | **670.0** |
| Finance costs | (133.0) | - | (115.9) | - | (43.3) | **(292.2)** | **(2,279.2)** |
| Share of profits less losses of associated companies and joint ventures | (2.3) | 86.2 | 164.1 | 1.3 | - | **249.3** | **1,944.5** |
| Taxation | (101.4) | - | (90.1) | - | (9.8) | **(201.3)** | **(1,570.1)** |
| Additions to non-current assets (other than financial instruments and deferred tax assets) | 216.0 | - | 465.4 | - | 0.1 | **681.5** | **5,315.7** |

**By geographical market – 2024**

| **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 | **2024 Total US$m** | **2024 Total HK$m*** |
|---|---|---|---|---|---|---|
| **Revenue** | | | | | | |
| Turnover | | | | | | |
| - Consumer Food Products | 2,787.7 | 10.5 | 48.1 | 740.7 | **3,587.0** | **27,978.6** |
| - Infrastructure | 28.1 | 593.6 | 786.1 | 0.3 | **1,408.1** | **10,983.2** |
| Total | 2,815.8 | 604.1 | 834.2 | 741.0 | **4,995.1** | **38,961.8** |
| **Assets** | | | | | | |
| Non-current assets (other than financial instruments and deferred tax assets) | 3,615.2 | 11,293.3 | 775.5 | 4,220.3 | **19,904.3** | **155,253.5** |

**By principal business activity – 2023**

| 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$m | 2023 Total US$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 | 416.2 | 1,067.1 | 3,602.3 | 198.2 | - | 5,283.8 | 41,213.6 |
| - Others | 7,298.3 | - | 7,889.7 | - | 1.4 | 15,189.4 | 118,477.4 |
| | 7,714.5 | 1,067.1 | 11,492.0 | 198.2 | 1.4 | 20,473.2 | 159,691.0 |
| Other assets | 4,518.1 | - | 2,129.1 | - | 214.2 | 6,861.4 | 53,518.9 |
| Total segment assets | 12,232.6 | 1,067.1 | 13,621.1 | 198.2 | 215.6 | 27,334.6 | 213,209.9 |
| Assets classified as held for sale | 22.9 | - | - | - | - | 22.9 | 178.6 |
| Total assets | 12,255.5 | 1,067.1 | 13,621.1 | 198.2 | 215.6 | 27,357.5 | 213,388.5 |
| Borrowings | 4,258.2 | - | 5,886.5 | - | 1,466.8 | 11,611.5 | 90,569.7 |
| Other liabilities | 1,570.4 | - | 2,441.4 | - | 160.1 | 4,171.9 | 32,540.9 |
| Total segment liabilities | 5,828.6 | - | 8,327.9 | - | 1,626.9 | 15,783.4 | 123,110.5 |
| Liabilities directly associated with the assets classified as held for sale | 7.2 | - | - | - | - | 7.2 | 56.2 |
| Total liabilities | 5,835.8 | - | 8,327.9 | - | 1,626.9 | 15,790.6 | 123,166.7 |
| **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 30 June/at 31 December | 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) | 3,770.3 | 11,426.9 | 756.1 | 4,519.9 | 20,473.2 | 159,691.0 |

## 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 | **2024 US$m** | 2023 US$m | **2024 HK$m*** | 2023 HK$m* |
|---|---|---|---|---|
| Construction revenue | **(332.4)** | (243.7) | **(2,592.7)** | (1,900.9) |
| Construction costs | **332.4** | 243.7 | **2,592.7** | 1,900.9 |
| Foreign exchange and derivative losses/(gains), net (Note 5(A)) | **190.1** | (99.3) | **1,482.8** | (774.5) |
| Impairment losses/(reversal of impairment), net | | | | |
| - Other receivables | **7.2** | 1.7 | **56.2** | 13.3 |
| - Property, plant and equipment | **(2.3)** | - | **(18.0)** | - |
| Loss/(gain) on disposal of property, plant and equipment, net | **1.0** | (0.4) | **7.8** | (3.1) |
| Dividend income from financial assets at fair value through other comprehensive income ("FVOCI") | **(12.5)** | (14.8) | **(97.5)** | (115.5) |
| (Gain)/loss on changes in fair value of biological assets | **(5.7)** | 3.0 | **(44.5)** | 23.4 |
| Gain on disposal of an associated company | **(3.7)** | (4.1) | **(28.9)** | (32.0) |
| Other income, net | **(4.0)** | (9.3) | **(31.1)** | (72.6) |
| **Total** | **170.1** | (123.2) | **1,326.8** | (961.0) |

**(B) Finance costs**

| For the six months ended 30 June | **2024 US$m** | 2023 US$m | **2024 HK$m*** | 2023 HK$m* |
|---|---|---|---|---|
| Finance costs on | | | | |
| - Bank borrowings and other loans | **360.8** | 347.9 | **2,814.2** | 2,713.7 |
| - Lease liabilities | **1.7** | 1.5 | **13.3** | 11.7 |
| Less: Finance costs capitalized in | | | | |
| - Other intangible assets | **(69.8)** | (65.9) | **(544.4)** | (514.1) |
| - Property, plant and equipment | **(0.5)** | (1.8) | **(3.9)** | (14.0) |
| **Total** | **292.2** | 281.7 | **2,279.2** | 2,197.3 |

**(C) Other items**

| For the six months ended 30 June | **2024 US$m** | 2023 US$m | **2024 HK$m*** | 2023 HK$m* |
|---|---|---|---|---|
| Cost of inventories sold | **1,734.6** | 1,980.1 | **13,529.9** | 15,444.8 |
| Cost of services rendered | **828.1** | 1,096.3 | **6,459.2** | 8,551.1 |
| Employees' remuneration | **434.7** | 452.7 | **3,390.7** | 3,531.1 |
| Depreciation of property, plant and equipment | **150.3** | 169.2 | **1,172.3** | 1,319.8 |
| Amortization of other intangible assets | **54.2** | 67.1 | **422.8** | 523.3 |
| Impairment losses on accounts receivable(i) | **9.4** | 0.3 | **73.3** | 2.3 |
| Write-down of inventories to net realizable value(ii) | **7.2** | 11.4 | **56.2** | 88.9 |

*(i) Included in administrative expenses.*
*(ii) Included in cost of sales.*

**4. Taxation**

No Hong Kong profits tax (2023: Nil) has been provided as the Group had no estimated assessable profits (2023: 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 | **2024 US$m** | 2023 US$m | **2024 HK$m*** | 2023 HK$m* |
|---|---|---|---|---|
| **Subsidiary companies - overseas** | | | | |
| Current taxation | **169.1** | 210.9 | **1,319.0** | 1,645.1 |
| Deferred taxation | **32.2** | 31.3 | **251.1** | 244.1 |
| **Total tax charge** | **201.3** | 242.2 | **1,570.1** | 1,889.2 |

Included within the share of profits less losses of associated companies and joint ventures is taxation of US$70.0 million or HK$546.0 million) (2023: US$59.4 million or HK$463.3 million) which is analyzed as follows:

| For the six months ended 30 June | **2024 US$m** | 2023 US$m | **2024 HK$m*** | 2023 HK$m* |
|---|---|---|---|---|
| **Associated companies and joint ventures - overseas** | | | | |
| Current taxation | **56.0** | 53.5 | **436.8** | 417.3 |
| Deferred taxation | **14.0** | 5.9 | **109.2** | 46.0 |
| **Total tax charge** | **70.0** | 59.4 | **546.0** | 463.3 |

**5. Profit attributable to owners of the parent**

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

**(A) Analysis of foreign exchange and derivative (losses)/gains, net**

Net foreign exchange and derivative losses of US$57.9 million (HK$451.6 million) (2023: gains of US$37.6 million or HK$293.3 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 | **2024 US$m** | 2023 US$m | **2024 HK$m*** | 2023 HK$m* |
|---|---|---|---|---|
| Subsidiary companies (Note 3(A)) | **(190.1)** | 99.3 | **(1,482.8)** | 774.5 |
| Associated companies and joint ventures | **13.0** | 6.3 | **101.4** | 49.2 |
| Subtotal | **(177.1)** | 105.6 | **(1,381.4)** | 823.7 |
| Attributable to taxation and non-controlling interests | **119.2** | (68.0) | **929.8** | (530.4) |
| **Total** | **(57.9)** | 37.6 | **(451.6)** | 293.3 |

**(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. 1H24's non-recurring losses of US$3.4 million (HK$26.5 million) mainly represent PLDT's manpower reduction costs (US$4.5 million or HK$35.1 million), partly offset by PLDT's gains on tower sales (US$1.1 million or HK$8.6 million). 1H23's non-recurring gains of US$7.2 million (HK$56.2 million) mainly represent PLDT's gains on tower sales (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).

**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 4,242.8 million (2023: 4,241.7 million) in issue less the weighted average number of ordinary shares held for a share award scheme of 5.0 million (2023: 4.3 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. 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 | 2024 US$m | 2023 US$m | 2024 HK$m* | 2023 HK$m* |
|---|---|---|---|---|
| **Earnings** | | | | |
| Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation | **277.8** | 345.6 | **2,166.8** | 2,695.6 |

| For the six months ended 30 June<br>Million | 2024<br>Number of shares | 2023 |
|---|---|---|
| **Shares** | | |
| Weighted average number of ordinary shares issued during the period | **4,242.8** | 4,241.7 |
| Less: Weighted average number of ordinary shares held for a share award scheme | **(5.0)** | (4.3) |
| Weighted average number of ordinary shares used in the basic earnings per share calculation | **4,237.8** | 4,237.4 |
| Add: Dilutive impact of awarded shares on the weighted average number of ordinary shares | **2.9** | 3.4 |
| Add: Dilutive impact of share options on the weighted average number of ordinary shares | **2.8** | - |
| Weighted average number of ordinary shares used in the diluted earnings per share calculation | **4,243.5** | 4,240.8 |

**7. Ordinary share interim distribution**

At a meeting held on 23 August 2024, the Directors declared an interim cash distribution of HK12.00 cents (U.S. 1.54 cents) (2023: HK10.50 cents (U.S. 1.35 cents) per ordinary share, equivalent to a total amount of US$65.3 million (HK$509.2 million) (2023: US$56.8 million (HK$445.4 million).

**8. Accounts receivable, other receivables and prepayments**

Included in accounts receivable, other receivables and prepayments are accounts receivable of US$803.2 million (HK$6,265.0 million) (31 December 2023: US$706.7 million or HK$5,512.3 million) with an aging profile based on the invoice date, net of loss allowance, as follows:

| | At 30 June 2024 US$m | At 31 December 2023 US$m | At 30 June 2024 HK$m* | At 31 December 2023 HK$m* |
|---|---|---|---|---|
| 0 to 30 days | **671.4** | 576.2 | **5,236.9** | 4,494.4 |
| 31 to 60 days | **57.0** | 59.8 | **444.6** | 466.4 |
| 61 to 90 days | **32.5** | 30.7 | **253.5** | 239.5 |
| Over 90 days | **42.3** | 40.0 | **330.0** | 312.0 |
| **Total** | **803.2** | 706.7 | **6,265.0** | 5,512.3 |

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$559.2 million (HK$4,361.8 million) (31 December 2023: US$578.4 million or HK$4,511.5 million) with an aging profile based on the invoice date as follows:

| | **At 30 June 2024 US$m** | At 31 December 2023 US$m | **At 30 June 2024 HK$m*** | At 31 December 2023 HK$m* |
|---|---|---|---|---|
| 0 to 30 days | **492.2** | 501.6 | **3,839.2** | 3,912.4 |
| 31 to 60 days | **9.5** | 15.7 | **74.1** | 122.5 |
| 61 to 90 days | **3.8** | 7.0 | **29.6** | 54.6 |
| Over 90 days | **53.7** | 54.1 | **418.9** | 422.0 |
| **Total** | **559.2** | 578.4 | **4,361.8** | 4,511.5 |

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 on cash flow hedges US$m | Income tax related to cash flow hedges US$m | Actuarial gains/(losses) on defined benefit pension plans US$m | Share of other comprehensive (loss)/income of associated companies and joint ventures US$m | Total US$m | Total HK$m* |
|---|---|---|---|---|---|---|---|---|
| At 1 January 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) |
| At 1 January 2024 | (1,034.9) | 149.7 | 4.5 | (0.5) | 15.0 | (197.2) | **(1,063.4)** | **(8,294.5)** |
| Other comprehensive (loss)/income for the period | (255.0) | (0.2) | 14.3 | (2.3) | (0.2) | (2.6) | **(246.0)** | **(1,918.8)** |
| Acquisition of an interest in a subsidiary company | (0.1) | - | - | - | - | - | **(0.1)** | **(0.8)** |
| Others | - | 7.5 | - | - | - | - | **7.5** | **58.5** |
| **At 30 June 2024** | **(1,290.0)** | **157.0** | **18.8** | **(2.8)** | **14.8** | **(199.8)** | **(1,302.0)** | **(10,155.6)** |

11. **Contingent liabilities**

At 30 June 2024, except for guarantees of US$26.7 million (HK$208.3 million) (31 December 2023: US$24.4 million or HK$190.3 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 2023: Nil).

12. **Employee information**

| **For the six months ended 30 June** | **2024 US$m** | 2023 US$m | **2024 HK$m*** | 2023 HK$m* |
|---|---|---|---|---|
| Employee remuneration (including Directors' remuneration) | **434.7** | 452.7 | **3,390.7** | 3,531.1 |

| Number of employees | **2024** | 2023 |
|---|---|---|
| At 30 June | **103,290** | 101,352 |
| Average for the period | **102,483** | 101,375 |

13. **Comparative amounts**

Certain comparative figures in the condensed consolidated statement of financial position have been reclassified to conform with the current period's presentation.

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 23 August 2024.

* *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 | **2024** | 2023 | **2024** | 2023 |
| Indofood | **3,584.6** | 3,741.6 | **167.6** | 137.2 |
| PLDT[ii] | **-** | - | **74.8** | 73.4 |
| MPIC | **624.4** | 532.3 | **101.6** | 79.3 |
| FPM Power | **786.1** | 1,098.3 | **47.3** | 63.7 |
| Philex[ii] | **-** | - | **3.4** | 5.1 |
| FP Natural Resources[iii] | **-** | 39.0 | **(3.5)** | (10.0) |
| **Contribution from operations[iv]** | **4,995.1** | 5,411.2 | **391.2** | 348.7 |
| Head Office items: | | | | |
| – Corporate overhead | | | **(9.7)** | (9.6) |
| – Net interest expense | | | **(39.1)** | (34.6) |
| – Other expenses | | | **(3.3)** | (3.7) |
| **Recurring profit[v]** | | | **339.1** | 300.8 |
| Foreign exchange and derivative (losses)/gains, net[vi] | | | **(57.9)** | 37.6 |
| Non-recurring items[vii] | | | **(3.4)** | 7.2 |
| **Profit attributable to owners of the parent** | | | **277.8** | 345.6 |

*(i) After taxation and non-controlling interests, where appropriate.*
*(ii) Associated companies.*
*(iii) RHI's 1H24 loss narrowed reflecting the cessation of its loss-making sugar refinery and bioethanol businesses due to extremely difficult operational and market conditions. The divestment of certain assets is ongoing, and the proceeds will mainly be used to settle its obligations.*
*(iv) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.*
*(v) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses/gains, and non-recurring items.*
*(vi) Foreign exchange and derivative losses/gains, net represent the net losses/gains on foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair value of derivatives.*
*(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H24's non-recurring losses of US$3.4 million mainly represent PLDT's manpower reduction costs (US$4.5 million), partly offset by PLDT's gains on tower sales (US$1.1 million). 1H23's non-recurring gains of US$7.2 million mainly represent PLDT's gains on tower sales (US$10.8 million), partly offset by PLDT's manpower reduction costs (US$6.1 million).*

In the first half of 2024, First Pacific recorded a double-digit growth in recurring profit while turnover and reported net profit were impacted by depreciation of the rupiah and peso against the U.S. dollar. The Group's core investee companies delivered strong performances in local currency terms during the period, reaching many record highs for half-year revenues and profit.

Turnover down 8% to US$5.0 billion from US$5.4 billion

- reflecting lower revenues at PacificLight Power Pte. Ltd. ("PLP") due to lower average selling prices resulting from stabilization of electricity prices
- lower revenues at Indofood resulting from a 6% depreciation of the rupiah average exchange rate against the U.S. dollar offsetting a 2% revenue increase in rupiah terms driven largely by higher sales volume of Noodles division
- partly offset by higher revenues at MPIC, contributed by billed water volume and effective water tariffs at Maynilad Water Services, Inc. ("Maynilad"), complemented by higher higher traffic volume and tolls at Metro Pacific Tollways Corporation ("MPTC")

Recurring profit up 13% to US$339.1 million from US$300.8 million

- reflecting higher profit contributions from Indofood, MPIC, and PLDT
- partly offset by lower contribution from PLP due to lower blended non-fuel margin and higher deferred tax expenses, lower contribution from Philex due to lower metal output, and higher Head Office net interest expenses

Reported profit down 20% to US$277.8 million from US$345.6 million

- reflecting a non-cash foreign exchange loss mostly associated with PT Indofood CBP Sukses Makmur Tbk's ("ICBP") U.S. dollar denominated bonds due to a 6% depreciation of the rupiah closing exchange rate against the U.S. dollar, contrasted against a corresponding foreign exchange gain for the bonds in the first half of 2023
- PLDT's manpower rightsizing costs
- partly offset by a higher recurring profit and PLDT's gain from the sale and leaseback of telco towers

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 2024 | At 31December 2023 | Six months change |
|---|---|---|---|
| Rupiah | **16,421** | 15,416 | -6.1% |
| Peso | **58.61** | 55.37 | -5.5% |
| S$ | **1.356** | 1.320 | -2.7% |

| Average exchange rates against the U.S. dollar | Six months ended 30 June 2024 | Six months ended 30 June 2023 | One year change |
|---|---|---|---|
| Rupiah | **15,984** | 14,990 | -6.2% |
| Peso | **57.27** | 55.18 | -3.6% |
| S$ | **1.351** | 1.339 | -0.9% |

During the period, the Group recorded net foreign exchange and derivative losses of US$57.9 million (1H23: gains of US$37.6 million), which can be further analyzed as follows:

| **For the six months ended 30 June**<br>US$ millions | **2024** | 2023 |
|---|---|---|
| Head Office | **(5.3)** | 0.8 |
| Indofood | **(58.3)** | 31.2 |
| PLDT | **8.3** | 4.8 |
| MPIC | **(1.9)** | 0.4 |
| FPM Power | **0.1** | 0.2 |
| Philex | **(0.8)** | 0.2 |
| **Total** | **(57.9)** | 37.6 |

### Interim Distribution
First Pacific's Board of Directors declared an interim distribution of HK 12 cents (U.S. 1.54 cents) (1H23: HK 10.5 cents (U.S. 1.35 cents)) per share, up 14% in line with recurring profit growth.

### Credit Ratings
As at the end of June 2024, First Pacific credit rating remained at Baa3 with Stable outlook from Moody's Investors Service ("Moody's") and BBB- with Stable outlook from Standard & Poor's Global Ratings ("S&P").

### Debt Profile
In April 2024, First Pacific fully repaid US$210 million of bank loans and refinanced another US$100 million by utilizing lower interest cost long-term banking facilities and internal cash resources.

As at 30 June 2024, Head Office gross debt remained at approximately US$1.5 billion with an average maturity at 3.5 years. It includes the only outstanding 7-year unsecured bond of US$350.0 million at 4.375% coupon with maturity on 11 September 2027. Net debt stood at approximately US$1.3 billion. Approximately 48% 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 5.6% from approximately 5.4% at the end of 2023. All Head Office borrowings are unsecured.

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

### Operating Cashflow and Interest Cover
For the first half of 2024, Head Office operating cash inflow before interest expense and tax increased 4% to US$141.5 million from US$136.1 million in the first half of 2023, reflecting dividends received from PLP, MPIC and PLDT.

Net cash interest expense rose 7% to US$37.4 million from US$35.1 million, reflecting a higher average interest rate resulting from global financial market trends. For the 12 months ended 30 June 2024, the cash interest cover was approximately 4.3 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
A benign price environment for soft commodities and continuing strong purchasing power in Indofood's markets are expected to enable First Pacific's largest holding to build on the record high earnings of 2023, while continuing improvement in customer experience and cost efficiencies will enable PLDT to reach its guidance of full-year telco core profit in excess of 35 billion pesos. Continuing demand growth for electricity will enable Manila Electric Company ("Meralco") to drive earnings growth to a new successive record high at MPIC, supported by growing traffic and higher tolls at MPTC while Maynilad will deliver strong earnings on the back of higher tariffs and volume growth. During the course of 2024, PLP and Philex will continue working on new projects, respectively a solar power import project and a new copper and gold mine.

In sum, First Pacific expects again to see continued growth in turnover in local currency terms, contribution from operations and recurring profit for the full year and continuing earnings growth in the years ahead.

## INDOFOOD

Indofood has sustained its growth momentum in the first half of 2024 reflecting improved performance of all business groups, with Consumer Branded Product's ("CBP") Noodles division remaining the largest profit contributor.

Indofood's contribution to the Group rose 22% to US$167.6 million (1H23: US$137.2 million) principally reflecting a higher core profit.

| | |
|---|---|
| Core profit up 22% to 5.7 trillion rupiah (US$354.7 million) from 4.7 trillion rupiah (US$311.0 million) | ▪ reflecting higher operating profits of all business groups |
| Net income down 31% to 3.9 trillion rupiah (US$241.1 million) from 5.6 trillion rupiah (US$371.3 million) | ▪ reflecting a net foreign exchange loss of 2.9 trillion rupiah (US$178.4 million) associated with its U.S. dollar denominated bonds due to a 6% depreciation of the rupiah closing exchange rate against the U.S. dollar, while it was a foreign exchange gain of 1.5 trillion rupiah (US$97.1 million) in the first half of 2023<br>▪ partly offset by a higher core profit |
| Consolidated net sales up 2% to 57.3 trillion rupiah (US$3.6 billion) from 56.1 trillion rupiah (US$3.7 billion) | ▪ mainly reflecting a strong sales growth at the CBP group<br>▪ partly offset by lower sales of the Bogasari and Agribusiness groups |
| Gross profit margin to 34.6% from 30.9% | ▪ reflecting sales volume growth at the CBP and Bogasari groups and lower raw material prices<br>▪ higher crude palm oil ("CPO") prices and stable palm production costs at the Agribusiness group |
| Consolidated operating expenses down 5% to 8.1 trillion rupiah (US$503.9 million) from 8.4 trillion rupiah (US$563.6 million) | ▪ reflecting a foreign exchange gain from operating activities compared with a foreign exchange loss in the first half of 2023<br>▪ partly offset by higher selling and general and administrative expenses |
| EBIT margin to 20.5% from 15.8% | ▪ mainly due to improvement in gross profit margin |

### Debt Profile

As at 30 June 2024, Indofood's gross debt rose 14% to 73.4 trillion rupiah (US$4.5 billion) from 64.5 trillion rupiah (US$4.2 billion) as at 31 December 2023. Of this total, 34% matures in the next 12 months and the remainder matures between July 2025 and April 2052, while 22% was denominated in rupiah and the remaining 78% in foreign currencies. For the 12 months ended 30 June 2024, Indofood's interest coverage ratio was approximately 6.7 times.

In early 2024, Moody's Investors Service and Fitch Ratings Inc. upgraded PT Indofood CBP Sukses Makmur Tbk's ("ICBP") outlook to positive from stable, reflecting its conservative financial policies and improved credit metrics as well as stable earnings and free cash flow generation. As at the end of June 2024, ICBP maintained its investment grade BBB- and Baa3 ratings from Fitch Ratings and Moody's, respectively.

### Dividend

On 28 June 2024, Indofood's Board of Directors declared an annual cash dividend of 267 rupiah (U.S. 1.6 cents) (2023: 257 rupiah (U.S. 1.7 cents)) per share to shareholders on record as of 10 July 2024. The dividend was paid on 26 July 2024.

### Additional Investment

From 1 January 2024 to 30 June 2024, Indofood acquired an additional approximately 2.9 million shares of Indofood Agri Resources Ltd. ("IndoAgri") from the open market for a total consideration of approximately S$0.9 million (US$0.7 million), increasing Indofood's effective interest in IndoAgri to approximately 73.1% from 72.9% at year-end 2023.

### 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 its products from Indonesia to over 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, Morocco, Nigeria, and Türkiye among others, serving a population of over 1.2 billion consumers in its major markets. Its annual production capacity is around 37 billion packs, across a broad range of instant noodle varieties.

The Dairy division has an annual production capacity of over 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 approximately 60,000 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 approximately 230,000 tonnes, manufacturing and marketing a wide range of culinary products, including recipe mixes, seasoning flour, soy sauces, chili sauces, tomato sauces, and stock soup as well as syrups.

Indofood's Nutrition & Special Foods division is a leading producer in Indonesia's baby food industry. This division has an annual production capacity of approximately 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 litres.

CBP's dominant market position and underlying strengths support its strong performance despite global uncertainties. In the first half of 2024, it launched new noodles favours and further improved market penetration. All of its business divisions reported growth as sales rose 7% to 36.8 trillion rupiah (US$2.3 billion), mainly driven by higher sales volumes in both domestic and overseas markets. The EBIT margin improved to 23.2% from 21.5% mainly due to lower raw material prices.

Entering into second half of 2024, CBP continues to leverage on its resilient business model to ensure competitiveness and drive profitability through product innovation, expanding distribution and penetration, and enhancing product and brand visibility. It continues to excite consumers via launching new products, an example being the Dairy division launched two new liquid milk flavors in June, Goguma (Korean Sweet Potato) and Dalgona Coffee.

**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 pastas for domestic and international markets.

Its sales declined 3% to 15.4 trillion rupiah (US$964.0 million) reflecting a decline in average selling prices, partly compensated with higher sales volumes. Its EBIT margin improved to 7.9% from 6.4%.

Wheat flour business remain promising in Indonesia, where people consume less flour than in neighboring countries. Indonesia's growing population size, rising per-capita income and greater urbanization are expected to drive demand growth for flour-based foods such as bread, pizza, and pasta going forward.

**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 Edible Oil and Fats ("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.

The sales of the Agribusiness group were mainly impacted by the decline in sales volume of palm products and lower average selling prices for EOF products in the first six month of 2024. Sales declined 7% to 7.0 trillion rupiah (US$439.0 million). The sales volumes of CPO and palm kernel-related products declined 3% and 16% to 302,000 tonnes and 70,000 tonnes, respectively. The EBIT margin improved to 13.4% from 8.2% reflecting higher gross profit, higher gain on biological assets and foreign exchange gain.

Plantation

In Indonesia, the total planted area was flat at 293,683 hectares when compared to year-end 2023, of which oil palm accounted for 84%, while sugar cane, rubber, and other crops accounted for the remaining 16%. This division has a total annual processing capacity of 7.2 million tonnes of fresh fruit bunches ("FFB").

The Plantation division recorded a 1% decline in sales to 4.7 trillion rupiah (US$291.1 million) mainly reflecting lower sales volume, partly offset by higher average selling prices of palm products.

At the Plantation division, both FFB nucleus and CPO production decreased 1% to 1.2 million tonnes and 306,000 tonnes, respectively. The CPO extraction rate was stable at 20.6%.

In Brazil, the total planted area for sugar cane increased 11% to 137,959 hectares from year-end 2023, of which 58% was owned by CMAA, while contracted third-party farmers accounted for the remainder.

CPO prices are expected to remain highly volatile owing to uncertainties from weather conditions and geopolitical conflicts. Demand growth is likely to remain subdued due to weaker economic growth and other macroeconomic factors.

The Plantation Division will continue its crop management activities for elevating FFB yields and plantation productivity, cost efficient initiatives, and prioritizing capital investments in critical areas.

EOF

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 2024, this division recorded a 1% decline in sales to 5.8 trillion rupiah (US$364.6 million) as a result of lower sales prices of EOF products.

EOF division will continue its competitive pricing strategies to leverage the increasing population and per capita income growth trends in Indonesia for driving sales growth.

**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 were flat at 3.6 trillion rupiah (US$225.2 million). The EBIT margin improved to 8.7% from 7.3%.

The Distribution group continues to strengthen its operational excellence to capture emerging opportunities and secure a competitive edge in the market to achieve sustainable growth. Emphasis will be placed on deepening market penetration, particularly in rural areas, as well as managing and developing its distribution channels.

**Outlook**

Indofood is cautiously optimistic amid global uncertainties, while still maintaining a strong balance sheet and balancing between market share and profitability.

**PLDT**

PLDT's core business registered modest growth in the first half of 2024, notwithstanding geopolitical uncertainties, high interest rates, and an inflationary environment. As the PLDT group focused on growing revenues, pursuing operating efficiencies and managing costs, telco core net income is on track to meet guidance for the full year.

PLDT's contribution to the Group rose 2% to US$74.8 million (1H23: US$73.4 million), reflecting higher consolidated core net income.

| | |
|---|---|
| Telco core net income up 3% to 18.0 billion pesos (US$314.5 million) from 17.6 billion pesos (US$318.3 million) | ▪ reflecting higher EBITDA<br>▪ partly offset by higher depreciation and amortization, and higher financing and other costs |
| Consolidated core net income up 4% to 17.3 billion pesos (US$302.4 million) from 16.6 billion pesos (US$300.8 million) | ▪ reflecting higher telco core net income<br>▪ share of narrowed losses in Maya Innovations Holdings Pte. Ltd. ("Maya") |
| Reported net income stood at 18.4 billion pesos (US$321.5 million) from 18.5 billion pesos (US$334.4 million) | ▪ reflecting higher core net income<br>▪ lower manpower rightsizing expenses<br>▪ higher gains on derivative financial instruments<br>▪ offset by a lower gain from the sale and leaseback of telco towers, and net foreign exchange losses in first half of 2024 versus net foreign exchange gains in the same period of 2023 |
| Consolidated service revenues (net of interconnection costs) up 3% to 96.9 billion pesos (US$1.7 billion) from 94.5 billion pesos (US$1.7 billion) | ▪ reflecting a 4% growth in both Individual and Enterprise service revenues, and a 1% decline in Home service revenues<br>▪ Individual, Home and Enterprise service revenues accounted for 43%, 31% and 25% of consolidated service revenues, respectively<br>▪ data and broadband continued to lead growth, with combined revenues up 4%, representing 83% (1H23: 82%) of consolidated service revenues<br>▪ excluding legacy revenues, net service revenues rose 7% |
| EBITDA (ex-MRP)* rose 3% to 53.9 billion pesos (US$941.8 billion) from 52.1 billion pesos (US$ 944.2 million) | ▪ reflecting higher service revenues<br>▪ partly offset by higher operating expenses |
| EBITDA (ex-MRP) margin at 52% from 53% | ▪ EBITDA (ex-MRP) margin of wireless and fixed line at 51% and 50%, respectively |

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

## Capital Expenditures

In the first half of 2024, capital expenditures declined 14% to 35.1 billion pesos (US$612.9 billion). The ratio of capital expenditure to service revenues decreased to 34% from 41% in the first half of 2023, on track towards PLDT's goal of progressive reduction in capital spending to support attainment of positive free cash flow.

PLDT continues to expand its fiber network, the most extensive in the Philippines. It reached approximately 1.15 million cable kilometers as at the end of June 2024, of which over 0.9 million kilometers was domestic fiber and more than 0.2 million kilometers was international fiber. Total homes passed by PLDT's fiber optic network rose to over 18 million, reaching 71% of the country's towns and 91% of its provinces.

Smart Communications, Inc.'s ("Smart") combined 5G and 4G network coverage reached approximately 97% of the Philippine population.

Capital expenditure guidance for 2024 remains at 75 billion pesos to 78 billion pesos, which includes investment in network capacity to drive revenue growth and support continuing growth in data traffic, such as re-accelerating the rollout of Home broadband ports and cell site development, expansion of the data center business, and investing in submarine cable systems.

## Debt Profile

At the end of the period, PLDT's consolidated net debt increased to 252.7 billion pesos (US$4.3 billion) from 239.8 billion pesos (US$4.3 billion) at year-end 2023, with net debt to EBITDA at 2.38 times. Total gross debt rose to 265.4 billion pesos (US$4.5 billion) from 256.9 billion pesos (US$4.6 billion), with an average maturity at 6.85 years. 15% of gross debt was denominated in U.S. dollars, with only 5% of total debt unhedged after taking into account available currency hedges and U.S. dollar cash allocated for debt service. Debt maturities are well spread with 65% of total debt due to mature beyond 2028. 45% of the total are fixed-rate loans. The average pre-tax interest cost for the year rose to 4.9% from 4.58% for the full year 2023 due to a high-interest rate environment.

As at the end of June 2024, PLDT's credit ratings remained at investment grade at Moody's (Baa2) and S&P (BBB), the international credit rating agencies.

## Interim Dividend

On 13 August 2024, the PLDT Board of Directors declared a regular interim cash dividend of 50 pesos (US$0.85) (1H23: 49 pesos (US$0.89)) per share payable on 11 September 2024 to shareholders on record as of 27 August 2024, representing 60% of its telco core net income, in line with PLDT's dividend policy.

## Service Revenues by Business Segment

Data and broadband, and information and communications technology ("ICT") services were key drivers of PLDT's performance during the period, accounting for 83% of total service revenues. Mobile data revenues increased 7% to 38.9 billion pesos (US$679.2 million), Home broadband revenues rose to 26.2 billion pesos (US$457.5 million), while corporate data and ICT revenues grew 3% to 15.4 billion pesos (US$268.9 million).

In the first half of 2024, revised school holiday schedules and heatwaves reduced consumer mobility which in turn impacted mobile data usage. Nonetheless, the Individual business recorded a 4% increase in service revenues to 41.9 billion pesos (US$731.6 million), of which 89% (1H23: 86%) were from mobile data. With an 11% increase in average usage and data traffic, blended average revenue per user rose 14% resulting in an 8% increase in mobile data revenues to 37.1 billion pesos (US$647.8 million). The total number of active data users grew to approximately 40.5 million from 39.0 million as at 31 December 2023.

To accelerate revenue growth momentum, Smart will continue to focus on segment-specific best-value offers and geo-targeted campaigns, leverage on site rollouts and capacity expansion, transform customer care into a tech-driven center of excellence to enhance customer experiences and drive revenue growth.

As at the end of June 2024, the PLDT group registered 60.8 million mobile subscribers – the country's largest. Among wireless subscribers, approximately 96% were prepaid customers.

Smart was the official broadcast partner of the Olympic Games Paris 2024 in the Philippines. Its LiveStream App offered 24/7 free broadcasting to its subscribers, with selected events streamed on the Smart Sports social media page.

Despite Home segment service revenues declining 1% to 30.0 billion pesos (US$523.8 million), fiber-only revenues grew 7% to 27.6 billion pesos (US$481.9 million), accounting for 92% (1H23: 85%) of total Home service revenues. Growth of fiber revenues was aided by the re-acceleration of port rollouts and fiber installations, marketing initiatives offering low-priced plans in areas with spare capacity, and increased focus on quality of service and quality acquisitions to reduce churn.

PLDT Home will continue to innovate and expand its offering. It remains dedicated to providing families across the Philippines with reliable and high-quality internet services at home.

In February 2024, PLDT Home launched the Philippines' first ultra-fast connectivity speeds of up to 10 Gbps, making the internet accessible to more homes through affordable and flexible payment solutions on both fiber and fixed wireless technologies.

The recent launch of an all-in-one broadband service bundled faster fiber speed, unlimited calls between landline and mobile networks, and mobile-to-mobile calls for up to five enrolled Smart or TNT SIMs.

As at the end of June 2024, PLDT's fixed line broadband subscribers stood at 3.3 million.

PLDT Enterprise reported strong results with service revenues rising 4% to 24.0 billion pesos (US$419.1 million) of which 72% (1H23: 70%) were from corporate data and ICT businesses. Revenues from corporate data and ICT increased 7% to 17.4 billion pesos (US$303.8 million), driven by growth at managed IT services, cybersecurity solutions, and colocation and cloud technology services.

ePLDT's VITRO Inc. has 10 state-of-the-art data center facilities – the largest network in the Philippines. Its 11th data center VITRO Sta. Rosa ("VSR"), the country's largest and first true hyperscaler data center, was energized in July 2024. It will soon serve telcos, enterprises, and hyperscalers, with an initial power capacity of 20 megawatts ("MW") by the end of 2024. Once fully operational, VSR's total facility capacity will be doubled. This demonstrates PLDT's commitment to invest in critical infrastructure for the Philippines' digital transformation.

PLDT Enterprise is evaluating the prospect of building a 12th data center. It will continue to support its clients by offering cutting-edge technology and advancing digital transformation.

**Fintech Ecosystem - Maya**

PLDT is the largest shareholder in Maya, a fintech ecosystem that includes a wallet, a digital bank, and a merchant acquiring business. Maya Bank leads the digital banking industry in the Philippines with its 4 million depositors with a total deposit of 32.8 billion pesos (US$572.7 million) as at 30 June 2024. Life-to-date, Maya Bank has disbursed loans of 46.8 billion pesos (US$817.2 million) to 1.2 million borrowers. It has a comprehensive suite of lending products that include consumers loans, SME flexi loans, and Micro SME loans. Maya Bank achieved positive cashflow in the second quarter of 2024. Maya is expected to be profitable by the end of 2024.

Maya's growth initiatives include lending solutions to key partners such as device financing with PLDT and Smart, as well as increases loan channeling.

**Sustainability**

PLDT completed its 2023 Sustainability Report and submitted its Communication on Progress to the United Nations Global Compact ("UNGC"), demonstrating its commitment to embed sustainability in business operations and align with global principles on human rights, labor, environment, and anti-corruption. It remains part of the FTSE4Good Index.

On the environmental front, its e-waste campaign "Be Kind. Recycle." scaled up collection sites to 115 which included SM malls nationwide. PLDT and Smart partnered with the Department of Environment and Natural Resources ("DENR") to promote environmental knowledge and regulations to organizations, as well as impacts on the country's natural resources from network operations. In addition to delivering relief and communications assistance during natural disasters, PLDT group continues its role on strengthening the country's climate adaptation and disaster resilience.

During the period, social initiatives included the empowerment of vulnerable groups, such as women and persons with disabilities. With an emphasis on gender equality and diversity, and equity and inclusion in the workplace. For protecting children, PLDT group's pioneering child protection platform has blocked over 1 million URLs and online content linked to online sexual abuse and exploitation of children over the last three years. To upskill the micro, small, and medium-sized enterprises ("MSMEs") in the digital economy, its eBiznovation and Digital Farmers Programs have benefited over 21,000 MSMEs and more than 12,000 farmers, respectively. Its School-in-a-Bag program employs technology to promote learning resilience and has benefited over 600 schools, 11,000 educators, and 116,000 students since it was launched.

To reinforce the Supplier Code of Conduct and Corporate Governance policies, PLDT conducted a sustainability forum with its tier-one suppliers, sharing its sustainability roadmap, cybersecurity, data privacy, business continuity and resiliency, environment and occupational health and safety practices and policies. With regards to online safety, PLDT and Smart have prevented close to 40 billion cyber-attacks and data breaches, blocked access to over 28 billion malicious domains, and stopped over 32 million SMS messages.

**Outlook**

PLDT's consistent capital investments in network infrastructure and service quality over the years continue to bear fruit. Guidance for 2024 telco core net income remains at higher than 35.0 billion pesos. With the execution of various initiatives that respond to market opportunities and customer demand, PLDT's business units are well positioned to accelerate the data revenue growth momentum into the second half of 2024.

**MPIC**

MPIC's core businesses continued to deliver double-digit growth in the first half of 2024, recording a 20% surge in contribution from operations to 14.8 billion pesos (US$258.8 million). The increase was driven by the strong growth of energy sales at Meralco, and higher traffic volume and toll rates at MPTC, complemented by higher billed water volume and effective water tariffs at Maynilad.

MPIC's contribution to the Group rose 28% to US$101.6 million (1H23: US$79.3 million), reflecting higher consolidated core net income.

| | |
|---|---|
| Consolidated core net income up 27% to 12.5 billion pesos (US$219.0 million) from 9.9 billion pesos (US$179.4 million) | ▪ reflecting a 20% growth in contribution from operations to 14.8 billion pesos (US$258.8 million), mainly driven by strong performance of the power, toll roads and water businesses, lower light rail core net losses, and a lower net interest expense<br>▪ a 13% rise in contribution from the power business to 10.1 billion pesos (US$177.1 million) driven by higher volume sold<br>▪ a 19% increase in contribution from the toll roads business to 3.2 billion pesos (US$55.5 million) reflecting growth in traffic volumes and toll rates<br>▪ a 11% growth in contribution from the water business to 2.5 billion pesos (US$43.6 million) reflecting higher billed volumes and higher effective tariffs starting January 2024 |
| Consolidated reported net income up 23% to 12.5 billion pesos (US$218.9 million) from 10.2 billion pesos (US$185.2 million) | ▪ reflecting higher consolidated core net income |
| Consolidated revenues up 22% to 35.8 billion pesos (US$624.4 billion) from 29.4 billion pesos (US$532.3 million) | ▪ reflecting higher revenues at water, toll roads, and light rail businesses |

**Debt Profile**

As at 30 June 2024, MPIC's consolidated debt declined slightly to 316.0 billion pesos (US$5.4 billion) from year-end 2023, while net debt increased 6% to 274.2 billion pesos (US$4.7 billion). 91% was denominated in pesos and fixed-rate borrowings accounted for 88% of the total. The average interest rate declined slightly to 6.12% for the first half of 2024 from 6.14% for 2023, debt maturities ranged from 2024 to 2037, of which over 57% of total debts are due to mature after 2029.

MPIC head office gross debt declined 1% to 75.9 billion pesos (US$1.3 billion) and net debt decreased 2% to 61.5 billion pesos (US$1.0 billion), of which 90% was denominated in pesos. All borrowings are with rates fixed. The average interest rate increased to 5.39% for the first half of 2024 from 5.08% for 2023, and debt maturities ranged from 2024 to 2032.

There is no recourse to MPIC parent company level for the borrowings of its subsidiaries or associated companies.

**Interim Dividend**

On 12 August 2024, the MPIC Board of Directors declared an interim dividend of 0.10 peso (U.S. 0.17 cent) (1H23: 0.05 pesos (US$0.09)) per share payable on 19 September 2024 to shareholders on record as of 2 September 2024. It represented a dividend payout ratio of approximately 25% (1H23: 14%) of core net income.

**Additional Investments**

On 1 March 2024, Meralco PowerGen Corporation ("MGen"), a wholly-owned subsidiary of Meralco, and Aboitiz Power Corporation ("AP") announced they had formed a 60%:40% joint venture, Chromite Gas Holdings, Inc., to jointly invest in 67% of two gas-fired power plants of San Miguel Global Power Holdings Corp. ("SMGP") comprising an operational capacity of 1,278 MW in the Ilijan power plant and a new 1,320-MW combined cycle power facility planned to start operations by the end of 2024. The transaction is expected to complete around the end of September 2024. MGen and AP also agreed to invest in approximately 100% of a liquefied natural gas ("LNG") import and regasification terminal together with SMGP. The proposed collaboration among the parties is valued at approximately US$3.3 billion enterprise value, whilst MGen's equity contribution will be approximately US$1.3 billion prior to any asset-level debt financing that may be considered.

On 6 May 2024, Metro Pacific Health Corporation ("MPHC") completed the acquisition of a 63.8% interest in UHBI-Parañaque Doctors Hospital, Inc. ("PDH") for a consideration of 1.3 billion pesos (US$22.7 million). PDH is a 94-bed level 2 hospital in Paranaque City, the Philippines, and is MPHC's 24th hospital in its hospital portfolio and the 10th hospital in Metro Manila.

On 30 July 2024, Metro Pacific Agro Ventures ("MPAV") announced it agreed to acquire 100% of Universal Harvester Dairy Farms, Inc. ("UHDFI") for a consideration of 714 million pesos (US$12.2 million). UHDFI operates under the brand name Bukidnon Milk Company and has approximately 1,000 cattle in its farm in Maramag, Bukidnon where it produces and processes fresh milk, flavored milk, yogurt, and cheese products. This investment brings MPAV one step closer to its mission of providing fresh, high-quality dairy products to consumers.

On 2 August 2024, MPTC completed the acquisition of an additional 2.6% equity interest in NLEX Corporation ("NLEX Corp.") from the Republic of the Philippines for a consideration of 2.5 billion pesos (US$ 43.7 million). Following the transaction, MPTC's effective equity interest in NLEX Corp. increased to 77.7% from 75.1%.

### Acquisition of a 24.5% equity interest in PT Jasamarga Transjawa Tol ("JTT")

On 28 June 2024, MPTC via its wholly-owned indirect subsidiary PT Metro Pacific Tollways Indonesia Services ("MPTIS") and a 60.4%-owned subsidiary PT Margautama Nusantara ("MUN") partnered with Warrington Investment Pte. Ltd. ("WIP") to enter into agreements with PT Jasa Marga (Persero) Tbk ("JM") and Koperasi Konsumen Karyawan Jalin Margasejahtera ("KKJM") to acquire a total of approximately 35.0% equity interest in JTT including a subscription of new shares issued by JTT. The total consideration is approximately 15.75 trillion rupiah (US$960.3 million) with a maximum additional earn-out payment of 250 billion rupiah (US$15.2 million).

JTT was established in 2017. It is principally engaged in the management, security, and operation of the Trans-Java Toll Road Segments in Java, Indonesia, which has been in operation since 1983, with a total length of approximately 676 kilometers. It holds concessions for 13 toll road assets with concession periods ranging from 35 to 50 years to expire between 2044 and 2066. The toll roads are strategically located across Java, connecting the country's economic center, major cities, industrial hubs, and tourist areas on an island that is home to a population of approximately 159 million, representing 57% of the total population and economy of Indonesia.

At a Special General Meeting on 22 August 2024, approximately 98.3% of First Pacific shareholders voted to approve MPTC's participation to invest in JTT. The closing of the transaction is subject to the approval by JM's shareholders and the satisfaction of Indonesian regulatory requirements.

Upon the closing of the transaction, which is expected to take place in September 2024, MPTC would own 24.5% equity interest in JTT or an approximately 22.9% effective equity interest in JTT for a consideration of approximately 10.4 trillion rupiah (US$633.8 million).

## Power

Meralco is the largest electricity distributor in the Philippines, delivering electricity to users accounting for over half of the country's gross domestic product. It is also a major power generator with installed capacity of 2,404 MW (net). To achieve low-carbon commitments, it plans to contract 1,500 MW of renewable energy supply and to build a further 1,500 MW of renewable capacity by 2030.

Meralco's revenues rose 6% to 237.5 billion pesos (US$4.1 billion) largely driven by higher volume sold at its distribution business resulting from demand stimulated by heat waves and continuing increase in economic activities post-pandemic, partly offset by lower energy fees at Global Business Power Corporation as a result of lower power plant availability. Generation and other pass-through charges, distribution, energy fee, and non-electric revenues accounted for 77%, 15%, 5%, and 3%, respectively, of total revenues in the first half of 2024.

The volume of electricity sold grew 9% to a record high 26,954 gigawatt hours driven by growth of commercial and residential sectors, and recovery of industrial sector. The residential, commercial, and industrial sectors accounted for 36%, 37% and 26%, respectively, of the total sales volume in the first half of 2024. Residential volume rose 13% due to higher temperatures, while commercial volume increased 10% driven by steady consumer demand and business expansions in real estate, retail and restaurant, and hotel industries. Industrial volume improved 2% reflecting recovery of the plastics and cement industries, and steady performance of food and beverage, and semiconductor industries.

Capital expenditures increased 41% to 19.9 billion pesos (US$348.1 million) reflecting network improvements involving new connections, assets renewals and increase load capacity, development of three solar power plants, land acquisition costs relating to a fourth solar power plant, and purchase and construction of telecom tower facilities.

### Power Generation

As at the end of June 2024, Meralco's wholly-owned power generation unit, MGen had a total generation capacity of 2,404 MW (net) in its power generation portfolio. It has Global Business Power Corporation, San Buenaventura Power Limited and MGen Renewable Energy, Inc. in the Philippines, and 58.1% effective interest of PacificLight Power Pte. Ltd. in Singapore.

MGen delivered a total of 7,633 gigawatt hours of energy, 3% higher than in the first half of 2023, largely due to the addition of two solar projects in Baras and Currimao.

## Toll Roads

MPTC operates the North Luzon Expressway ("NLEX"), the Manila-Cavite 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 the majority shareholder in PT Nusantara Infrastructure Tbk in Indonesia and CII Bridges and Roads Investment Joint Stock Company in Vietnam.

MPTC's toll revenues rose 18% in the first half of 2024 to 15.4 billion pesos (US$268.3 million), reflecting higher traffic volumes and tolls in the Philippines and higher tolls in Indonesia, and the impact of toll collection from NLEX Connector Road and CALAX Subsection 4. Fuelled by economic and social activities, average daily vehicle entries on MPTC's toll roads increased 2% to approximately 2 million. In the Philippines, average daily vehicle entries rose 7% to 693,175. In Indonesia, average daily vehicle entries declined 1% to 1,203,631, while it increased 1% to 78,390 in Vietnam.

Capital expenditures rose 29% to 9.8 billion pesos (US$170.6 million) mainly due to the completion of C5 South Link Segment 2 in June 2024, and ongoing construction of Candaba and CALAX with expected completion in November 2024 and 2025, respectively.

### Water

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.

In the first half of 2024, Maynilad's revenues increased 23% to 16.4 billion pesos (US$287.1 million) contributing from a 4% growth in billed volumes and the implementation of a 19.8% tariff increase starting January 2024.

Capital expenditures rose 21% to 11.4 billion pesos (US$199.0 million), spent largely on repairing leaks and replacing pipes under the terms of the business plan as approved by its regulator.

In July 2024, Maynilad announced an allocation of over 686 million pesos (US$11.7 million) to convert the existing sludge lagoons inside La Mesa Compound in Quezon City into a 200 million liters raw water reservoir. The project can maximize the value of the site, increase water storage capacity and enhance the reliability of water supply. It is expected to be completed by the end of 2025.

### Outlook

Volume growth is expected to remain strong across MPIC's core businesses - power, toll roads, and water – for the rest of the year while healthcare and real estate investments are expected to increase their contributions starting in 2024.

## FPM POWER/PLP

PLP's 830-MW Jurong Island Power Generation Facility remains one of the most efficient combined cycle power plants operating in Singapore following the launch of commercial operations in 2014.

In the first half of 2024, PLP's contribution to the Group decreased 26% to US$47.3 million (1H23: US$63.7 million) mainly reflecting lower core net profit.

During the period, average plant availability increased to 88% (1H23: 86%). Unit 10 encountered one forced outage while in the same period of 2023 Unit 20 had three related to recommissioning after a system upgrade. The completion of system upgrades of Units 10 and 20 raised the total generation capacity to 830 MW from 800 MW and improved system efficiency. The heat rate remained low and the plant highly reliable.

The volume of electricity sold in the first half of 2024 was 2,875 gigawatt hours (1H23: 2,893 gigawatt hours), of which 94% (1H23: 91%) was for contracted sales and vesting contracts, and the remaining 6% (1H23: 9%) was sold in the pool market. PLP's generation market share for the period was approximately 9.2% (1H23: 9.5%).

Core net profit down 31% to S$148.7 million (US$110.1 million) from S$216.5 million (US$161.7 million)

- reflecting lower non-fuel margin for electricity sold as electricity prices stabilized
- higher deferred taxation
- partly offset by lower finance costs

Net profit down 33% to S$149.5 million (US$110.7 million) from S$221.9 million (US$165.7 million)

- reflecting lower core net profit

Revenues down 28% to S$1.1 billion (US$786.1 million) from S$1.5 billion (US$1.1 billion)

- reflecting lower average selling price due to stabilization of electricity prices

Net operating expenses up 9% to S$17.7 million (US$13.1 million) from S$16.2 million (US$12.1 million)

- reflecting higher marketing expenses due to competition

EBITDA down 25% to S$203.0 million (US$150.3 million) from S$268.9 million (US$200.8 million)

- reflecting lower non-fuel margin for electricity sold

### Debt Profile

During the first half of 2024, PLP repaid S$10.0 million (US$7.4 million) on schedule and prepaid S$20.0 million (US$14.8 million) of borrowings.

As at 30 June 2024, FPM Power is in a net cash position of US$17.8 million, while gross debt stood at US$140.1 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 2024, PLP distributed total dividends of S$126.0 million (US$93.3 million) (1H23: S$125.0 million (US$93.4 million)) to its shareholders.

### Fast Start Ancillary Power Services
In May 2024, the Energy Market Authority ("EMA") of Singapore awarded PLP with the right to develop and operate two power units with fast start generation capacity totalling 100 MW under a 25-year ancillary service agreement. They are expected to go online by the second quarter of 2025 to help augment Singapore's ancillary power services.

### Integrating Technology and Innovation in Sustainability
PLP announced on 29 July 2024 that its wholly-owned subsidiary, PacificLight Energy Pte. Ltd. ("PLE"), has entered into a 10-year renewable energy supply contract with Google and Rexus Bioenergy Pte. Ltd. ("RExus"). PLE will offtake the carbon-free renewable energy generated from RExus's highly efficient waste wood-to-energy plant to Google's data center and operations in Singapore.

RExus's 13.2 MW waste wood-to-energy plant is the first of its kind, designed with circular synergy and with best-in-class technologies including a pilot-scale carbon capture facility to take up its emissions. Energy generated from the plant will be certified with the International Renewable Energy Certificate standard. The integration of sustainable biomass into Singapore's energy mix will provide a reliable and sustainable energy solution, and will set a new sustainability standard for the Singapore power industry.

The plant is invested and developed by Sobono Bioenergy Pte. Ltd. ("Sobono Bioenergy") and V8 Environmental Pte. Ltd., with commercial operation expected to commence in early 2026. PLP has 30% interest in Sobono Bioenergy.

### Singapore's Pioneer Offshore Solar Import Project
Since 2021, PLP has been working with a consortium comprising Medco Power Global Pte. Ltd., a subsidiary of PT Medco Power Indonesia, a leading Indonesian independent power producer, and Gallant Venture Ltd., a Salim Group company, to develop a project to import solar energy from Bulan Island in Indonesia to Singapore.

In September 2023, the project company, Pacific Medco Solar Energy Pte. Ltd., was granted conditional approval by the EMAof Singapore to import up to 600 MW of solar power. The renewable electricity will be supplied to Singapore via a dedicated subsea cable connection from a solar farm at Bulan Island directly to the Singapore power grid. Applications for the requisite permits in both Singapore and Indonesia, as well as detailed engineering studies, are currently in progress. The project is in line with the Singapore Green Plan 2030 and Singapore's goal to import up to 4.0 gigawatts of renewable electricity by 2035. Upon completion of the development, the first phase of the project is expected to offset over 830,000 tonnes of carbon emissions annually.

### Outlook
Singapore GDP is forecast to increase by 1% to 3% in 2024 with moderate growth in electricity demand. The overall market outlook is stable. The completion of facility upgrades in the first half of 2024 enhanced efficiency and increased energy generation capacity, and ongoing renewable energy initiatives support PLP's plan of increasing long-term retail contracts with its customers. The solar import project and the waste wood-to-energy project will accelerate PLP's target of becoming a low-carbon energy company.

## PHILEX
The Padcal mine experienced machinery operational issues in the first half of 2024, as a decline in gold and copper grades was partly offset by favorable gold and copper prices. However, the pace of production is expected to pick up in the second half via repurposing of critical equipment.

In the first half of 2024, Philex's contribution to the Group declined 33% to US$3.4 million (1H23: US$5.1 million), reflecting lower core net income.

Total ore milled at the Padcal mine fell 7% to 3.3 million tonnes. Metal output was held back by a decline in average gold and copper grades by 16% and 5%, respectively. As a result, gold production declined 23% to 15,765 ounces and copper output fell 12% to 9.8 million pounds. The average realized gold and copper prices increased 5% to US$2,022 per ounce and 17% to US$4.56 per pound, respectively.

| | |
|---|---|
| Core net income down 42% to 410 million pesos (US$7.2 million) from 702 million pesos (US$12.7 million) | ▪ reflecting lower revenue and higher cash operating costs |
| Net income down 53% to 329 million pesos (US$5.8 million) from 704 million pesos (US$12.8 million) | ▪ reflecting lower core net income<br>▪ foreign exchange losses from U.S. dollar denominated bank loans resulting from a 6% depreciation of the peso exchange rate against the U.S. dollar |
| Revenue (net of smelting charges) down 4% to 4.0 billion pesos (US$69.4 million) from 4.2 billion pesos (US$75.3 million) | ▪ lower metal output<br>▪ lower gold and copper grades<br>▪ partly offset by higher gold and copper prices, and favorable exchange rates<br>▪ revenues from copper, gold and silver contributed 58%, 41%, and 1% of the total, respectively |

| | | |
|---|---|---|
| EBITDA down 23% to 912 million pesos (US$15.9 million) from 1.2 billion pesos (US$21.5 million) | ▪ | reflecting lower revenue and higher cash operating costs |
| Operating cost per tonne of ore milled up 10% to 1,139 pesos (US$19.9) from 1,037 pesos (US$18.8) | ▪ | mainly reflecting higher costs for materials and supplies, labor, as well as higher depletion, depreciation and amortization |
| Capital expenditure (including exploration costs) up 111% to 2.1 billion pesos (US$36.5 million) from 994 million pesos (US$18.0 million) | ▪ | mainly reflecting higher capital expenditure for developing the Silangan Project |

**Debt Profile**

As at 30 June 2024, Philex had 15.4 billion pesos (US$263.0 million) of borrowings, comprising 6.4 billion pesos (US$109.5 million) of bonds with a 1.5% coupon, and US$118.7 million of U.S. dollar-denominated and 2.0 billion pesos (US$34.8 million) peso-denominated bank loans. The average interest cost for the period rose to approximately 8.1% from 6.2% for the full year 2023 due to a higher level of borrowings for funding the Silangan Project.

**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. It is one of the biggest mining projects 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 mineable reserves estimate of 81 million tonnes, and estimated gold grade of 1.13 grams per tonne and copper grade of 0.67%, the estimated recoverable gold is 2.8 million ounces and copper is 993 million pounds. From mineral resource estimates of 279 million tonnes, estimated grade of 0.70 gram per tonne for gold and 0.52% for copper. An initial daily estimated ore production capacity of 2,000 tonnes and ramping up to 12,000 tonnes by the twelfth year of operation.

Completion of funding requirement

The initial capital expenditure funding requirement for the Silangan Project was completed in February 2024 with a total of US$217.6 million secured. Philex raised 2.65 billion pesos (US$47.6 million) from a Stock Rights Offering in August 2022, along with US$100 million and US$70 million syndicated debt facilities signed in November 2023 and February 2024, respectively, to provide finance for this project. US$102 million of the syndicated debt facilities was availed in June 2024.

Development works in progress

The development of the underground tunnel leading to the Boyongan ore body has reached its final stage, while the construction of the tailing storage facility is on track. The earthworks for the construction of the Processing Plant are underway with the general contractor set to commence the design and construction phase. The procurement of major and long lead equipment had been initiated and construction works on other underground ancillary facilities have been awarded to a mining contractor. The target is to reach the Boyongan ore body by the third quarter of 2024 and to start commercial operations by the end 2025.

**PXP**

In the first half of 2024, petroleum revenue from Service Contract ("SC") 14C-1 Galoc oil field increased 9% to 43 million pesos (US$0.7 million) (1H23: 39 million pesos (US$0.7 million)) resulting from a 3% improvement in average crude oil sale prices and a 3% higher total volume lifted of 309,198 barrels from 301,339 barrels in the first half of 2023.

Costs and expenses remained at 49 million pesos (US$0.9 million) (1H23: 49 million pesos (US$0.9 million)), reflecting higher petroleum production costs partly offset by lower overhead.

PXP's core net loss narrowed to 10 million pesos (US$0.2 million) from 13 million pesos (US$0.2 million), reflecting higher petroleum revenue.

PXP Share Swap Transaction

On 10 May 2024, PXP's Board of Directors approved the issuance of 430,243,903 common shares (the "PXP Shares") to Tidemark Holdings Limited ("Tidemark") in exchange for 24,125,383 shares of Forum Energy Limited ("FEL") held by Tidemark ("Tidemark FEL Shares") at an aggregated value of 1.6 billion pesos (US$26.6 million). The issuing price of PXP Shares is 3.62 pesos (U.S. 6.2 cents) per share, in exchange for the Tidemark FEL Shares at 64.6 pesos (US$ 1.10) per share.

The share swap ratio of approximately 17.8 PXP Shares for one Tidemark FEL Share ("Share Swap") is supported by a valuation report issued by PwC Philippines - Isla Lipana & Co., an independent expert qualified to issue the report under applicable accrediting guidelines of The Philippine Stock Exchange, Inc.

The main objective of the transaction is to streamline both PXP's and Tidemark's interest in FEL and in SC72. It was approved by the majority of shareholders of PXP on 8 July 2024, and the completion is subject to confirmation by the Securities and Exchange Commission on the valuation report. Upon the completion of the transaction, PXP's effective interest in FEL will increase to 97.9% from 77.9% and its effective interest in SC72 will increase to 68.5% from 54.5%, while Tidemark will own 18.0% of PXP.

### SC 72 and SC 75

FEL, a 77.9%-owned subsidiary of PXP, holds a 70% interest in SC 72 Recto Bank through its wholly-owned subsidiary, Forum (GSEC 101) Limited. The block covers an area of 8,800 square kilometers located in offshore Northwest Palawan, Philippines.

PXP holds a 50% interest in SC 75 Northwest Palawan Block, Philippines.

The exploration activities of SC 72 and SC 75 have been suspended for most of the time since 2014 and 2015, respectively, due to Force Majeure declared by the Philippine Department of Energy ("DOE"). The Force Majeure was lifted by the DOE for both service contracts during the period from 14 October 2020 to 5 April 2022. Then exploration activities 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 service contracts.

FEL and PXP will continue to coordinate with the Philippine Government on any possible activities in SC 72 and SC 75. PXP will also explore other potential oil and gas projects in the Philippines.

### Outlook

The development and infrastructure works at the Silangan Project are underway, and progressing to commercial operations is Philex's foremost priority. To maximize the potential of the Padcal mine operations, Philex's management continues the exploration of mine opportunities around the vicinity of the Padcal mine.

## FINANCIAL REVIEW
## LIQUIDITY AND FINANCIAL RESOURCES
### NET DEBT AND GEARING

***(A) Head Office net debt***

The decrease in net debt during the first half year is mainly due to the continued generation of net cashflow from operation, and net repayment of borrowings. The Head Office's borrowings at 30 June 2024 comprise bonds of US$349.0 million (with a face value of US$350.0 million) which are due for redemption in September 2027, and bank loans totaling US$1,106.6 million (with a principal amount of US$1,120.0 million) which are due for repayment between January 2026 and June 2029.

**Changes in Head Office net debt**

| US$ millions | Borrowings | Cash and cash equivalents | Net debt |
|---|---|---|---|
| At 1 January 2024 | 1,466.8 | (70.9) | 1,395.9 |
| Movement | (11.2) | (83.9) | (95.1) |
| **At 30 June 2024** | **1,455.6** | **(154.8)** | **1,300.8** |

**Head Office cash flow**

| For the six months ended 30 June<br>US$ millions | **2024** | 2023 |
|---|---|---|
| Dividend and fee income | **149.4** | 142.9 |
| Head Office overhead expense | **(7.9)** | (6.8) |
| Net cash interest expense | **(37.4)** | (35.1) |
| Tax paid | **(0.4)** | (0.1) |
| **Net Cash Inflow from Operating Activities** | **103.7** | 100.9 |
| Net investments | **(3.4)** | (1.9) |
| Financing activities | | |
| - (Repayment of)/new borrowings, net | **(14.1)** | 9.2 |
| - Others[(i)] | **(2.3)** | (1.2) |
| **Net Increase in Cash and Cash Equivalents** | **83.9** | 107.0 |
| Cash and cash equivalents at 1 January | **70.9** | 96.6 |
| **Cash and Cash Equivalents at 30 June** | **154.8** | 203.6 |

*(i) Mainly payments for lease liabilities in 2023 and 2024, and to the trustee for share purchase scheme in 2024.*

***(B) Group net debt and gearing***

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

**Consolidated**

| | **At 30 June 2024** | | | At 31 December 2023 | | |
|---|---|---|---|---|---|---|
| US$ millions | **Net debt[(i)]** | **Total equity/ (deficit)** | **Gearing[(ii)] (times)** | Net debt/ (cash)[(i)] | Total equity/ (deficit) | Gearing[(ii)] (times) |
| Head Office | **1,300.8** | **849.4** | **1.53x** | 1,395.9 | 976.1 | 1.43x |
| Indofood | **2,293.5** | **6,102.8** | **0.38x** | 2,327.1 | 6,353.0 | 0.37x |
| MPIC | **4,669.9** | **4,879.8** | **0.96x** | 4,668.6 | 5,053.0 | 0.92x |
| FPM Power | **17.8** | **326.1** | **0.05x** | (15.1) | 333.7 | - |
| FP Natural Resources | **70.8** | **(50.4)** | **-** | 73.8 | (44.3) | - |
| Group adjustments[(iii)] | **-** | **(905.7)** | **-** | - | (1,104.6) | - |
| **Total** | **8,352.8** | **11,202.0** | **0.75x** | 8,450.3 | 11,566.9 | 0.73x |
| **Associated companies** | | | | | | |
| PLDT | **4,289.5** | **1,948.3** | **2.20x** | 4,309.6 | 1,993.6 | 2.16x |
| Philex | **123.3** | **545.4** | **0.23x** | 96.0 | 572.2 | 0.17x |

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

Head Office's gearing increased because of a decrease in the Company's equity reflecting the declaration of distribution to shareholders, partly offset by a decrease in its net debt due to the continued generation of net cashflow from operation, and net repayment of borrowings.

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

MPIC's gearing increased because of a decrease in its equity as a result of the depreciation of the peso against U.S. dollar during the period.

FPM Power's net debt position reflects payments of dividends to shareholders and its capital expenditure, despite operating cash inflow. The decrease in its equity reflecting the depreciation of the S$ against U.S. dollar during the period.

FP Natural Resources' net debt decreased because of the depreciation of the peso against U.S. dollar during the period. The increase in its deficit mainly reflects RHI's loss recorded during the period.

The Group's gearing increased to 0.75 times because of a decrease in the Group's equity reflecting the depreciation of the rupiah, peso and S$ against U.S. dollar, despite the Group's profit recorded during the period, partly offset by a lower net debt level mainly as a result of the Group's operating cash inflow, net of the payments for capital expenditure and investments.

PLDT's gearing increased mainly because of a decrease in its equity reflecting the depreciation of the peso against U.S. dollar during the period. Philex's gearing increased mainly because of an increase in its net debt to fund the payments of capital expenditure for the development of Silangan project.

**MATURITY PROFILE**
The maturity profile of debts of consolidated and associated companies follows.

**Consolidated**

| | Carrying amounts | | Nominal values | |
|---|---|---|---|---|
| US$ millions | **At 30 June 2024** | At 31 December 2023 | **At 30 June 2024** | At 31 December 2023 |
| Within one year | **2,472.5** | 2,195.3 | **2,481.3** | 2,199.9 |
| One to two years | **642.2** | 415.1 | **660.1** | 418.6 |
| Two to five years | **2,751.9** | 2,789.4 | **2,774.7** | 2,810.6 |
| Over five years | **5,663.2** | 6,211.7 | **5,679.7** | 6,251.6 |
| **Total** | **11,529.8** | 11,611.5 | **11,595.8** | 11,680.7 |

The change in the Group's debt maturity profile from 31 December 2023 to 30 June 2024 mainly reflects a shift in long-term borrowings among the different maturity periods for Indofood and MPIC, Head Office's refinancing of US$310 million loans in April 2024 with new long-term borrowings, PLP's prepayment of S$20.0 million (US$14.8 million) long-term borrowings, and the Group's net new borrowings. Cavitex Infrastructure Corporation ("CIC")'s borrowings of Pesos 10.1 billion (US$172.5 million), PT Makassar Metro Network ("PT MMN")'s borrowings of Rupiah 1.4 trillion (US$82.4 million), and RHI's borrowings of Pesos 4.3 billion (US$73.2 million) were classified as current liabilities at 30 June 2024 due to certain covenant compliance issues. CIC and PT MMN have obtained waivers from the banks after the reporting period. RHI also secured waivers from some of its banks after the reporting period while it is in active discussions with the banks to restructure the loans.

**Associated companies**

| | PLDT | | | | Philex | | | |
|---|---|---|---|---|---|---|---|---|
| | Carrying amounts | | Nominal values | | Carrying amounts | | Nominal values | |
| US$ millions | **At 30 June 2024** | At 31 December 2023 | **At 30 June 2024** | At 31 December 2023 | **At 30 June 2024** | At 31 December 2023 | **At 30 June 2024** | At 31 December 2023 |
| Within one year | **194.9** | 210.3 | **201.1** | 216.8 | **48.0** | 34.0 | **48.0** | 34.0 |
| One to two years | **377.8** | 413.8 | **382.7** | 419.5 | **109.5** | 112.9 | **112.3** | 119.1 |
| Two to five years | **1,069.5** | 1,135.7 | **1,082.5** | 1,150.6 | **15.0** | 18.0 | **15.0** | 18.0 |
| Over five years | **2,851.5** | 2,841.9 | **2,862.5** | 2,853.3 | **90.5** | - | **99.5** | - |
| **Total** | **4,493.7** | 4,601.7 | **4,528.8** | 4,640.2 | **263.0** | 164.9 | **274.8** | 171.1 |

The change in PLDT's debt maturity profile from 31 December 2023 to 30 June 2024 mainly reflects new borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs. The increase in Philex's debt reflects new borrowings arranged to finance the development of Silangan project.

**CHARGES ON GROUP ASSETS**
At 30 June 2024, 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$906.5 million (31 December 2023: US$935.7 million) and the interests of the Group's 70% (31 December 2023: 70%) in PLP, 55% (31 December 2023: 55%) in Light Rail Manila Corporation, 100% (31 December 2023: 100%) in MPCALA Holdings, Inc., 100% (31 December 2023: 100%) in Cebu Cordova Link Expressway Corporation, 35% (31 December 2023: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (31 December 2023: 88.9%) in PT Bintaro Serpong Damai ("PT BSD"), 99.6% (31 December 2023: 99.5%) in PT MMN, 99.4% (31 December 2023: 99.4%) in PT Makassar Airport Network (previously known as PT Jalan Tol Seksi Empat), 100% (31 December 2023: 61.2%) in PT Inpola Meka Energi, and nil (31 December 2023: 40%) 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 relation 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 2024 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) | 16.3 | 2.99 |
| PLDT | (i) | 13.5 | 2.49 |
| MPIC | (ii) | 13.0 | 2.38 |
| Philex | (i) | 1.2 | 0.22 |
| PXP | (i) | 0.3 | 0.05 |
| Head Office - Other assets | (iii) | 1.2 | 0.22 |
| **Total** | | **45.5** | **8.35** |

*(i) Based on quoted share prices at 30 June 2024 applied to the Group's economic interests.*
*(ii) Based on the tender offer price for MPIC delisting of Pesos 5.2 per share.*
*(iii) Mainly represents the carrying amount of Silangan Mindanao Exploration Co., Inc. ("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 | 5,056.8 | 1,231.3 | 4,970.7 | 155.5 | 115.5 | **11,529.8** |
| Cash and cash equivalents[(i)] | (750.6) | (1,502.1) | (698.4) | (85.7) | (140.2) | **(3,177.0)** |
| **Net debt/(cash)** | 4,306.2 | (270.8) | 4,272.3 | 69.8 | (24.7) | **8,352.8** |
| Representing: | | | | | | |
| Head Office | 1,379.1 | - | (9.4) | - | (68.9) | **1,300.8** |
| Indofood | 2,842.3 | (493.1) | - | 10.8 | (66.5) | **2,293.5** |
| MPIC | 126.8 | 222.3 | 4,210.1 | - | 110.7 | **4,669.9** |
| FPM Power | (41.2) | - | - | 59.0 | - | **17.8** |
| FP Natural Resources | (0.8) | - | 71.6 | - | - | **70.8** |
| **Net debt/(cash)** | 4,306.2 | (270.8) | 4,272.3 | 69.8 | (24.7) | **8,352.8** |

**Associated companies**

| US$ millions | US$ | Peso | **Total** |
|---|---|---|---|
| **Net debt** | | | |
| PLDT | 614.3 | 3,675.2 | **4,289.5** |
| Philex | 115.2 | 8.1 | **123.3** |

*(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)] | 1,379.1 | - | 1,379.1 | - | **-** |
| Indofood | 2,842.3 | - | 2,842.3 | 28.4 | **11.1** |
| MPIC | 126.8 | - | 126.8 | 1.3 | **0.4** |
| FPM Power | (41.2) | - | (41.2) | (0.4) | **(0.1)** |
| FP Natural Resources | (0.8) | - | (0.8) | (0.0) | **(0.0)** |
| PLDT | 614.3 | (290.2) | 324.1 | 3.2 | **0.6** |
| Philex | 115.2 | - | 115.2 | 1.2 | **0.4** |
| **Total** | **5,035.7** | **(290.2)** | **4,745.5** | **33.7** | **12.4** |

*(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[(i)] | Variable interest rate borrowings[(i)] | Cash and cash equivalents[(ii)] | **Net debt** |
|---|---|---|---|---|
| Head Office | 694.7 | 760.9 | (154.8) | **1,300.8** |
| Indofood | 2,735.1 | 1,734.7 | (2,176.3) | **2,293.5** |
| MPIC | 4,770.7 | 620.4 | (721.2) | **4,669.9** |
| FPM Power | - | 140.1 | (122.3) | **17.8** |
| FP Natural Resources | 22.3 | 50.9 | (2.4) | **70.8** |
| **Total** | 8,222.8 | 3,307.0 | (3,177.0) | **8,352.8** |
| **Associated companies** | | | | |
| PLDT | 2,007.0 | 2,486.7 | (204.2) | **4,289.5** |
| Philex | 109.5 | 153.5 | (139.7) | **123.3** |

*(i) Reflects certain interest rate swap agreements which effectively changed variable interest rate borrowings to fixed interest rate borrowings at Head Office, MPIC 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 | 760.9 | 7.6 | **7.6** |
| Indofood | 1,734.7 | 17.3 | **6.8** |
| MPIC | 620.4 | 6.2 | **2.2** |
| FPM Power | 140.1 | 1.4 | **0.5** |
| FP Natural Resources | 50.9 | 0.5 | **0.2** |
| PLDT | 2,486.7 | 24.9 | **4.8** |
| Philex | 153.5 | 1.5 | **0.5** |
| **Total** | 5,947.2 | 59.4 | **22.6** |

## ADJUSTED NAV PER SHARE

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

| US$ millions | Basis | **At 30 June 2024** | At 31 December 2023 |
|---|---|---|---|
| Indofood | (i) | **1,626.4** | 1,839.3 |
| PLDT | (i) | **1,354.5** | 1,276.1 |
| MPIC | (ii) | **1,295.2** | 1,371.0 |
| FPM Power | (iii) | **370.0** | 370.0 |
| Philex | (i) | **121.6** | 154.8 |
| PXP | (i) | **28.5** | 39.6 |
| Head Office – Other assets | (iv) | **141.3** | 139.2 |
| – Net debt | | **(1,300.8)** | (1,395.9) |
| **Total valuation** | | **3,636.7** | 3,794.1 |
| **Number of ordinary shares in issue** (millions) | | **4,243.3** | 4,242.3 |
| Value per share – U.S. dollars | | **0.86** | 0.89 |
| – HK dollars | | **6.68** | 6.98 |
| Company's closing share price (HK$) | | **3.63** | 3.11 |
| Share price discount to HK$ value per share (%) | | **45.7** | 55.4 |

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

*(ii) Based on tender offer price for MPIC delisting of Pesos 5.2 per share applied to the Group's economic interest.*

*(iii) Represents investment cost.*

*(iv) Represents the carrying amounts of SMECI's notes and the Company's investments in Maya and RHI (based on the quoted share price applied to the Group's effective economic interest).*

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 30 June 2024, the independent trustee managing the Company's share award scheme bought on the SEHK a total of 4,232,000 (Six months ended 30 June 2023: Nil) shares of the Company at an aggregate consideration of approximately HK$12.8 million (US$1.6 million) (Six months ended 30 June 2023: Nil) at the cost of the Company.

Save as disclosed above, during the six months ended 30 June 2024, 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 C1 of the Listing Rules (the "CG Code"). Throughout the six months ended 30 June 2024, the Company has applied the principles and complied with the material code provisions of the CG Code, save and except for the following:

*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.*

The Company does not disclose details of any remuneration payable to members of senior management by band 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.

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

As an investment holding company, the Company does not have a separate internal audit department but has a Risk Assessment Committee consisting of one Executive Director and six senior executives which oversees risk management at the Head Office. Also, each of the Group's major investee companies is required to have their own internal audit and risk management functions responsible for the implementation and monitoring of effective internal control systems for operational, financial and regulatory compliance, and risk management. The Company obtains, as part of its regular internal reporting processes, written reports and confirmations from its major investee companies' audit and/or risk management committees regarding the work they undertake and any significant matters arising therefrom. The reports and confirmations received from the individual audit and/or risk management committees are collated by the Company's Risk Assessment Committee and presented to and discussed with the Company's Audit and Risk Management Committee bi-annually. In addition, the Company's management also attends and participates directly in a number of the major investee companies' audit and/or risk management committees. Accordingly, the Company relies on a combination of its regular internal reporting processes and Group resources to provide internal audit and risk management functions and, therefore, does not consider it necessary to maintain a separate internal audit function. The Company will review the need for such a function on an annual basis.

**Compliance of the Model Code for Securities Transactions by Directors of Listed Issuers**

The Company has adopted its own Model Code for Securities Transactions by Directors (the "Model Code") on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 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 2024.

**REVIEW STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management Committee has reviewed the 2024 interim results, including the accounting policies and practices adopted by the Group. The Audit and Risk Management Committee also has discussed financial reporting, auditing, risk management and internal control matters with the Company's management and its independent auditor.

**REVIEW STATEMENT BY THE INDEPENDENT AUDITOR**
Ernst & Young, the independent auditor of the Company, has reviewed the 2024 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 of Directors has declared an interim distribution of HK12.00 cents (U.S. 1.54 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 Monday, 30 September 2024.

**CLOSURE OF REGISTER OF MEMBERS**
The Register of Members will be closed from Monday, 9 September 2024 to Thursday, 12 September 2024, both days inclusive, during which period no transfer of shares will be registered. The ex-entitlement date will be Thursday, 5 September 2024. 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 Friday, 6 September 2024. The interim distribution will be paid to shareholders whose names appear on the Register of Members on Thursday, 12 September 2024 and the payment date will be on or about Monday, 30 September 2024.

**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 2024 Interim Report will be uploaded to the above websites and be dispatched to those shareholders requiring printed copies by the end of September 2024.

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

Hong Kong, 23 August 2024

As at the date of this announcement, the Board of Directors 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