FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

2022 Annual Results – Audited

FINANCIAL HIGHLIGHTS

- Turnover increased by 13.2% to US$10,304.9 million (HK$80,378.2 million) from US$9,103.2 million (HK$71,005.0 million).
- Profit contribution from operations increased by 17.2% to US$593.3 million (HK$4,627.7 million) from US$506.4 million (HK$3,949.9 million).
- Recurring profit increased by 19.3% to US$508.8 million (HK$3,968.6 million) from US$426.5 million (HK$3,326.7 million).
- Non-recurring losses decreased by 71.4% to US$19.7 million (HK$153.7 million) from US$69.0 million (HK$538.2 million).
- Profit attributable to owners of the parent increased by 17.5% to US$391.6 million (HK$3,054.5 million) from US$333.3 million (HK$2,599.7 million).
- Recurring basic earnings per share (calculated based on recurring profit) increased by 21.1% to U.S. 11.96 cents (HK93.3 cents) from U.S. 9.88 cents (HK77.1 cents).
- Basic earnings per share increased by 19.2% to U.S. 9.20 cents (HK71.8 cents) from U.S. 7.72 cents (HK60.2 cents).
- A final distribution of HK11.50 cents (U.S. 1.47 cents) (2021: HK10.00 cents or U.S. 1.28 cents) per ordinary share has been recommended, making a total distribution per ordinary share equivalent to HK22.00 cents (U.S. 2.82 cents) (2021: HK19.00 cents or U.S. 2.43 cents) for the full year.
- Equity attributable to owners of the parent decreased by 0.1% to US$3,296.5 million (HK$25,712.7 million) at 31 December 2022 from US$3,298.6 million (HK$25,729.1 million) at 31 December 2021.
- Consolidated net debt increased by 8.0% to US$8,493.2 million (HK$66,247.0 million) at 31 December 2022 from US$7,865.5 million (HK$61,350.9 million) at 31 December 2021.
- Consolidated gearing ratio increased to 0.82 times at 31 December 2022 from 0.74 times at 31 December 2021.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December	Notes	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Turnover	2	**10,304.9**	9,103.2	**80,378.2**	71,005.0
Cost of sales		**(7,248.4)**	(6,275.2)	**(56,537.5)**	(48,946.6)
Gross profit		**3,056.5**	2,828.0	**23,840.7**	22,058.4
Selling and distribution expenses		**(723.2)**	(704.5)	**(5,641.0)**	(5,495.1)
Administrative expenses		**(565.4)**	(698.6)	**(4,410.1)**	(5,449.1)
Other operating income and expenses	3(A)	**(239.5)**	(274.3)	**(1,868.1)**	(2,139.5)
Interest income		**62.5**	43.5	**487.5**	339.3
Finance costs	3(B)	**(483.6)**	(479.2)	**(3,772.1)**	(3,737.8)
Share of profits less losses of associated companies and joint ventures		**265.6**	373.9	**2,071.7**	2,916.4
Profit before taxation from continuing operations	3	**1,372.9**	1,088.8	**10,708.6**	8,492.6
Taxation	4	**(323.3)**	(281.9)	**(2,521.7)**	(2,198.8)
Profit for the year from continuing operations		**1,049.6**	806.9	**8,186.9**	6,293.8
Profit for the year from a discontinued operation		**-**	88.8	**-**	692.7
Profit for the year		**1,049.6**	895.7	**8,186.9**	6,986.5
Profit attributable to:					
Owners of the parent	5	**391.6**	333.3	**3,054.5**	2,599.7
Non-controlling interests		**658.0**	562.4	**5,132.4**	4,386.8
		1,049.6	895.7	**8,186.9**	6,986.5
Profit attributable to owners of the parent arising from:					
Continuing operations		**391.6**	300.5	**3,054.5**	2,343.9
A discontinued operation		**-**	32.8	**-**	255.8
		391.6	333.3	**3,054.5**	2,599.7
		US¢	US¢	**HK¢***	HK¢*
Earnings per share attributable to owners of the parent	6				
Basic					
Continuing operations		**9.20**	6.96	**71.8**	54.3
A discontinued operation		**-**	0.76	**-**	5.9
		9.20	7.72	**71.8**	60.2
Diluted					
Continuing operations		**9.19**	6.95	**71.7**	54.2
A discontinued operation		**-**	0.76	**-**	5.9
		9.19	7.71	**71.7**	60.1

Details of the distribution proposed for the year are disclosed in Note 7.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Profit for the year	**1,049.6**	895.7	**8,186.9**	6,986.5
Other comprehensive (loss)/income				
Items that are or may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	**(1,002.8)**	(434.4)	**(7,821.8)**	(3,388.3)
Unrealized gains on debt investments at fair value through other comprehensive income	**0.3**	0.5	**2.3**	3.9
Unrealized gains on cash flow hedges	**4.9**	106.1	**38.2**	827.6
Realized gains on cash flow hedges	**(59.5)**	(38.3)	**(464.1)**	(298.7)
Income tax related to cash flow hedges	**9.9**	(7.9)	**77.2**	(61.6)
Share of other comprehensive income/(loss) of associated companies and joint ventures	**69.5**	(21.8)	**542.1**	(170.1)
Reclassification adjustment for foreign operations disposed of during the year	**-**	(10.7)	**-**	(83.5)
Items that will not be reclassified to profit or loss:				
Changes in fair value of equity investments at fair value through other comprehensive income	**29.1**	51.0	**227.0**	397.8
Actuarial gains on defined benefit pension plans	**13.1**	61.6	**102.2**	480.5
Share of other comprehensive income of associated companies and joint ventures	**52.5**	63.9	**409.5**	498.4
Other comprehensive loss for the year, net of tax	**(883.0)**	(230.0)	**(6,887.4)**	(1,794.0)
Total comprehensive income for the year	**166.6**	665.7	**1,299.5**	5,192.5
Total comprehensive income attributable to:				
Owners of the parent	**87.2**	273.8	**680.2**	2,135.7
Non-controlling interests	**79.4**	391.9	**619.3**	3,056.8
	166.6	665.7	**1,299.5**	5,192.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 December 2022 US$m	At 31 December 2021 US$m	At 31 December 2022 HK$m*	At 31 December 2021 HK$m*
Non-current assets					
Property, plant and equipment		**3,758.6**	3,953.0	**29,317.1**	30,833.4
Biological assets		**20.5**	23.0	**159.9**	179.4
Associated companies and joint ventures		**5,316.2**	5,266.2	**41,466.4**	41,076.3
Goodwill		**3,893.1**	4,299.0	**30,366.2**	33,532.2
Other intangible assets		**6,033.7**	6,040.6	**47,062.8**	47,116.7
Investment properties		**17.6**	11.1	**137.3**	86.6
Accounts receivable, other receivables and prepayments		**89.2**	55.5	**695.7**	432.9
Financial assets at fair value through other comprehensive income		**527.0**	361.1	**4,110.6**	2,816.6
Deferred tax assets		**96.2**	87.0	**750.3**	678.6
Other non-current assets		**555.2**	663.0	**4,330.6**	5,171.4
		20,307.3	20,759.5	**158,396.9**	161,924.1
Current assets					
Cash and cash equivalents and short-term deposits		**2,620.6**	3,209.3	**20,440.7**	25,032.5
Restricted cash		**108.5**	53.6	**846.3**	418.1
Financial assets at fair value through other comprehensive income		**64.1**	205.0	**500.0**	1,599.0
Accounts receivable, other receivables and prepayments	8	**1,189.5**	1,327.8	**9,278.1**	10,356.9
Inventories		**1,136.8**	950.1	**8,867.0**	7,410.8
Biological assets		**48.9**	61.4	**381.4**	478.9
		5,168.4	5,807.2	**40,313.5**	45,296.2
Assets classified as held for sale		**16.1**	-	**125.6**	-
		5,184.5	5,807.2	**40,439.1**	45,296.2
Current liabilities					
Accounts payable, other payables and accruals	9	**1,737.3**	1,660.9	**13,550.9**	12,955.0
Short-term borrowings		**1,824.3**	1,645.7	**14,229.6**	12,836.5
Provision for taxation		**134.5**	147.9	**1,049.1**	1,153.6
Current portion of deferred liabilities, provisions and payables		**412.5**	1,170.3	**3,217.5**	9,128.4
		4,108.6	4,624.8	**32,047.1**	36,073.5
Net current assets		**1,075.9**	1,182.4	**8,392.0**	9,222.7
Total assets less current liabilities		**21,383.2**	21,941.9	**166,788.9**	171,146.8
Equity					
Issued share capital		**42.4**	42.8	**330.7**	333.8
Shares held for share award scheme		**(2.2)**	(2.0)	**(17.2)**	(15.6)
Retained earnings		**2,328.3**	1,936.4	**18,160.7**	15,103.9
Other components of equity		**928.0**	1,321.4	**7,238.5**	10,307.0
Equity attributable to owners of the parent		**3,296.5**	3,298.6	**25,712.7**	25,729.1
Non-controlling interests		**7,069.3**	7,314.5	**55,140.5**	57,053.1
Total equity		**10,365.8**	10,613.1	**80,853.2**	82,782.2
Non-current liabilities					
Long-term borrowings		**9,398.0**	9,482.7	**73,304.4**	73,965.0
Deferred liabilities, provisions and payables		**1,216.7**	1,469.3	**9,490.3**	11,460.6
Deferred tax liabilities		**402.7**	376.8	**3,141.0**	2,939.0
		11,017.4	11,328.8	**85,935.7**	88,364.6
		21,383.2	21,941.9	**166,788.9**	171,146.8

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

US$ millions	Notes	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	Reserves for assets classified as held for sale	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2021		43.4	(2.4)	63.1	9.3	(651.8)	439.7	1.1	12.6	1,620.6	1,604.4	3,140.0	7,488.5	10,628.5
Profit for the year		-	-	-	-	-	-	-	-	-	333.3	333.3	562.4	895.7
Other comprehensive loss for the year		-	-	-	-	(57.1)	-	(2.4)	-	-	-	(59.5)	(170.5)	(230.0)
Total comprehensive (loss)/income for the year		-	-	-	-	(57.1)	-	(2.4)	-	-	333.3	273.8	391.9	665.7
Repurchase of shares		(0.6)	-	(23.2)	-	-	-	-	-	-	-	(23.8)	-	(23.8)
Purchase of shares under share award scheme		-	(1.3)	-	-	-	-	-	-	-	-	(1.3)	-	(1.3)
Shares vested under share award scheme		-	1.7	-	(1.7)	-	-	-	-	-	-	-	-	-
Employee share-based compensation benefits		-	-	-	1.2	-	-	-	-	-	-	1.2	0.2	1.4
Acquisition of interests in subsidiary companies		-	-	-	-	(3.4)	7.7	-	-	-	-	4.3	(27.8)	(23.5)
Deconsolidation of a discontinued operation		-	-	-	-	-	-	-	-	-	-	-	(348.5)	(348.5)
Recognition of a financial liability on non-controlling interests' put option		-	-	-	-	-	(3.9)	-	-	-	-	(3.9)	(2.6)	(6.5)
2020 final distribution paid		-	-	-	-	-	-	-	-	(41.8)	-	(41.8)	-	(41.8)
2021 interim distribution paid	7	-	-	-	-	-	-	-	-	(49.9)	-	(49.9)	-	(49.9)
Capital contributions from non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	102.8	102.8
Transfer to retained earnings		-	-	-	-	-	-	1.3	-	-	(1.3)	-	-	-
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(290.0)	(290.0)
At 31 December 2021		42.8	(2.0)	39.9	8.8	(712.3)	443.5	-	12.6	1,528.9	1,936.4	3,298.6	7,314.5	10,613.1
At 1 January 2022		42.8	(2.0)	39.9	8.8	(712.3)	443.5	-	12.6	1,528.9	1,936.4	3,298.6	7,314.5	**10,613.1**
Profit for the year		-	-	-	-	-	-	-	-	-	391.6	391.6	658.0	**1,049.6**
Other comprehensive loss for the year		-	-	-	-	(304.4)	-	-	-	-	-	(304.4)	(578.6)	**(883.0)**
Total comprehensive (loss)/income for the year		-	-	-	-	(304.4)	-	-	-	-	391.6	87.2	79.4	**166.6**
Repurchase of shares		(0.4)	-	(14.1)	-	-	-	-	-	-	-	(14.5)	-	**(14.5)**
Purchase of shares under share award scheme		-	(1.0)	-	-	-	-	-	-	-	-	(1.0)	-	**(1.0)**
Issue of shares under share award scheme		-	(0.9)	0.9	-	-	-	-	-	-	-	-	-	**-**
Shares vested under share award scheme		-	1.7	-	(1.7)	-	-	-	-	-	-	-	-	**-**
Lapse of share options		-	-	-	(0.3)	-	-	-	-	-	0.3	-	-	**-**
Employee share-based compensation benefits		-	-	-	2.2	-	-	-	-	-	-	2.2	0.1	**2.3**
Acquisition of interests in subsidiary companies		-	-	-	-	(8.7)	44.3	-	-	-	-	35.6	(128.4)	**(92.8)**
Step acquisition of a joint venture		-	-	-	-	-	-	-	-	-	-	-	(1.2)	**(1.2)**
Recognition of a financial liability on non-controlling interests' put option		-	-	-	-	-	(0.4)	-	-	-	-	(0.4)	(6.2)	**(6.6)**
2021 final distribution paid	7	-	-	-	-	-	-	-	-	(54.3)	-	(54.3)	-	**(54.3)**
2022 interim distribution paid	7	-	-	-	-	-	-	-	-	(56.9)	-	(56.9)	-	**(56.9)**
Capital contributions from non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	143.7	**143.7**
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(332.6)	**(332.6)**
At 31 December 2022		**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**

HK$ millions*	Notes	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	Reserves for assets classified as held for sale	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	Total equity
		Equity attributable to owners of the parent												
At 1 January 2021		338.5	(18.7)	492.2	72.5	(5,084.0)	3,429.7	8.6	98.3	12,640.6	12,514.3	24,492.0	58,410.3	82,902.3
Profit for the year		-	-	-	-	-	-	-	-	-	2,599.7	2,599.7	4,386.8	6,986.5
Other comprehensive loss for the year		-	-	-	-	(445.3)	-	(18.7)	-	-	-	(464.0)	(1,330.0)	(1,794.0)
Total comprehensive (loss)/income for the year		-	-	-	-	(445.3)	-	(18.7)	-	-	2,599.7	2,135.7	3,056.8	5,192.5
Repurchase of shares		(4.7)	-	(180.9)	-	-	-	-	-	-	-	(185.6)	-	(185.6)
Purchase of shares under share award scheme		-	(10.2)	-	-	-	-	-	-	-	-	(10.2)	-	(10.2)
Shares vested under share award scheme		-	13.3	-	(13.3)	-	-	-	-	-	-	-	-	-
Employee share-based compensation benefits		-	-	-	9.4	-	-	-	-	-	-	9.4	1.5	10.9
Acquisition of interests in subsidiary companies		-	-	-	-	(26.6)	60.1	-	-	-	-	33.5	(216.8)	(183.3)
Deconsolidation of a discontinued operation		-	-	-	-	-	-	-	-	-	-	-	(2,718.3)	(2,718.3)
Recognition of a financial liability on non-controlling interests' put option		-	-	-	-	-	(30.5)	-	-	-	-	(30.5)	(20.2)	(50.7)
2020 final distribution paid		-	-	-	-	-	-	-	-	(326.0)	-	(326.0)	-	(326.0)
2021 interim distribution paid	7	-	-	-	-	-	-	-	-	(389.2)	-	(389.2)	-	(389.2)
Capital contributions from non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	801.8	801.8
Transfer to retained earnings		-	-	-	-	-	-	10.1	-	-	(10.1)	-	-	-
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(2,262.0)	(2,262.0)
At 31 December 2021		333.8	(15.6)	311.3	68.6	(5,555.9)	3,459.3	-	98.3	11,925.4	15,103.9	25,729.1	57,053.1	82,782.2
At 1 January 2022		333.8	(15.6)	311.3	68.6	(5,555.9)	3,459.3	-	98.3	11,925.4	15,103.9	25,729.1	57,053.1	**82,782.2**
Profit for the year		-	-	-	-	-	-	-	-	-	3,054.5	3,054.5	5,132.4	**8,186.9**
Other comprehensive loss for the year		-	-	-	-	(2,374.3)	-	-	-	-	-	(2,374.3)	(4,513.1)	**(6,887.4)**
Total comprehensive (loss)/income for the year		-	-	-	-	(2,374.3)	-	-	-	-	3,054.5	680.2	619.3	**1,299.5**
Repurchase of shares		(3.1)	-	(110.0)	-	-	-	-	-	-	-	(113.1)	-	**(113.1)**
Purchase of shares under share award scheme		-	(7.8)	-	-	-	-	-	-	-	-	(7.8)	-	**(7.8)**
Issue of shares under share award scheme		-	(7.0)	7.0	-	-	-	-	-	-	-	-	-	**-**
Shares vested under share award scheme		-	13.2	-	(13.2)	-	-	-	-	-	-	-	-	**-**
Lapse of share options		-	-	-	(2.3)	-	-	-	-	-	2.3	-	-	**-**
Employee share-based compensation benefits		-	-	-	17.1	-	-	-	-	-	-	17.1	0.8	**17.9**
Acquisition of interests in subsidiary companies		-	-	-	-	(67.9)	345.5	-	-	-	-	277.6	(1,001.4)	**(723.8)**
Step acquisition of a joint venture		-	-	-	-	-	-	-	-	-	-	-	(9.4)	**(9.4)**
Recognition of a financial liability on non-controlling interests' put option		-	-	-	-	-	(3.1)	-	-	-	-	(3.1)	(48.4)	**(51.5)**
2021 final distribution paid	7	-	-	-	-	-	-	-	-	(423.5)	-	(423.5)	-	**(423.5)**
2022 interim distribution paid	7	-	-	-	-	-	-	-	-	(443.8)	-	(443.8)	-	**(443.8)**
Capital contributions from non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	1,120.9	**1,120.9**
Dividends declared to non-controlling shareholders		-	-	-	-	-	-	-	-	-	-	-	(2,594.4)	**(2,594.4)**
At 31 December 2022		**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**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December	Notes	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Profit before taxation					
From continuing operations		**1,372.9**	1,088.8	**10,708.6**	8,492.6
From a discontinued operation		**-**	84.6	**-**	659.9
Adjustments for:					
Finance costs		**483.6**	488.4	**3,772.1**	3,809.5
Depreciation		**328.4**	349.2	**2,561.5**	2,723.8
Amortization of other intangible assets	3(C)	**140.1**	138.4	**1,092.8**	1,079.5
Provisions for impairment losses, net		**59.5**	268.8	**464.1**	2,096.6
Write-down of inventories to net realizable value	3(C)	**12.5**	7.0	**97.5**	54.6
Loss/(gain) on changes in fair value of biological assets, net	3(A)	**9.1**	(7.9)	**71.0**	(61.6)
Employee share-based compensation benefit expenses		**2.3**	1.5	**17.9**	11.7
Share of profits less losses of associated companies and joint ventures		**(265.6)**	(377.0)	**(2,071.7)**	(2,940.6)
Gains on step acquisition of a joint venture	3(A)	**(65.3)**	-	**(509.3)**	-
Interest income		**(62.5)**	(43.6)	**(487.5)**	(340.0)
Dividend income from financial assets at fair value through other comprehensive income	3(A)	**(15.8)**	(13.1)	**(123.2)**	(102.2)
Gain on disposal of an associated company	3(A)	**(2.4)**	(21.7)	**(18.7)**	(169.3)
(Gain)/loss on disposal of property, plant and equipment, net	3(A)	**(0.1)**	9.9	**(0.8)**	77.2
Gain on deconsolidation of a discontinued operation		**-**	(65.2)	**-**	(508.6)
Reversal of provision for onerous contracts	3(C)	**-**	(8.4)	**-**	(65.5)
Others (including unrealized foreign exchange difference)		**195.2**	2.8	**1,522.5**	21.9
		2,191.9	1,902.5	**17,096.8**	14,839.5
Increase in accounts receivable, other receivables and prepayments		**(40.4)**	(179.3)	**(315.1)**	(1,398.6)
Increase in inventories		**(248.3)**	(113.4)	**(1,936.7)**	(884.5)
Increase in accounts payable, other payables and accruals		**190.5**	323.6	**1,485.9**	2,524.1
Net cash generated from operations		**2,093.7**	1,933.4	**16,330.9**	15,080.5
Interest received		**60.1**	37.1	**468.8**	289.4
Interest paid		**(445.8)**	(405.0)	**(3,477.3)**	(3,159.0)
Taxes paid		**(284.0)**	(319.6)	**(2,215.2)**	(2,492.9)
Net cash flows from operating activities		**1,424.0**	1,245.9	**11,107.2**	9,718.0
Dividends received from associated companies		**280.6**	230.3	**2,188.7**	1,796.3
Collection of proceeds from deconsolidation of a discontinued operation		**79.4**	209.7	**619.3**	1,635.7
Dividends received from financial assets at fair value through other comprehensive income		**15.8**	13.1	**123.2**	102.2
Cash acquired from step acquisition of a joint venture		**8.6**	-	**67.1**	-
Dividends received from a joint venture		**8.5**	-	**66.3**	-
Disposal of property, plant and equipment		**8.3**	5.0	**64.7**	39.0
Disposal of an associated company		**2.4**	145.2	**18.7**	1,132.6
Investments in other intangible assets		**(792.2)**	(730.9)	**(6,179.2)**	(5,701.0)
Payment for retention amount payable		**(650.0)**	-	**(5,070.0)**	-
Payments for purchases of property, plant and equipment		**(286.3)**	(360.1)	**(2,233.1)**	(2,808.8)
Investments in associated companies		**(284.1)**	-	**(2,216.0)**	-
Increased investments in associated companies		**(172.9)**	(5.4)	**(1,348.6)**	(42.1)
(Increase)/decrease in short-term deposits with original maturity of more than three months		**(80.2)**	68.9	**(625.6)**	537.4
(Increase)/decrease in restricted cash		**(54.3)**	4.0	**(423.5)**	31.2
Investment in financial assets at fair value through other comprehensive income		**(42.4)**	(80.3)	**(330.7)**	(626.3)
Investment in financial assets at fair value through profit or loss		**(20.0)**	-	**(156.0)**	-
Investments in biological assets		**(14.7)**	(13.3)	**(114.6)**	(103.7)
Increased investments in joint ventures		**(6.3)**	(4.7)	**(49.1)**	(36.7)
Advances to a joint venture		**(5.0)**	(18.2)	**(39.0)**	(142.0)
Advances to an associated company		**(3.0)**	-	**(23.4)**	-
Purchases of investment properties		**(0.5)**	-	**(3.9)**	-
Investment in a joint venture		**-**	(144.2)	**-**	(1,124.8)
Instalment payment for acquisition of a subsidiary company		**-**	(49.6)	**-**	(386.9)
Net cash flows used in investing activities		**(2,008.3)**	(730.5)	**(15,664.7)**	(5,697.9)
Proceeds from new bank borrowings and other loans		**4,464.6**	5,941.2	**34,823.9**	46,341.3
Capital contributions from non-controlling shareholders		**30.2**	35.1	**235.6**	273.8
Repayment of bank borrowings and other loans		**(3,836.1)**	(5,140.5)	**(29,921.6)**	(40,095.9)
Dividends paid to non-controlling shareholders by subsidiary companies		**(314.1)**	(287.4)	**(2,450.0)**	(2,241.7)
Distributions paid to shareholders		**(111.2)**	(91.7)	**(867.3)**	(715.3)
Repurchase of a subsidiary company's shares		**(91.8)**	(46.3)	**(716.1)**	(361.1)
Principal portion of lease payments		**(34.0)**	(35.2)	**(265.2)**	(274.6)
Payments for concession fees payable		**(15.8)**	(16.2)	**(123.3)**	(126.4)
Repurchase of shares		**(14.5)**	(23.8)	**(113.1)**	(185.6)
Increased investments in subsidiary companies		**(1.0)**	(35.4)	**(7.8)**	(276.1)
Payments for purchase of shares under a long-term incentive plan		**(1.0)**	(1.6)	**(7.8)**	(12.5)
Loans from non-controlling shareholders		**-**	7.2	**-**	56.2
Net cash flows from financing activities		**75.3**	305.4	**587.3**	2,382.1
Net (decrease)/increase in cash and cash equivalents		**(509.0)**	820.8	**(3,970.2)**	6,402.2
Cash and cash equivalents at 1 January		**3,116.9**	2,363.2	**24,311.8**	18,433.0
Exchange translation		**(150.1)**	(67.1)	**(1,170.8)**	(523.4)
Cash and cash equivalents at 31 December		**2,457.8**	3,116.9	**19,170.8**	24,311.8
Representing					
Cash and cash equivalents and short-term deposits as stated in the consolidated statement of financial position		**2,620.6**	3,209.3	**20,440.7**	25,032.5
Less: short-term deposits with original maturity of more than three months		**(162.8)**	(92.4)	**(1,269.9)**	(720.7)
Cash and cash equivalents at 31 December		**2,457.8**	3,116.9	**19,170.8**	24,311.8

Notes:

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

(A) Basis of preparation

The consolidated financial statements of First Pacific Company Limited ("First Pacific" or the "Company") and its subsidiary companies (the "Group") have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Hong Kong (International Financial Reporting Interpretations Committee) – Interpretations ("HK(IFRIC)-Ints")) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions 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 consolidated financial statements have been prepared on a historical cost basis, except for biological assets, investment properties, financial assets/liabilities at fair value, derivative financial instruments and pension scheme assets which are stated at fair value. Assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These consolidated financial statements are presented in U.S. dollar and all values are rounded to the nearest million with one decimal place except when otherwise indicated.

(B) Amendments adopted by the Group

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

HKAS 16 Amendments	"Property, Plant and Equipment: Proceeds before Intended Use"
HKAS 37 Amendments	"Onerous Contracts – Cost of Fulfilling a Contract"
HKFRS 3 Amendments	"Reference to the Conceptual Framework"
Improvements to HKFRSs	Annual Improvements to HKFRSs 2018 – 2020 Cycle

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 years ended 31 December 2022 and 2021 and the equity attributable to owners of the parent at 31 December 2022 and 31 December 2021.

2. Turnover and segmental information

For the year ended 31 December	**2022 US$m**	2021 US$m	**2022 HK$m***	2021 HK$m*
Turnover				
Sale of goods				
- Consumer Food Products	**7,478.2**	6,869.4	**58,329.9**	53,581.3
Sale of electricity				
- Infrastructure	**1,755.3**	1,201.3	**13,691.4**	9,370.1
Sale of real estate				
- Infrastructure	**9.3**	-	**72.5**	-
Rendering of services				
- Consumer Food Products	**145.0**	156.8	**1,131.0**	1,223.1
- Infrastructure	**917.1**	875.7	**7,153.4**	6,830.5
Total	**10,304.9**	9,103.2	**80,378.2**	71,005.0

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 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 years ended 31 December 2022 and 2021, and assets and liabilities at 31 December 2022 and 2021 on segmental basis are as follows:

By Principal Business Activity – 2022

For the year ended/at 31 December	Consumer Food Products US$m	Telecom-munications US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	**2022 Total US$m**	**2022 Total HK$m***
Revenue							
Turnover							
- Point in time	7,478.2	-	4.2	-	-	**7,482.4**	**58,362.7**
- Over time	145.0	-	2,677.5	-	-	**2,822.5**	**22,015.5**
Total	7,623.2	-	2,681.7	-	-	**10,304.9**	**80,378.2**
Results							
Recurring profit	259.4	133.7	186.8	13.4	(84.5)	**508.8**	**3,968.6**
Assets and Liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	558.5	1,081.2	3,485.2	191.3	-	**5,316.2**	**41,466.4**
- Others	7,179.7	-	7,039.9	-	3.7	**14,223.3**	**110,941.7**
	7,738.2	1,081.2	10,525.1	191.3	3.7	**19,539.5**	**152,408.1**
Other assets	3,931.1	-	1,771.3	-	233.8	**5,936.2**	**46,302.3**
Total segment assets	11,669.3	1,081.2	12,296.4	191.3	237.5	**25,475.7**	**198,710.4**
Assets classified as held for sale	16.1	-	-	-	-	**16.1**	**125.6**
Total assets	11,685.4	1,081.2	12,296.4	191.3	237.5	**25,491.8**	**198,836.0**
Borrowings	4,283.1	-	5,480.2	-	1,459.0	**11,222.3**	**87,534.0**
Other liabilities	1,468.6	-	2,277.4	-	157.7	**3,903.7**	**30,448.8**
Total liabilities	5,751.7	-	7,757.6	-	1,616.7	**15,126.0**	**117,982.8**
Other Information							
Depreciation and amortization	(289.7)	-	(176.4)	-	(4.7)	**(470.8)**	**(3,672.2)**
Impairment losses, net of reversal	(56.1)	-	(15.9)	-	-	**(72.0)**	**(561.6)**
Interest income	33.6	-	21.4	-	7.5	**62.5**	**487.5**
Finance costs	(213.8)	-	(210.7)	-	(59.1)	**(483.6)**	**(3,772.1)**
Share of profits less losses of associated companies and joint ventures	8.3	46.6	202.2	8.5	-	**265.6**	**2,071.7**
Taxation	(244.6)	-	(68.1)	-	(10.6)	**(323.3)**	**(2,521.7)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	283.3	-	844.0	-	22.4	**1,149.7**	**8,967.7**

By Geographical Market – 2022

For the year ended/at 31 December	Indonesia US$m	The Philippines US$m	Singapore US$m	The Middle East, Africa & Others US$m	**2022 Total US$m**	**2022 Total HK$m***
Revenue						
Turnover						
- Consumer Food Products	5,710.0	219.7	141.8	1,551.7	**7,623.2**	**59,460.9**
- Infrastructure	50.6	882.9	1,747.6	0.6	**2,681.7**	**20,917.3**
Total	5,760.6	1,102.6	1,889.4	1,552.3	**10,304.9**	**80,378.2**
Assets						
Non-current assets (other than financial instruments and deferred tax assets)	3,740.7	10,499.9	768.2	4,530.7	**19,539.5**	**152,408.1**

By Principal Business Activity – 2021

For the year ended/at 31 December	Consumer Food Products US$m	Telecom-munications US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	2021 Total US$m	2021 Total HK$m*
Revenue							
Turnover							
- Point in time	6,869.4	-	-	-	-	6,869.4	53,581.3
- Over time	156.8	-	2,077.0	-	-	2,233.8	17,423.7
Total	7,026.2	-	2,077.0	-	-	9,103.2	71,005.0
Results							
Recurring profit	228.1	139.1	119.9	19.3	(79.9)	426.5	3,326.7
Assets and Liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	564.8	1,202.5	3,320.9	178.0	-	5,266.2	41,076.3
- Others	7,933.4	-	6,959.5	-	6.2	14,899.1	116,213.0
	8,498.2	1,202.5	10,280.4	178.0	6.2	20,165.3	157,289.3
Other assets	4,337.5	-	1,822.3	-	241.6	6,401.4	49,931.0
Total assets	12,835.7	1,202.5	12,102.7	178.0	247.8	26,566.7	207,220.3
Borrowings	4,425.6	-	5,267.6	-	1,435.2	11,128.4	86,801.5
Other liabilities	2,296.6	-	2,368.1	-	160.5	4,825.2	37,636.6
Total liabilities	6,722.2	-	7,635.7	-	1,595.7	15,953.6	124,438.1
Other Information							
Depreciation and amortization	(304.5)	-	(180.7)	-	(3.9)	(489.1)	(3,815.0)
Impairment losses, net of reversal	(66.9)	-	(201.9)	-	-	(268.8)	(2,096.6)
Interest income	22.6	-	15.0	-	5.9	43.5	339.3
Finance costs	(218.6)	-	(203.5)	-	(57.1)	(479.2)	(3,737.8)
Share of profits less losses of associated companies and joint ventures	9.3	139.5	199.1	26.0	-	373.9	2,916.4
Taxation	(245.2)	-	(17.1)	-	(19.6)	(281.9)	(2,198.8)
Additions to non-current assets (other than financial instruments and deferred tax assets)	332.0	-	956.4	-	0.2	1,288.6	10,051.1

By Geographical Market – 2021

For the year ended/at 31 December	Indonesia US$m	The Philippines US$m	Singapore US$m	The Middle East, Africa & Others US$m	2021 Total US$m	2021 Total HK$m*
Revenue						
Turnover						
- Consumer Food Products	5,367.9	122.7	204.3	1,331.3	7,026.2	54,804.4
- Infrastructure	82.3	799.7	1,194.5	0.5	2,077.0	16,200.6
Total	5,450.2	922.4	1,398.8	1,331.8	9,103.2	71,005.0
Assets						
Non-current assets (other than financial instruments and deferred tax assets)	3,594.2	11,502.0	612.8	4,456.3	20,165.3	157,289.3

There was no revenue from transactions with a single customer that accounted for 10% or more of the Group's consolidated revenue during the year (2021: None).

3. Profit before taxation from continuing operations

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

(A) Other operating income and expenses

For the year ended 31 December	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Foreign exchange and derivative losses, net (Note 5(A))	**265.0**	30.8	**2,067.0**	240.3
(Reversal of impairment)/impairment losses, net				
- Property, plant and equipment	**(141.1)**	46.6	**(1,100.6)**	363.5
- Associated companies and joint ventures	**86.1**	29.1	**671.6**	227.0
- Other intangible assets	**77.1**	144.4	**601.4**	1,126.3
- Other receivables	**26.0**	35.8	**202.8**	279.2
- Goodwill	**7.0**	2.8	**54.6**	21.8
Amortization of other intangible assets	**13.0**	13.5	**101.4**	105.3
Loss/(gain) on changes in fair value of biological assets, net	**9.1**	(7.9)	**71.0**	(61.6)
Gains on step acquisition of a joint venture[(i)]	**(65.3)**	-	**(509.3)**	-
Dividend income from financial assets at fair value through other comprehensive income ("FVOCI")	**(15.8)**	(13.1)	**(123.2)**	(102.2)
Gain on disposal of an associated company	**(2.4)**	(21.7)	**(18.7)**	(169.3)
(Gain)/loss on disposal of property, plant and equipment, net	**(0.1)**	9.9	**(0.8)**	77.2
Other (income)/expenses, net	**(19.1)**	4.1	**(149.1)**	32.0
Total	**239.5**	274.3	**1,868.1**	2,139.5

(i) On 31 March 2022, MPIC acquired the remaining 61.9% interest in Landco Pacific Corporation ("Landco") and recognized a total gain of US$65.3 million (HK$509.3 million), which comprised of (a) reversal of previously impaired advances and receivables totaling US$56.0 million (HK$436.8 million), (b) gain on remeasurement on previously held 38.1% interests in Landco of US$6.5 million (HK$50.7 million), and (c) gain on bargain purchase of 61.9% interest in Landco of US$2.8 million (HK$21.8 million).

(B) Finance costs

For the year ended 31 December	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Finance costs on				
- Bank borrowings and other loans	**609.9**	628.7	**4,757.2**	4,903.9
- Lease liabilities	**2.9**	3.4	**22.6**	26.5
Less: Finance costs capitalized in				
- Other intangible assets	**(123.7)**	(144.4)	**(964.8)**	(1,126.3)
- Property, plant and equipment	**(5.5)**	(8.5)	**(42.9)**	(66.3)
Total	**483.6**	479.2	**3,772.1**	3,737.8

(C) Other items

For the year ended 31 December	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Cost of inventories sold	**4,057.3**	3,504.2	**31,646.9**	27,332.8
Cost of services rendered	**1,877.6**	1,516.2	**14,645.3**	11,826.4
Employees' remuneration	**826.3**	871.1	**6,445.1**	6,794.6
Depreciation	**328.4**	349.2	**2,561.5**	2,723.8
Amortization of other intangible assets[(i)]	**140.1**	138.4	**1,092.8**	1,079.5
Expenses relating to short-term leases	**19.0**	24.5	**148.2**	191.1
Write-down of inventories to net realizable value[(ii)]	**12.5**	7.0	**97.5**	54.6
Impairment losses on accounts receivable[(iii)]	**4.4**	3.1	**34.3**	24.2
Auditor's remuneration				
- Audit services	**4.5**	4.7	**35.1**	36.7
- Non-audit services[(iv)]	**0.7**	0.7	**5.5**	5.5
Expenses relating to leases of low value assets	**0.9**	1.7	**7.0**	13.3
Reversal of provision for onerous contracts	**-**	(8.4)	**-**	(65.5)

(i) US$125.5 million (HK$978.9 million) (2021: US$122.2 million or HK$953.2 million) included in cost of sales, US$13.0 million (HK$101.4 million) (2021: US$13.5 million or HK$105.3 million) included in other operating income and expenses, and US$1.6 million (HK$12.5 million) (2021: US$2.7 million or HK$21.0 million) included in administrative expenses

(ii) Included in cost of sales

(iii) Included in selling and distribution expenses

(iv) Pertained to due diligence, review of continuing connected transactions and other transactions relating to the Group's business development

4. Taxation

No Hong Kong profits tax (2021: Nil) has been provided as the Group had no estimated assessable profits (2021: Nil) arising in Hong Kong for the year. 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 year ended 31 December	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Subsidiary companies - overseas				
Current taxation	**283.8**	289.8	**2,213.6**	2,260.4
Deferred taxation	**39.5**	(7.9)	**308.1**	(61.6)
Total	**323.3**	281.9	**2,521.7**	2,198.8

Included in the share of profits less losses of associated companies and joint ventures is taxation of US$74.5 million (HK$581.1 million) (2021: US$120.9 million (HK$943.0 million) which is analyzed as follows:

For the year ended 31 December	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Associated companies and joint ventures - overseas				
Current taxation	**81.0**	112.3	**631.8**	875.9
Deferred taxation	**(6.5)**	8.6	**(50.7)**	67.1
Total	**74.5**	120.9	**581.1**	943.0

5. Profit attributable to owners of the parent

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

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

Net foreign exchange and derivative losses of US$97.5 million (HK$760.5 million) (2021: US$24.2 million or HK$188.8 million), which represent the foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair values of derivatives, are analyzed as follows:

For the year ended 31 December	2022 US$m	2021 US$m	2022 HK$m*	2021 HK$m*
Subsidiary companies				
- Continuing operations (Note 3(A))	**(265.0)**	(30.8)	**(2,067.0)**	(240.3)
- A discontinued operation	-	0.1	-	0.8
	(265.0)	(30.7)	**(2,067.0)**	(239.5)
Associated companies and joint ventures	**(3.2)**	(8.2)	**(25.0)**	(64.0)
Subtotal	**(268.2)**	(38.9)	**(2,092.0)**	(303.5)
Attributable to taxation and non-controlling interests	**170.7**	14.7	**1,331.5**	114.7
Total	**(97.5)**	(24.2)	**(760.5)**	(188.8)

(B) Analysis of Non-recurring Items

The non-recurring losses represent certain items, through occurrence or size, which are not considered as usual operating items.

For the year ended 31 December 2022, non-recurring losses of US$19.7 million (HK$153.6 million) mainly represent PLDT's accelerated depreciation for network assets (US$180.3 million or HK$1,406.3 million) and manpower reduction costs (US$17.7 million or HK$138.1 million), and the Group's impairment provisions for investments (US$51.6 million or HK$402.5 million), partly offset by the reversal of impairment provisions for the Group's investments in PLP (US$92.0 million or HK$717.6 million), PLDT's gains on tower sale (US$88.2 million or HK$688.0 million) and prescription of redemption liability on preferred shares (US$27.6 million or HK$215.3 million), and MPIC's gains on step acquisition of Landco (US$29.4 million or HK$229.3 million).

For the year ended 31 December 2021, non-recurring losses of US$69.0 million (HK$538.2 million) mainly represented the Group's impairment provisions for investments and network assets and provision for claims (US$88.6 million or HK$691.1 million), and the Group's debt refinancing costs (US$5.7 million or HK$44.5 million), partly offset by MPIC's gains on deconsolidation of Global Business Power Corporation ("GBPC") (US$28.3 million or HK$220.7 million) and disposal of Don Muang Tollway Public Limited ("DMT") (US$9.4 million or HK$73.3 million).

6. **Earnings per share attributable to owners of the parent**

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 4,261.3 million (2021: 4,323.6 million) in issue less the weighted average number of ordinary shares held for a share award scheme of 5.6 million (2021: 6.4 million) during the year.

The calculation of the diluted earnings per share is based on the profit for the year attributable to owners of the parent, adjusted to reflect the dilutive impact of awarded shares of the Group's subsidiary companies, where applicable. The weighted average number of ordinary shares used in the calculation is based on the number of ordinary shares used in the basic earnings per share calculation adjusted for the dilutive effect of awarded shares and share options of the Company, where applicable.

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

For the year ended 31 December	**2022 US$m**	2021 US$m	**2022 HK$m***	2021 HK$m*
Earnings				
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation				
- Continuing operations	**391.6**	300.5	**3,054.5**	2,343.9
- A discontinued operation	**-**	32.8	**-**	255.8
	391.6	333.3	**3,054.5**	2,599.7

For the year ended 31 December Millions	**2022**	2021
	Number of shares	
Shares		
Weighted average number of ordinary shares issued during the year	**4,261.3**	4,323.6
Less: Weighted average number of ordinary shares held for a share award scheme	**(5.6)**	(6.4)
Weighted average number of ordinary shares used in the basic earnings per share calculation	**4,255.7**	4,317.2
Add: Dilutive impact of awarded shares on the weighted average number of ordinary shares	**5.0**	5.2
Add: Dilutive impact of share options on the weighted average number of ordinary shares	**0.1**	-(i)
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**4,260.8**	4,322.4

(i) For the year ended 31 December 2021, the effect of share options of the Company on the weighted average number of ordinary shares was anti-dilutive and therefore not included in the above calculation of diluted earnings per share.

7. **Ordinary share distribution**

	Per ordinary share				Total			
For the year ended 31 December	**2022 US¢**	2021 US¢	**2022 HK¢***	2021 HK¢*	**2022 US$m**	2021 US$m	**2022 HK$m***	2021 HK$m*
Interim	**1.35**	1.15	**10.50**	9.00	**56.9**	49.9	**443.8**	389.2
Proposed final/final	**1.47**	1.28	**11.50**	10.00	**62.5**	54.3	**487.5**	423.5
Total	**2.82**	2.43	**22.00**	19.00	**119.4**	104.2	**931.3**	812.7

The proposed final distribution for the year ended 31 December 2022 is subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting.

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

Included in accounts receivable, other receivables and prepayments are accounts receivable of US$738.7 million (HK$5,761.9 million) (2021: US$732.6 million (HK$5,714.3 million)) with an aging profile based on the invoice date as follows:

At 31 December	**2022 US$m**	2021 US$m	**2022 HK$m***	2021 HK$m*
0 to 30 days	**611.9**	550.8	**4,772.8**	4,296.2
31 to 60 days	**57.6**	96.9	**449.3**	755.8
61 to 90 days	**30.5**	32.3	**237.9**	251.9
Over 90 days	**38.7**	52.6	**301.9**	410.4
Total	**738.7**	732.6	**5,761.9**	5,714.3

Indofood generally allows customers 30 to 60 days of credit. MPIC generally allows seven to 60 days of credit for its water and sewage 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$585.2 million (HK$4,564.6 million) (2021: US$563.7 million (HK$4,396.9 million)) with an aging profile based on invoice date as follows:

At 31 December	**2022 US$m**	2021 US$m	**2022 HK$m***	2021 HK$m*
0 to 30 days	**488.9**	466.8	**3,813.4**	3,641.0
31 to 60 days	**24.0**	18.9	**187.2**	147.4
61 to 90 days	**25.3**	20.9	**197.3**	163.0
Over 90 days	**47.0**	57.1	**366.7**	445.5
Total	**585.2**	563.7	**4,564.6**	4,396.9

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

	Exchange reserve US$m	Fair value reserve of financial assets at FVOCI US$m	Unrealized (losses)/ gains on cash flow hedges US$m	Income tax related to cash flow hedges US$m	Actuarial (losses)/ gains on defined benefit pension plans US$m	Share of other comprehensive (loss)/income of associated companies and joint ventures US$m	Total US$m	Total HK$m*
At 1 January 2021	(537.6)	124.0	(8.6)	-	(9.4)	(220.2)	(651.8)	(5,084.0)
Other comprehensive (loss)/income for the year	(149.4)	24.8	38.1	(4.9)	23.5	10.8	(57.1)	(445.4)
Acquisition of an interest in a subsidiary company	(3.0)	-	-	-	-	(0.4)	(3.4)	(26.5)
At 31 December 2021	(690.0)	148.8	29.5	(4.9)	14.1	(209.8)	(712.3)	(5,555.9)
At 1 January 2022	(690.0)	148.8	29.5	(4.9)	14.1	(209.8)	**(712.3)**	**(5,555.9)**
Other comprehensive (loss)/income for the year	(358.3)	13.9	(27.6)	5.5	4.4	57.7	**(304.4)**	**(2,374.3)**
Acquisition of an interest in a subsidiary company	(8.7)	-	-	-	-	-	**(8.7)**	**(67.9)**
At 31 December 2022	**(1,057.0)**	**162.7**	**1.9**	**0.6**	**18.5**	**(152.1)**	**(1,025.4)**	**(7,998.1)**

11. Contingent liabilities

At 31 December 2022, except for guarantees of US$18.4 million (HK$143.5 million) (31 December 2021: US$21.1 million or HK$164.6 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 2021: Nil).

12. Employee information

For the year ended 31 December	**2022 US$m**	2021 US$m	**2022 HK$m***	2021 HK$m*
Employee remuneration (including Directors' remuneration)				
- Continuing operations	**826.3**	871.1	**6,445.1**	6,794.6
- A discontinued operation	**-**	7.5	**-**	58.5
	826.3	878.6	**6,445.1**	6,853.1

Number of employees	**2022**	2021
At 31 December	**101,203**	100,120
Average for the period		
- Continuing operations	**100,668**	99,828
- A discontinued operation	**-**	961[(i)]
	100,668	100,789

(i) Related to the period from 1 January 2021 to 31 March 2021 (the date of deconsolidation of GBPC)

13. Event after the reporting period

On 6 February 2023, MPIC, through its wholly-owned subsidiary company, Metro Pacific Agro Ventures, Inc., entered into an agreement to acquire 1,190 million common shares, representing approximately 31.3% economic interest, and subscribe 200 million redeemable preferred shares in Axelum Resources Corp. ("ARC") for aggregate considerations of Pesos 5.32 billion (US$97.5 million or HK$760.5 million). On completion and subject to securing regulatory approvals, MPIC will have a voting interest constituting approximately 34.8% of the total issued and outstanding capital stock of ARC.

ARC is a Philippine-listed company engaging in the production of high-quality coconut products for domestic and international food and beverage companies.

14. Approval of the consolidated financial statements

The audited consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on 30 March 2023.

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

REVIEW OF OPERATIONS

FIRST PACIFIC

Below is an analysis of results by individual company.

Contribution and profit summary

For the year ended 31 December US$ millions	Turnover **2022**	 2021	Contribution to Group profit[i] **2022**	 2021
Indofood	**7,429.8**	6,925.9	**265.8**	237.0
PLDT[ii]	**-**	-	**133.7**	139.1
MPIC	**934.1**	882.5	**104.4**	98.1
FPM Power	**1,747.6**	1,194.5	**82.4**	21.8
Philex[ii]	**-**	-	**13.4**	19.3
FP Natural Resources	**193.4**	100.3	**(6.4)**	(8.9)
Contribution from operations[iii]	**10,304.9**	9,103.2	**593.3**	506.4
Head Office items:				
- Corporate overhead			**(22.2)**	(20.8)
- Net interest expense			**(54.8)**	(51.3)
- Other expenses			**(7.5)**	(7.8)
Recurring profit[iv]			**508.8**	426.5
Foreign exchange and derivative losses, net[v]			**(97.5)**	(24.2)
Non-recurring items[vi]			**(19.7)**	(69.0)[vii]
Profit attributable to owners of the parent			**391.6**	333.3

(i) After taxation and non-controlling interests, where appropriate.
(ii) Associated companies.
(iii) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.
(iv) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses, and non-recurring items.
(v) Foreign exchange and derivative losses, net represent the net losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities/assets and the changes in the fair value of derivatives.
(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2022's non-recurring losses of US$19.7 million mainly represent PLDT's accelerated depreciation for network assets (US$180.3 million) and manpower reduction costs (US$17.7 million), and the Group's impairment provisions for investments (US$51.6 million), partly offset by the reversal of impairment provisions for the Group's investments in PLP (US$92.0 million), PLDT's gains on tower sales (US$88.2 million) and prescription of redemption liability on preference shares (US$27.6 million), and MPIC's gains on step acquisition of Landco (US$29.4 million). 2021's non-recurring losses of US$69.0 million mainly represent the Group's impairment provisions for investments and network assets and provision for claims (US$88.6 million), and the Group's debt refinancing costs (US$5.7 million), partly offset by MPIC's gains on deconsolidation of GBPC (US$28.3 million) and disposal of DMT (US$9.4 million).
(vii) Re-presented to include gain on changes in fair value of biological assets (US$1.8 million) as non-recurring items to align with current year presentation.

In 2022, First Pacific recorded its highest-ever turnover, contribution from operations and recurring profit owing to record-setting performances at Indofood and PLP. With most of the investee companies showing improved results, total contribution from operations rose 17% to US$593.3 million notwithstanding exchange-rate and commodity price volatility as the global economy recovered from the COVID-19 pandemic.

Turnover up 13% to US$10.3 billion from US$9.1 billion
- reflecting higher revenues at Indofood resulting from higher average selling prices of all major products and higher sales in nearly all businesses
- higher revenues at PLP driven by higher electricity prices and demand

Recurring profit up 19% to US$508.8 million from US$426.5 million
- reflecting higher profit contributions from Indofood, MPIC and PLP
- partly offset by lower contributions from PLDT and Philex due to the depreciation of the peso average exchange rate against the U.S., and higher Head Office net interest expenses and corporate overhead

Non-recurring losses down 71% to US$19.7 million from US$69.0 million (re-presented)
- reflecting the reversal of impairment provisions for the Group's investments in PLP
- PLDT's gains on towers sale and on prescription of redemption liability on preferred shares
- MPIC's gains on step acquisition of Landco
- partly offset by PLDT's accelerated depreciation for network assets and manpower rightsizing cost and MPIC's impairment provisions made for its investments in storage of petroleum products and light rail businesses

Reported profit up 17% to US$391.6 million from US$333.3 million
- reflecting higher recurring profit
- lower non-recurring losses
- partly offset by higher net foreign exchange and derivative losses associated with the depreciation of the rupiah and the peso

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 31 December	**2022**	2021	One year change
Rupiah	**15,731**	14,269	-9.3%
Peso	**55.76**	51.00	-8.5%
S$	**1.340**	1.349	+0.7%

Average exchange rates against the U.S. dollar			
For the year ended 31 December	**2022**	2021	One year change
Rupiah	**14,917**	14,344	-3.8%
Peso	**54.47**	49.36	-9.4%
S$	**1.378**	1.344	-2.5%

During 2022, the Group recorded net foreign exchange and derivative losses of US$97.5 million (2021: US$24.2 million), which can be further analyzed as follows:

US$ millions	**2022**	2021
Head Office	**(8.8)**	(9.2)
Indofood	**(79.9)**	(4.6)
PLDT	**(7.5)**	(8.8)
MPIC	**(1.9)**	(1.0)
FPM Power	**0.1**	(0.3)
Philex	**0.5**	(0.3)
Total	**(97.5)**	(24.2)

Additional Investments

On 22 April 2022, First Pacific invested US$20.0 million in Voyager Innovations Holdings Pte. Ltd. ("Voyager"), an associated company of PLDT. It was First Pacific's first direct investment in the digital ecosystem. The proceeds raised by Voyager were employed for its business expansion, in particular its digital banking business.

On 3 August 2022, Philex completed its stock rights offering and raised 2.65 billion pesos (US$47.6 million) for the development of the Silangan Project. First Pacific subscribed to Philex rights shares in proportion to its existing interest of 31.2% for an aggregated consideration of 0.8 billion pesos (US$14.8 million). Two Rivers, a Philippine affiliate of First Pacific, also subscribed to Philex's rights shares in proportion to its existing interest of 15.0% for a consideration of 0.4 billion pesos (US$7.1 million).

Capital Management

Distributions

First Pacific's Board of Directors declared a final distribution of HK 11.5 cents (U.S. 1.47 cents) (2021: HK 10.0 cents (U.S. 1.28 cents)) per share which brings the total distribution for 2022 to HK 22.0 cents (U.S. 2.82 cents) per share, up 16% from HK 19.0 cents (U.S. 2.43 cents) in 2021.

The full-year distribution of US$119.4 million represents a payout ratio of approximately 24% of 2022 recurring profit. In addition, share repurchases in 2022 amounted to US$14.5 million bringing the total distribution to US$133.9 million, or approximately 27% of 2022 recurring profit. Total return to shareholders will remain a combination of distributions and share repurchases taking into consideration dividend income from the investee companies, economic conditions in the Group's markets, the Group's operating and financial performance, investment opportunities, and Head Office finances.

Share Repurchases

In 2022, First Pacific repurchased approximately 39.7 million shares from the open market at an average price of HK$2.85 (US$0.37) per share with a total cost of approximately HK$113.1 million (US$14.5 million). All repurchased shares were subsequently cancelled.

Credit Ratings

On 19 April 2022, First Pacific received investment-grade credit ratings from two leading global rating agencies. They are the Company's first-ever credit ratings. Standard & Poor's Global Ratings awarded First Pacific a BBB- issuer rating with Stable outlook while Moody's Investors Service gave First Pacific a rating of Baa3 with Stable outlook.

Debt Profile

As at 31 December 2022, Head Office gross debt stood at approximately US$1.5 billion with an average maturity of 2.8 years. Net debt was at approximately US$1.4 billion. Approximately 64% of the Head Office borrowings were at fixed rates while floating rate bank loans comprised the remainder. The blended average interest rate was approximately 4.8% per annum. All Head Office borrowings are unsecured.

As at 29 March 2023, the principal amounts of the following two bonds remained outstanding:

- US$357.8 million 10-year at 4.5% coupon with maturity on 16 April 2023
- US$350.0 million 7-year at 4.375% coupon with maturity on 11 September 2027

As part of the Company's proactive liability management, First Pacific has obtained committed banking facilities in excess of the US$357.8 million outstanding bond due for redemption in April 2023.

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

Operating Cashflow and Interest Cover

For 2022, Head Office operating cash inflow before interest expense and tax increased 12% to US$207.3 million from US$185.8 million in 2021, principally due to a special dividend received from PLDT, which was partly offset by the depreciation of rupiah and peso average exchange rates against the U.S. dollar.

Net cash interest expense increased 5% to US$51.7 million from US$49.3 million, reflecting a higher average interest rate resulting from global financial market trends. For the 12 months ended 31 December 2022, the cash interest cover was 4.0 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 exposures in dividend income and payments in foreign currencies.

Outlook

Continuing strong growth in the Group's key Southeast Asia markets and in Indofood's global food products business is expected to buttress continuing earnings increases at nearly all investee companies in 2023.

INDOFOOD

Indofood's wide variety of well-priced consumer food product offerings coupled with its extensive and highly responsive distribution system were key to its strong performance in 2022. Double-digit sales growth was recorded in the Consumer Branded Products ("CBP"), Bogasari and Distribution groups, while Agribusiness group's sales performance was impacted by lower sales volume of edible oils and fats products.

Indofood's contribution to the Group increased 12% to US$265.8 million (2021: US$237.0 million) principally reflecting a record high core profit, partly offset by a 3.8% depreciation of the rupiah average exchange rate against the U.S. dollar.

Core profit up 12% to 9.1 trillion rupiah (US$607.3 million) from 8.1 trillion rupiah (US$562.5 million)	▪ reflecting higher operating profits of CBP, Bogasari, Agribusiness and Distribution groups
Net income down 17% to 6.4 trillion rupiah (US$426.3 million) from 7.7 trillion rupiah (US$534.2 million)	▪ reflecting higher net foreign exchange loss due to the 9.3% depreciation of the rupiah closing exchange rate against the U.S. dollar ▪ partly offset by higher core profit
Consolidated net sales up 12% to 110.8 trillion rupiah (US$7.4 billion) from 99.3 trillion rupiah (US$6.9 billion)	▪ driven by strong sales growth to record highs at each of CBP, Bogasari, and Distribution groups ▪ partly offset by lower sales of Agribusiness group
Gross profit margin to 30.7% from 32.7%	▪ reflecting higher raw material costs, especially for wheat flour and cooking oil ▪ partly offset by higher average selling prices of most products at the CBP, Bogasari, and Agribusiness groups
Consolidated operating expenses down 8% to 14.3 trillion rupiah (US$957.2 million) from 15.6 trillion rupiah (US$1.1 billion)	▪ reflecting a foreign exchange gain from operating activities, while it was a foreign exchange loss in 2021 ▪ lower general and administrative expenses ▪ partly offset by higher selling expenses driven by higher sales
EBIT margin to 17.8% from 17.0%	▪ reflecting lower operating expenses to sales ratio despite lower gross profit margin

Debt Profile

As at 31 December 2022, Indofood's gross debt increased 7% to 66.1 trillion rupiah (US$4.2 billion) from 61.8 trillion rupiah (US$4.3 billion) as at 31 December 2021 mostly from the impact of foreign exchange movements. Of this total, 26% matures in the next 12 months and the remainder matures between 2024 and 2052, while 26% was denominated in rupiah and the remaining 74% was denominated in foreign currencies.

As at the end of December 2022, PT Indofood CBP Sukses Makmur Tbk ("ICBP") maintained its Baa3 and BBB- ratings from Moody's and Fitch, respectively.

Additional Investments

In April 2022, ICBP paid the retention amount of US$650 million to Pinehill Corpora Limited and Steele Lake Limited when the audited consolidated net profits of Pinehill Company Limited ("Pinehill") for 2020 and 2021 met the guaranteed minimum level.

In 2022, Indofood acquired a total of approximately 4.6 million shares of Indofood Agri Resources Ltd. ("IndoAgri") from the open market for a total consideration of approximately S$1.4 million (US$1.0 million), increasing Indofood's effective interest in IndoAgri to approximately 72.3%.

Consumer Branded Products

The CBP group produces and markets a wide range of consumer branded products, offering everyday solutions to consumers of all ages across different market segments. This business group comprises the Noodles, Dairy, Snack Foods, Food Seasonings, Nutrition & Special Foods, and Beverages divisions. Its business operations are supported by 60 plants located in key regions across Indonesia. The CBP group also owns more than 20 manufacturing facilities in Malaysia, Africa, the Middle East and South-eastern Europe serving overseas markets. In addition, the CBP group also exports many of its products from Indonesia, making them available in more than 100 countries globally.

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

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

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

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

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

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

In 2022, CBP group sales rose 15% to 65.3 trillion rupiah (US$4.4 billion) driven by higher sales volumes and average selling prices in both domestic and overseas markets. The EBIT margin declined to 19.0% from 20.3% mainly due to higher input costs.

In 2023, CBP group will continue to grow its domestic and overseas businesses organically, optimize the balance between volume growth and profitability, strengthen its market position across product segments, and maintain a healthy balance sheet position and investment grade ratings. Its strategy will be to drive consumption through product innovation and value creation while continuing with targeted marketing activities to stay relevant to consumers. Product availability and visibility will be increased by expanding coverage in existing and white space areas. The CBP group will also continue with productivity and efficiency initiatives, as well as improve raw material sourcing to drive competitiveness.

Bogasari

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

Its sales rose 23% to 31.9 trillion rupiah (US$2.1 billion), reflecting higher average selling prices despite a slight decline in sales volume. As a result, EBIT margin improved to 7.8% from 7.3%.

The prospects for the wheat flour business remain highly promising in Indonesia, where people consume less flour than in neighbouring countries. Flour consumption and demand are expected to rise as Indonesia's economy continues its recovery in 2023, bolstered by the general trend in urbanization and a growing middle class that has an increasingly diverse diet and a preference for popular wheat-based foods, such as bread, pizza, and pasta. While international wheat prices have softened at the start of 2023, they are expected to remain volatile in the year under the current global situation.

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, Plantations and Edible Oils & 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. It is also invested in Roxas Holdings, Inc. in the Philippines through a 30%:70% joint venture with First Pacific.

CPO prices rose to record highs in early 2022 due to the Russia-Ukraine conflict. As a result, the Indonesian government implemented a temporary export ban and price control measures on domestic cooking oil. The export ban led to higher CPO stocks in Indonesia and lower prices by June 2022. Despite the government subsequently lifted the export ban and cut export levies to encourage exports, while at the same time it required companies to sell a portion of their CPO output in the domestic market before issuing export permits with the end result of impacting all Indonesian CPO producers. However, the EOF operations remained resilient. Despite lower sales volume for cooking oil due to policy changes and higher CPO input costs, it delivered higher profitability due to competitive pricing strategies.

Agribusiness group sales declined 10% to 17.8 trillion rupiah (US$1.2 billion) mainly due to lower sales at EOF division, despite higher average selling prices and sales volume of palm products. The sales volumes of CPO and palm kernel-related products rose 1% and 2% to 701,000 tonnes and 166,000 tonnes, respectively. The EBIT margin rose to 18.8% from 16.5% (restated).

Plantations

In Indonesia, the total planted area declined 2% to 294,488 hectares from year-end 2021, of which oil palm accounted for 83%, while rubber, sugar cane and other crops accounted for the remainder. IndoAgri's oil palms have an average age of approximately 18 years, while around 14% of its oil palms are younger than seven years. This division has a total annual processing capacity of 7.2 million tonnes of fresh fruit bunch ("FFB").

The Plantations division recorded an 11% increase in sales to 11.7 trillion rupiah (US$786.2 million) mainly reflecting higher average selling prices and sales volumes of palm products, partly offset by a net build-up of 40,000 tonnes of CPO inventories.

The Plantation division's FFB nucleus production rose 2% to 2,812,000 tonnes. This, coupled with higher purchases of FFB from external parties, enabled CPO production to rise 7% to 736,000 tonnes. The CPO extraction rate was stable at 20.9%.

In Brazil, the total planted area for sugar cane rose 5% to 119,693 hectares from year-end 2021, of which 49% was owned by CMAA, while contracted third-party farmers accounted for the remainder.

The Plantations division continues to prioritise capital expenditure on replanting of older oil palm trees in Riau and North Sumatra and critical infrastructure. Other initiatives include improving FFB yields through active crop management and to raise plantation productivity through pursuing relevant innovations and mechanisation programmes. It will continue to focus on enhancing cost controls and further improving efficiency through digitalisation and streamlining of work processes.

Edible Oils & Fats

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

In 2022, this division recorded a 22% decline in sales to 12.7 trillion rupiah (US$850.0 million) as a result of lower sales volume of edible oil products. Despite this and higher CPO input costs, the EOF division recorded an improvement in its profitability.

The EOF division aims to grow its sales volumes through competitive pricing strategies, rejuvenate the formats and packaging designs of cooking oils products and marketing strategy with focus on market reach and penetration.

Distribution

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

The Distribution group's sales rose 24% to 6.2 trillion rupiah (US$417.8 million) mainly supported by higher demand for Indofood products and those of other consumer goods companies this group provides services to. The EBIT margin improved to 6.5% from 4.7% (restated) driven by higher sales and lower operating expenses.

With economic growth likely to continue into 2023, the Distribution group will concentrate on strengthening its competitiveness and operational excellence to generate and seize market opportunities. Emphasis will be placed on deepening market penetration, particularly in the rural areas, as well as managing and developing its distribution channels.

Outlook

Amid global uncertainty, Indonesia's GDP is forecast to grow in 2023. Indofood's growth strategy will be to continue to balance its market share with profitability and maintaining a healthy balance sheet. Continued growth in consumer purchasing power in Indofood's global markets is expected to underpin continuing sales growth overall in 2023.

PLDT

PLDT's core business remained solid in 2022, with consolidated service revenues and EBITDA reaching all-time highs in 2022 driven by PLDT's quality network, strong brands, and attractive product offerings despite market and competitive challenges. Data and broadband services remained the main revenue growth drivers across all businesses.

PLDT's contribution to the Group decreased 4% to US$133.7 million (2021: US$139.1 million), reflecting a 9.4% depreciation of the peso average exchange rate against the U.S. dollar during the year despite a strong performance.

Telco core net income up 10% to 33.1 billion pesos (US$608.0 million) from 30.2 billion pesos (US$612.4 million)	▪ reflecting higher EBITDA driven by growth in service revenues ▪ lower depreciation ▪ partly offset by higher losses at an associated company, financing costs and provision for income tax
Consolidated core net income up 2% to 30.6 billion pesos (US$561.2 million) from 29.9 billion pesos (US$606.5 million)	▪ reflecting higher telco core net income ▪ partly offset by its share of a higher loss in Voyager ▪ lower gain from asset sales
Reported net income down 60% to 10.5 billion pesos (US$192.5 million) from 26.4 billion pesos (US$534.2 million)	▪ reflecting accelerated depreciation related to the modernization of the PLDT and Smart transport network, migration of copper network to fiber, and an initiative to sunset 3G technology ▪ higher manpower rightsizing expenses, unfavorable tax effect, and lower asset sales ▪ partly offset by higher core net income, a gain from the sale and leaseback of telco towers, and income from the prescription of preference shares redemption liability
Consolidated service revenues (net of interconnection costs) up 4% to 190.1 billion pesos (US$3.5 billion) from 182.1 billion pesos (US$3.7 billion)	▪ reflecting sustained strong growth in Home and Enterprise revenues while Individual service revenue growth was limited by competition and the impact of inflation weakening consumers' purchasing power ▪ Home and Enterprise service revenues grew 20% and 8%, and accounted for 30% and 25% of consolidated service revenues, respectively ▪ data and broadband remained the main growth drivers, with combined revenues up 9%, representing 80% (2021: 77%) of consolidated service revenues
EBITDA (ex-MRP)* rose 4% to 100.5 billion pesos (US$1.8 billion) from 96.2 billion pesos (US$1.9 billion)	▪ reflecting higher service revenues and lower subsidies ▪ partly offset by higher cash operating expenses and provisions
EBITDA (ex-MRP) margin at 51% from 52%	▪ EBITDA (ex-MRP) margin of wireless and fixed line at 58% and 43%, respectively

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

Capital Expenditures

In 2022, capital expenditure rose 9% to 96.8 billion pesos (US$1.8 billion), as the company invested in network capacity and information technology, as well as business capital to support demand growth in the home broadband business and rising network traffic. Ongoing key projects included the construction of an 11th data center for hyperscalers, investment in international cabling systems (Jupiter, Asia Direct Cable and Apricot), and cybersecurity infrastructure.

When compared to year-end 2021, total homes passed by PLDT's fiber optic network rose 23% to 17.2 million across 68% of the country's cities and municipalities. Fiber port capacity rose 33% to 6.1 million with port utilization of approximately 60%, and its domestic fiber footprint expanded by 16% to 866 thousand cable kilometers nationwide – the country's longest. Inclusive of the international cable capacity, PLDT had the Philippines' most extensive fiber footprint at 1.1 million cable kilometers. On the wireless network, the number of base stations for LTE/4G increased to 38.8 thousand, while Smart 5G stood at 7.2 thousand. As at the end of December 2022, PLDT's 5G, 4G and 3G population coverage was at 97% of the Philippines' population, while 5G alone was at 66%.

In 2022, PLDT built an additional 1.5 million ports for connecting more homes to its fiber optic network, maintaining its market leadership position.

Global benchmarking company Ookla® recognized PLDT's broadband as the fastest, with Smart operating the fastest mobile network and widest mobile coverage in the Philippines. Ookla Speedtest recorded Smart's 5G median speed at 160.76 Mbps as of December 2022, 45% faster than Globe's. Over the 10 years to 2022, PLDT has invested approximately 518.5 billion pesos (US$9.5 billion) in capital expenditure to serve its customers.

Lower from peak capital expenditure of 97 billion pesos in 2022, capital expenditure guidance for 2023 is between 80 billion pesos to 85 billion pesos, which includes fresh capital expenditure and takes into consideration the impact of agreements with vendors regarding capital expenditure approved in previous years.

Asset Divestments/Additional Investment

On 19 April 2022, PLDT subsidiaries, Smart Communications, Inc. ("Smart") and Digitel Mobile Philippines, Inc. ("Digitel") signed Sale and Purchase Agreements for the sale of 5,907 telecom towers and related passive telecom infrastructure to a subsidiary of EdgePoint Infrastructure and a subsidiary of edotco Group for a total consideration of 77 billion pesos (US$1.4 billion). The transaction was the largest ever acquisition of assets in the Philippines by international investors at the time. Smart has agreed to lease back the towers sold in the transaction for a period of 10 years. The sale and leaseback will be complemented by building another 1,500 new towers for Smart by 2030. The closing of the sale of 4,665 towers was completed in 2022, marking 79% completion of the sale and leaseback transaction with PLDT receiving a total of 57.7 billion pesos (US$1.1 billion). The final closing is expected to be completed in 2023. The proceeds from the towers sale have been earmarked for debt prepayment and avoidance, capital and operating expenditures, investments, and special dividends.

On 15 December 2022, Smart and Digitel signed a Sale and Purchase Agreement for the sale of 650 telecom towers and related passive telecom infrastructure to Unity Digital Infrastructure Inc. for a consideration of approximately 9.2 billion pesos (US$165.0 million). The terms of the sale and leaseback of the telco towers in this transaction mirror those in the transaction announced in April 2022. The sale and leaseback will be complemented by building another 220 new towers over the next few years for Smart. The transaction is expected to be closed in 2023.

On 16 March 2023, Smart and Digitel signed a Sale and Purchase Agreement for the sale of 1,012 telecom towers and related passive telecom infrastructure to Frontier Tower Associates Philippines Inc. ("Frontier") for a consideration of over 12.1 billion pesos (US$217.0 million). The terms of the sale and leaseback of the telco towers in this transaction are also similar to those in the transactions announced in April and December of 2022. The agreement includes a commitment to lease another 550 towers over the next few years by Smart. The transaction is also expected to be closed in 2023.

Through three telco towers sale and leaseback transactions mentioned above, PLDT will monetize 7,569 telco towers for a total consideration of 98.3 billion pesos (US$1.8 billion).

On 16 March 2023, PLDT signed a Sale and Purchase Agreement for the proposed acquisition of 100% interest in Sky Cable Corporation ("Sky") with Sky Vision Corporation, ABS-CBN Corporation, and Lopez, Inc. for the broadband business and related assets of Sky for a consideration of 6.75 billion pesos (US$121.1 million). The closing of this proposed transaction is subject to the satisfaction of certain conditions, including obtaining government and regulatory approvals, and all required consents and corporate actions.

Debt Profile

As at 31 December 2022, PLDT's consolidated net debt declined to 225.7 billion pesos (US$4.0 billion) from 228.7 billion pesos (US$4.5 billion) as at year-end 2021, improving net debt to EBITDA to 2.25 times from 2.38 times. Total gross debt fell to 251.9 billion pesos (US$4.5 billion) from 255.4 billion pesos (US$5.0 billion), with an average maturity of 6.7 years. 17% of gross debt was denominated in U.S. dollars, with only 5% unhedged after taking into account available U.S. dollar cash and currency hedges allocated for debt service. 57% of total debts are due to mature after 2027. Post interest rate swaps, 59% of the total debt are fixed-rate loans. The average pre-tax interest cost for 2022 declined further to 4.04% from 4.31% for the full year 2021.

As at the end of December 2022, PLDT's credit ratings remained at investment grade at S&P (BBB+) and Moody's (Baa2), the international credit rating agencies.

Dividends

On 23 March 2023, the PLDT Board of Directors declared a final regular cash dividend of 45 pesos (US$0.81) (2021: 42 pesos (US$0.82)) per share, representing 60% of its telco core net income in 2022, in line with PLDT's dividend policy. A final special dividend of 14 pesos (US$0.25) per share associated with the April 2022 towers sale transaction was declared as well. Both dividends will be paid on 21 April 2023 to shareholders on record as of 11 April 2023. Together with an interim regular dividend and an interim special dividend associated with the April 2022 towers sale transaction of 75 pesos (US$1.34) per share paid on 5 September 2022, total dividends for 2022 amounted to 134 pesos (US$2.4) per share, representing an effective payout of 88% of 2022 telco core net income.

Service Revenues by Business Segment

High demand for data and broadband services continued to drive PLDT's performance in 2022. Total service revenues rose 4% to an all-time high of 190.1 billion pesos (US$3.5 billion), led by a 9% increase in data and broadband revenues to 152.5 billion pesos (US$2.8 billion), which accounted for 80% of consolidated service revenues. Mobile data revenues grew 2% to 71.9 billion pesos (US$1.3 billion), Home broadband revenues rose 19% to 51.0 billion pesos (US$936.3 million), corporate data recorded a 12% growth to 24.2 billion pesos (US$444.3 million), and ICT revenues were up 12% to 5.4 billion pesos (US$99.1 million).

As at year-end 2022, the PLDT group's total subscriber base stood at 74.1 million.

Home service revenues sustained their growth momentum in 2022, rising 20% to an all-time high of 57.4 billion pesos (US$1.1 billion) – their second consecutive year of double-digit growth. Fiber-only revenues rose 45% to an all-time high of 48.5 billion pesos (US$890.4 million), accounting for 84% of total Home service revenues. The growth was underpinned by the continued rollout of nationwide fiber-to-the-home ("FTTH") fiber ports to meet strong customer demand for connectivity driven by PLDT's superior network quality. In 2022, PLDT captured approximately 60% of the total fiber industry revenue and subscriber growth in the Philippines. Its fiber subscriber base rose 21% to 2.9 million at the end of 2022. PLDT has been recognized by Ookla as the Philippines' fastest broadband provider for five consecutive years.

PLDT is uniquely positioned to tap the unserved home broadband market with its superior network quality and extensive cable footprint, strong brand equity in the market, improved installation capabilities, and a suite of fixed and wireless offerings using varied technologies and various price points to address the full gamut of market affordability.

Enterprise service revenues rose 8% to a new high of 47.5 billion pesos (US$872.0 million), driven by demand for data and ICT solutions, with data center revenues rising 15%. PLDT's Enterprise business has established a reputation for being the most trusted digital transformation service provider in the Philippines. Its continuous improvement in capacity, capability and infrastructure provides strong support for the Philippine government's digitalization goals, facilitates the digital transformation of enterprises, and meets the growing demands of hyperscaler businesses, data centers, and cloud consumers.

The construction of ePLDT's eleventh data center, VITRO Sta. Rosa, will strengthen PLDT's position as the Philippines' data center powerhouse and home for hyperscalers. Investments in the Jupiter, Asia Direct, and Apricot cable systems will equip PLDT to capture future requirements for massive data capacity, high-speed connectivity and network resiliency for diverse industries.

Impacted by high inflation and competition, Individual service revenues declined 5% to 82.0 billion pesos (US$1.5 billion) of which 84% (2021: 80%) were from data/broadband. Mobile data revenue rose 2% to 66.8 billion pesos (US$1.2 billion) with mobile data traffic up 32% to 4,393 petabytes for the full year 2022. The number of active data users increased 4% to 41.5 million subscribers.

As at the end of December 2022, the PLDT group's combined wireless subscriber base stood at 66.3 million, of which approximately 63.3 million were prepaid customers.

Smart's wireless network won Ookla's Fastest Mobile Network and Best Mobile Coverage in every quarter of 2022 and was cited as the Philippines' Best Mobile Network for the year.

Fintech Ecosystem

PLDT continues to expand its digital financial services through Maya – the most comprehensive fintech ecosystem in the Philippines, providing end-to-end financial services to consumers and enterprise customers. It was rated number one in the merchant acquiring business, the number one consumer finance app, and the number one digital bank in the country.

For consumers, the Maya all-in-one money app includes an e-wallet with best-in-class savings, instant credit, and cryptocurrency under one platform. As at the end of 2022, it recorded 1.5 million bank customers with 14.7 billion pesos (US$263.6 million) in deposits and approximately 3 billion pesos (US$53.8 million) in loans disbursed to consumers and micro, small, and medium-sized enterprises ("MSMEs").

Maya Business offers integrated payment solutions, credit, and banking services for everyday merchants, government, and MSMEs, serving the Philippines' largest e-commerce platforms.

Sustainability

Having identified sustainability as a key pillar of its strategy, PLDT has embedded Environmental, Social, and Governance ("ESG") initiatives in its businesses.

PLDT is committed to reducing its Scope 1 and Scope 2 greenhouse gas emissions by 40% by 2030 from a 2019 baseline, and aims for Net Zero by 2050. The solar rooftop panels installed on five of its office buildings in Cebu have reduced greenhouse gas emissions by more than 137 tons, equivalent to 6,300 trees planted, and lowered operating expenses by 0.9 million pesos (US$0.02 million) within a nine-month period.

PLDT empowers communities and employees by promoting diversity and digital inclusion for education, livelihood, food security, disaster resilience, and digital wellness. Smart's 'Affordaloads' promotional offerings enable low-income Filipinos to access telco and internet services. Its cybersecurity measures prevented over 182 million cyber-attacks and breach attempts. It blocked over 1.3 billion attempts to access websites with child sexual abuse materials. One of Smart's online safety initiatives is accelerating SIM registration among its subscribers.

PLDT continues to align with global best practices for corporate governance. It is included in the 2022 ASEAN Asset Class in the ASEAN Corporate Governance Scorecard (ACGS) for 2021, as well as receiving ACGS Golden Arrow Awards as one of the top 80 Philippine public listed companies.

In 2022, PLDT's ESG scores continue to improve, with significant improvements reported by global organizations S&P Global, MSCI ESG, and CDP. It has been included in FTSE4Good index since 2019.

Outlook

PLDT's strong core businesses are supported by its network quality and breadth, and industry-best customer experience. For 2023, revenues and EBITDA growth are guided at mid-single digits, while capital expenditures will decline to between 80 billion pesos and 85 billion pesos, in line with the overall plan to glide capital expenditures downwards from their peak in 2022. Telco core income is expected to be higher than last year, but more specific guidance will follow a recast of its budget in light of the recent results of the review of a recent capital expenditure issue. PLDT will continue focusing on achieving positive free cash flow.

MPIC

In 2022, MPIC's core businesses benefited from economic recovery in the Philippines with the gradual lifting of COVID-19 pandemic-related restrictions from the first quarter of the year. The resumption and expansion of business activities stimulated higher electric power consumption and growth in toll road traffic volumes.

MPIC's contribution to the Group rose 6% to US$104.4 million (2021: US$98.1 million), reflecting higher consolidated core net income, partly offset by a 9.4% depreciation of the peso average exchange rate against the U.S. dollar during the year.

Consolidated core net income up 15% to 14.2 billion pesos (US$260.5 million) from 12.3 billion pesos (US$249.7 million)	▪ reflecting a 10% growth in contribution from operations to 18.9 billion pesos (US$346.9 million), mainly driven by higher contributions from the toll roads and electric power businesses ▪ power, toll roads and water businesses accounted for 65%, 30% and 14%, respectively, of the consolidated net contribution to MPIC, while light rail, healthcare, agribusiness, real estate, and fuel storage combined recorded a net loss ▪ a 10% rise in contribution from the power business to 12.4 billion pesos (US$226.9 million) driven by record high of revenues and volume sold, and growth in power generation businesses ▪ a 47% increase in contribution from the toll roads business to 5.7 billion pesos (US$104.3 million) reflecting increases in traffic volume and toll rates ▪ a 4% decline in contribution from the water business to 2.7 billion pesos (US$48.8 million) reflecting higher operating costs and the recognition of input VAT on operating expenses, partly offset by higher volumes in the commercial and industrial sectors and higher effective tariffs ▪ other businesses, mainly light rail, healthcare, agribusiness, real estate, and fuel storage, together recorded a net loss of 1.8 billion pesos (US$33.1 million) ▪ lower MPIC head office net interest expenses as a result of refinancing and re-rating activities
Consolidated reported net income up 4% to 10.5 billion pesos (US$192.7 million) from 10.1 billion pesos (US$205.0 million)	▪ reflecting higher consolidated core net income ▪ partly offset by impairment provisions for investments and lower non-recurring gains from the step acquisition of Landco in 2022, while the gain in 2021 was higher as a result of the transfer of GBPC to Meralco PowerGen Corporation ("MGen") and the sale of a toll road in Thailand
Consolidated revenues up 17% to 50.9 billion pesos (US$934.1 million) from 43.6 billion pesos (US$882.5 million)	▪ reflecting higher revenues at the toll roads, water, and light rail businesses

Debt Profile

As at 31 December 2022, MPIC's consolidated debt rose 19% to 292.5 billion pesos (US$5.2 billion) from 246.3 billion pesos (US$4.8 billion) as at 31 December 2021, mainly reflecting additional bank borrowings for a toll road acquisition in Indonesia, ongoing construction of new toll roads and wastewater treatment plants, new pipelaying, and extension of light rail. Net debt increased 26% to 246.3 billion pesos (US$4.4 billion).

Of the total debt, 88% was denominated in pesos and fixed-rate borrowings accounted for 82% of the total. The average interest rate rose to 6.12% for 2022 from 5.68% at year-end 2021, and debt maturities ranged from 2023 to 2037.

Capital Management

Dividends

MPIC's Board of Directors declared a final cash dividend of 0.076 peso (U.S. 0.14 cent) per share payable on 13 April 2023 to shareholders on record as of 27 March 2023. Together with the interim dividend of 0.0345 peso (U.S. 0.06 cent) per share paid on 8 September 2022, total dividends for 2022 amounted to 0.1105 peso (U.S. 0.20 cent) per share.

Share Buyback Program

On 16 February 2022, MPIC's Board of Directors approved a share buyback program with a budget of up to 5.0 billion pesos (US$91.8 million) for 2022. MPIC fully utilized the budget and bought back approximately 1.4 billion shares from the open market.

Additional Investments

On 27 June 2022, MPIC entered into an agreement with the Carmen's Best Group to acquire a 51% equity interest in The Laguna Creamery, Inc. ("TLCI") for a total consideration of 198 million pesos (US$3.6 million). The Carmen's Best Group owns Carmen's Best Ice Cream, a premium ice cream brand in the Philippines, and Holly's Milk, the only domestic Philippine company producing pasteurized and homogenized fresh milk, yogurt, and cheese. The closing of the transaction is subject to the satisfaction of certain conditions.

On 3 August 2022, MPIC acquired an additional 2% interest in Meralco from JG Summit Holdings, Inc. for a consideration of approximately 7.8 billion pesos (US$142.7 million). The transaction increased MPIC's economic interest in Meralco to approximately 47.5% from approximately 45.5%.

On 19 December 2022, Metro Pacific Tollways Corporation's ("MPTC") indirect subsidiary, PT Margautama Nusantara ("MUN"), completed the acquisition of 40% interest in Jasa Marga Jalanlayang Cikampek ("JJC") from Perusahaan Perseroan (Persero) PT Jasa Marga (Indonesia Highway Corporatama), Tbk. for a consideration of 4,030 billion rupiah (US$256.2 million). Following completion, an additional earn-out payment of up to 359 billion rupiah (US$22.8 million) will be payable upon the fulfilment of certain conditions. JJC is the concession holder of a 38-kilometers fully elevated Jakarta-Cikampek Elevated toll road which has been in operation since December 2019.

On 6 February 2023, Metro Pacific Agro Ventures, Inc. ("MPAV"), a wholly-owned subsidiary of MPIC, entered into a sales and purchase agreement with a group of sellers to acquire an interest of approximately 31.33% in ARC, for a consideration of approximately 4.82 billion pesos (US$88.3 million). On the same day, MPAV and ARC entered into an agreement to subscribe to 200 million redeemable preferred shares of ARC for a consideration of 0.5 billion pesos (US$9.2 million). The total consideration of these two transactions of approximately 5.32 billion pesos (US$97.5 million) is to be paid in full in cash upon completion, which is subject to the satisfaction of certain conditions, including regulatory approvals. MPAV will have approximately 34.76% voting interest in ARC. ARC is a Philippine-listed corporation and is a leading fully integrated manufacturer and exporter of a wide range of high-quality coconut products to global markets.

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.

The volume of electricity sold rose 6% to a record high of 48,916 gigawatt hours. The residential, commercial and industrial sectors accounted for 35%, 36% and 29%, respectively, of the total sales volume in 2022. Residential, commercial, and industrial volumes rose 1%, 14% and 3% respectively, driven by increased mobility and business activities.

Meralco's revenues rose 34% to a record high of 426.5 billion pesos (US$7.8 billion) mainly driven by higher pass-through generation and transmission revenues, partly offset by a 7% decline in distribution revenue. The number of billed customers rose 3% to 7.6 million reflecting a steady growth in both the residential and commercial sectors.

Capital expenditures rose 55% to 42.6 billion pesos (US$782.0 million) primarily for developing power generation projects, upgrading distribution facilities, improving customer services, expanding Meralco's fiber network and acquiring cellular communications towers, and renewing Meralco facilities.

MGen, Meralco's wholly-owned power generation subsidiary, delivered a total of 13,424 gigawatt hours of energy, 2% lower than 2021 largely due to the impact of outages in the Philippines. MGen's assets include GBPC, San Buenaventura Power Ltd. Co., and PowerSource First Bulacan Solar, Inc. in the Philippines, and PLP in Singapore.

Renewable Energy

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

MGen's 55 MWac solar plant in Bulacan went online in 2022 and will be followed by a 75 MWac solar plant in Rizal and a 68 MWac plant in Ilocos Norte in the first quarter of 2023.

Toll Roads

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

In the Philippines, the now-iconic CCLEX bridge in Cebu opened on 30 April 2022. This 8.9-kilometer toll bridge is not only reducing traffic congestion and making travel more convenient, but also helping to accelerate economic development of the southern Philippines.

MPTC's revenues rose 31% in 2022 to a record high of 22.9 billion pesos (US$419.5 million), reflecting record high traffic and toll increases in the Philippines and Indonesia. Average daily vehicle entries on MPTC's toll roads rose 23% to 920,011 as relaxed COVID-19 restrictions stimulated economic and social activities. In the Philippines, average daily vehicle entries rose by 19% to 577,321, while traffic volume on international toll roads rose 30% to 342,690.

Capital expenditures increased 12% to 21.5 billion pesos (US$394.7 million), mainly reflecting the ongoing construction costs for the NLEX-SLEX Connector Road, CALAX, and CAVITEX-C5 South Link.

In the Philippines, MPTC budgeted approximately 68.5 billion pesos (US$1.3 billion) on completing the NLEX-SLEX Connector Road, additional segments of the CAVITEX-CALAX Link, the CAVITEX-C5 South Link and CALAX, with a total length of 61.5 kilometers. The NLEX-SLEX Connector Road is expected to be completed in 2023 with the other roads following in 2024.

Water

Maynilad Water Services, Inc. ("Maynilad") is the largest water utility in terms of number of customers in the Philippines, 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.

On 18 May 2021, Maynilad signed a Revised Concession Agreement ("RCA") with the Metropolitan Waterworks and Sewerage System ("MWSS") confirming its concession period until 31 July 2037 with certain amendments. On 21 March 2022, Maynilad accepted the 25-year franchise in relation to its concession, affirming its authority to provide waterworks, sewerage, and sanitation services.

During 2022, Maynilad received the MWSS Board of Trustees' Resolution approving Maynilad's Rebasing Adjustments ("R") for the 6th Rate Rebasing Period (2023 to 2027) and to be implemented on a staggered basis.

Maynilad's revenues rose 4% to 22.9 billion pesos (US$420.0 million) in 2022, reflecting increased commercial and industrial demand with higher effective tariffs as the economic consequences of the pandemic declined. Commercial and industrial demand rose 10% and 5%, respectively.

Capital expenditure rose 79% to 15.3 billion pesos (US$280.9 million), largely spent on leakage repairs and pipe replacements which were delayed during the pandemic period.

Beginning in 2024, the implementation of the staggered "R" will be subject to Maynilad's being able to attain its targets for water supply, continuity and coverage provided in its 2022 Approved Business Plan.

Light Rail

Light Rail Manila Corporation ("LRMC") operates the 20-station light rail line LRT-1 in Metro Manila.

Revenues rose 58% to 1.8 billion pesos (US$32.9 million) as regulators removed an overall ridership ceiling of 70% of operating capacity in March 2022, resulting in a 77% increase in daily ridership to 219,772 passengers.

In 2022, LRMC's capital expenditure declined 39% to 2.7 billion pesos (US$50.3 million), mainly reflecting substantial completion of a signaling system upgrade in April 2022. As at the end of 2022, the completion rate of LRT-1's phase 1 of the extension reached 78%.

Healthcare

Metro Pacific Health Corporation ("MPH") is the largest private healthcare provider in the Philippines, with services ranging from outpatient care to cancer treatment, organ transplants and others. MPH operates 19 hospitals, 22 outpatient care centers, and six cancer care centers. It currently has over 3,400 beds.

MPH's revenues fell 1% to 20.0 billion pesos (US$367.3 million), reflecting lower COVID-19 related admissions and testing, which reduced average revenue per patient. In-patient admissions rose 31% to 124,369 while out-patient visits were up 20% to 3,722,504.

MPH's capital expenditure rose 12% to 2.5 billion pesos (US$46.0 million) reflecting investments in network integration and digitalization. In March 2023, MPH completed the acquisition of its fifth hospital in Mindanao, the 95-bed Howard Hubbard Memorial Hospital ("HHMH"). HHMH is located within the integrated plantation and canning facility of Dole Philippines, Inc. ("DPI").

MPIC's digital arm mWell PH provides affordable and accessible health and wellness services anytime and anywhere through its fully integrated digital platform. mWell PH was initially launched in July 2021 and reached over 1.4 million users at year-end 2022. Its telemedicine offers a free accident insurance package via the Healthsavers Plan. The data-based mWellness Score measures physical activities, steps, and quality of sleep. mWellMD provides a cutting-edge and full-suite clinical management system for doctors. Users in remote communities in the Philippines can receive services through mWell PH's portable mobile digital clinic mWell OnTheGo.

In February 2023, mWell PH was hailed as the Best Mobile Innovation for Digital Life at the Global Mobile Awards ("GLOMO"). Hosted by the Mobile World Congress in Barcelona, GLOMO is the technology industry's most prestigious accolade, judged by over 200 prominent subject experts across the world.

Agribusiness

MPAV, a wholly owned subsidiary of MPIC, is growing its agricultural assets in the Philippines. Its 22-hectare project in San Rafael, Bulacan, The Vegetable Greenhouse, aims to be the largest vegetable greenhouse facility in the country with an annual production capacity of approximately 1,600 tonnes of high-quality vegetables. Its affiliate company Innovative Agriculture (Agro) Industry Ltd. seeks to capture the full value chain from production of seedlings to vegetable cultivation, sorting, packaging, and marketing.

Upon the completion of acquiring interests in TLCI and ARC mentioned in additional investments section above, MPAV will be involved in coconut processing and exporting businesses, and further expand its dairy operations.

Sustainability

MPIC is embedding sustainability into all aspects of its businesses with a goal of generating pervasive and positive impacts through the following three CSR pillars, with some initiatives highlighted below.

Integrating Sustainability with Business Strategy

MPIC and its operating companies are implementing a wide range of sustainability initiatives. Renewable energy projects are ongoing under MGen as described above.

Maynilad's second solar project, a solar farm encompassing over 12,000 square meters of photovoltaics with capacity of 1,000 kilowatts located inside the La Mesa Compound in Quezon City, provides additional green energy to its water facilities for serving its 8.8 million customers.

Maynilad's water treatment plant in Paranaque City is the first in the Philippines equipped to recycle used water for human consumption, benchmarked against the highest global standards. The plant is equipped with a daily capacity of 10 million liters per day and began distributing treated used water to two barangays in Paranaque City during 2022.

Investing in Environmental Protection Programs

Under its "Plant For Life" program, Maynilad has planted over 1 million trees for reducing carbon emissions and protecting water supply in the West Zone Concession area.

Metro Pacific Investments Foundation ("MPIF") planted a total of 21,344 mangroves in its three mangrove centers for the celebration of its 15th listing anniversary, 42% more than its original goal.

MPIF's commitment to protecting and strengthening the sustainability of Philippine marine ecosystems was strengthened with a four-year program agreed with the Tubbataha Protected Area Management Board. The scope of partnership involves financial support to Tubbataha Reefs Natural Park, the Philippines' largest marine protected area. During the year, MPIF provided the first three tranches of funds to the program, and further committed to support the repair of the badly damaged Tubbataha Ranger Station with an addition 1 million pesos (US$0.02 million).

Aligning with Global Best Practices on Sustainability

MPIC achieved a record high score of 52 in S&P Global's Corporate Sustainability Assessment and is the highest among its domestic Philippine peers.

Sustainalytics' ESG Risk Ratings identify a company's exposure to industry-specific material financial impacts from ESG risks. In March 2022, MPIC achieved a low-risk score of 11.0 for Sustainalytics ESG Risk Rating and maintained its top position among multi-sector holdings companies in the Philippines. MPIC is also an "ESG Regional Top Rated" and "ESG Industry Top Rated" company. MPIC is among the top 2% of companies rated in Sustainalytics' Diversified Financials industry category.

MPIC's ESG ratings were upgraded by MSCI, Inc. in 2022 to an all-time best BBB from BB.

MPIC is the only company in the emerging markets category to achieve the highest level 'A' rating in the Global Listed Infrastructure Organization/Global Real Estate Sustainability Benchmark ESG Index for Infrastructure for two consecutive years.

MPIC's ESG practices enabled it to become a certified constituent of the FTSE4Good Index.

Outlook

MPIC demonstrated its commitment to improving the underinvested utilities sector in the Philippines through multi-year significant investments in its core businesses. The resulting enhanced operational efficiencies and improved service quality are building a strong foundation for continued earnings growth. With this success, MPIC plans to invest in agriculture in the Philippines – a critical sector for poverty reduction and food security. The availability of affordable essential services and basic needs of stakeholders is key to creating sustainable long-term value.

FPM POWER/PLP

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

Singapore's economy recorded growth of 3.6% in 2022, stimulating a 1.9% rise in electricity demand led by growth in the construction and services sectors.

In 2022, PLP made a profit contribution of US$82.4 million (2021: US$21.8 million) to First Pacific as a result of a significant increase in core net profit.

Average plant availability was at 95.3% (2021: 99.9%) as maintenance work at both units was rescheduled to January 2022 from 2021. The heat rate remained low and the plant highly reliable. Unit 20's 64 consecutive months of no operational forced outage from March 2017 to June 2022 remains the longest such record in Singapore's electricity generation industry. In 2022, three forced outages were recorded due to minor issues which were promptly rectified.

The volume of electricity sold in 2022 rose 3% to 5,619 gigawatt hours (2021: 5,459 gigawatt hours), of which 91% (2021: 91%) was for contracted sales and vesting contracts, and the remaining 9% (2021: 9%) was for pool market sales. PLP's generation market share for the year was approximately 9.8% (2021: 10.0%).

Core net profit up 3.6 times to S$287.8 million (US$208.9 million) from S$80.7 million (US$60.0 million)	▪ reflecting higher non-fuel margin for electricity sales and higher sales volume ▪ partly offset by higher staff costs and marketing expenses
Net profit up 4.4 times to S$305.7 million (US$221.8 million) from S$69.1 million (US$51.4 million)	▪ reflecting a significant increase in core net profit ▪ a foreign exchange gain verses a loss in 2021

Revenues up 50% to S$2.4 billion (US$1.7 billion) from S$1.6 billion (US$1.2 billion)	▪ reflecting a higher average selling price per unit of electricity as a result of higher oil prices ▪ higher volume of electricity sold associated with economic growth
Net operating expenses up 47% to S$33.8 million (US$24.5 million) from S$23.0 million (US$17.1 million)	▪ reflecting higher staff costs and marketing expenses ▪ partly offset by higher other income on sales of carbon credits
EBITDA up 3.3 times to S$365.1 million (US$264.9 million) from S$111.5 million (US$83.0 million)	▪ reflecting higher non-fuel margin for electricity sales and higher sales volume ▪ partly offset by higher staff costs and marketing expenses

Debt Profile

During 2022, PLP prepaid US$199.6 million of its long-term debt. As at 31 December 2022, FPM Power's net debt stood at US$103.7 million while gross debt stood at US$235.1 million with most of the debt due to mature by December 2026. All of the borrowings were floating-rate bank loans.

Dividends

In 2022, PLP distributed dividend for the first time ever. Total dividends distributed to its shareholders amounted to S$135 million (US$98.0 million).

Singapore's Pioneer Offshore Solar Import Project

On 25 October 2021, PLP signed a Joint Development Agreement with consortium partners Medco Power Indonesia, a leading Indonesian independent power producer, and Gallant Venture Ltd., a Salim Group company, for a pilot solar import project from Bulan Island in Indonesia to Singapore. Upon the completion of the development, the first phase of the project is expected to offset over 357,000 tonnes of carbon emissions annually. It is in line with the Singapore Green Plan 2030 to increase renewable generation and reduce Singapore's reliance on fossil fuels.

The consortium has been granted a 100-megawatt conditional Import Licence by the Energy Market Authority of Singapore ("EMA"), which will allow the renewable electricity generated to be supplied via a subsea cable connection from a solar farm on Bulan Island to the Singapore Power Grid network at PLP's existing site at Jurong Island, Singapore. Application for requisite permits and engineering study are in progress.

EMA aims to import up to 4.0 gigawatts of renewable electricity by 2035 through a Request for Proposal which the consortium intends to participate in.

Outlook

Singapore GDP growth forecast for 2023 is between 0.5% to 2.5%. Electricity demand growth is expected to be moderate, and the market outlook remains stable.

PHILEX

Philex's profitability decreased in 2022 owing largely to the decline in tonnage milled, resulting in lower metal production. Other factors included elevated operating costs and expenses, and lower average realized price for copper, slightly offset by a stronger U.S. dollar against the peso. At the same time, Philex made progress in its Silangan Project in Surigao del Norte, Mindanao with the completion of earthmoving works for the box cut portal. Commercial production of copper and gold from Silangan is set to begin from early 2025.

In 2022, Philex's contribution to the Group declined 31% to US$13.4 million (2021: US$19.3 million), reflecting lower core net income.

Total ore milled was down 7% to 7.4 million tonnes due to production interruptions caused by repair and maintenance of mill equipment. Metal output was further held back owing to a decrease in the average gold grade by 6% to 0.269 grams per tonne, while the average copper grade improved by 2% to 0.19%. As a result, gold and copper production were down 12% to 48,567 ounces and 4% to 25.1 million pounds, respectively. The average realized gold price was flat at US$1,790 per ounce while the copper price weakened by 7% to US$3.96 per pound.

Core net income down 32% to 1.7 billion pesos (US$31.8 million) from 2.5 billion pesos (US$51.3 million)	▪ reflecting lower revenue ▪ higher operating cost and expenses
Net income down 26% to 1.8 billion pesos (US$33.0 million) from 2.4 billion pesos (US$49.3 million)	▪ reflecting lower core net income ▪ partly offset by higher foreign exchange gain

Revenue (net of smelting charges) down 5% to 9.3 billion pesos (US$170.0 million) from 9.8 billion pesos (US$198.5 million)	▪ lower metal output reflecting lower tonnage and declining gold ore grade, despite improvements in copper ore grade ▪ lower average realized copper prices ▪ partly offset by favourable exchange rates during the year ▪ revenues from gold, copper and silver contributed 46%, 53% and 1% of the total, respectively
EBITDA down 18% to 3.5 billion pesos (US$64.7 million) from 4.3 billion pesos (US$87.5 million)	▪ mainly reflecting lower revenue and higher cash operating costs
Operating cost per tonne of ore milled up 17% to 1,036 pesos (US$19.0) from 886 pesos (US$17.9)	▪ mainly reflecting higher costs for power, materials and supplies driven by inflation and coal prices
Capital expenditure (including exploration costs) up 51% to 1.8 billion pesos (US$32.6 million) from 1.2 billion pesos (US$23.9 million)	▪ reflecting higher capital expenditure for the preliminary mine development ground works at the Silangan Project

Philex announced on 7 December 2022 the completion of confirmatory drillings on the Sto. Tomas II ore body, and technical studies on the mining of previously declared resources and Tailings Storage Facility 3 of the Padcal mine. As of 31 October 2022, the remaining mineable reserves are estimated to be 42 million tonnes with average gold grade of 0.22 grams per tonne and copper grade of 0.17%. The total recoverable gold and copper are estimated to be 233,000 ounces and 127.4 million pounds, respectively. The estimated mineral resource is approximately 230.4 million tonnes with average gold grade of 0.29 grams per tonne and copper grade of 0.18%. The mine life of Padcal was accordingly extended to the end of 2027 from 2024, enabling a smooth transition to the commencement of the Silangan Project's commercial operations in 2025.

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

Debt Profile

As at 31 December 2022, Philex had 7.5 billion pesos (US$135.0 million) of borrowings, comprising bonds with a 1.5% coupon and short-term bank loans with an average interest cost of approximately 5.3%. Dollar-denominated short-term bank loans remained at US$29.0 million but increased 9% in peso terms to 1.6 billion reflecting depreciation of the peso against the U.S. dollar.

Dividend

On 23 February 2023, the Philex Board of Directors declared a cash dividend of 0.02 peso (U.S. 0.036 cent) (2021: 0.05 peso (U.S. 0.098 cent)) per share and paid on 24 March 2023 to shareholders. Part of the remaining cash generated in 2022 will be reserved for the development of 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.

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

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

As part of the funding plan for financing the Silangan Project, Philex completed a Stock Rights Offering ("SRO") on 3 August 2022 and raised 2.65 billion pesos (US$47.6 million) with the issuance of 842 million new shares at 3.15 pesos (U.S. 5.66 cents) per share. The net proceeds of the SRO were allocated to fund the initial capital expenditure and development cost of the Silangan Project. In addition to Philex's reserved cash, SMMCI is in the final stages of raising additional funds via syndicated bank loans.

The decline portal for accessing the Silangan Project's ore body is expected to be completed by the end of March 2023, following by tunnel driving which will mark the start of mine development.

PXP

In 2022, petroleum revenue from Service Contract ("SC") 14C-1 Galoc oil field rose 16% to 74 million pesos (US$1.4 million) (2021: 64 million pesos (US$1.3 million)) reflecting a 34% surge in average crude oil sale prices, partly offset by a 24% decline in total volume lifted to 479,955 barrels from 631,948 barrels in 2021.

Costs and expenses declined 3% to 100 million pesos (US$1.8 million) (2021: 103 million pesos (US$2.1 million)), reflecting a fall in overhead.

PXP's core net loss declined 32% to 22 million pesos (US$0.4 million) from 33 million pesos (US$0.7 million), reflecting higher petroleum revenue and lower overhead.

SC 72 and SC 75

Forum Energy Limited ("FEL"), a subsidiary of PXP, holds a 70% interest in SC 72 Recto Bank, which covers an area of 8,800 square kilometers located in Northwest Palawan of the Philippines. Its second Sub-Phase ("SP") of exploration activities resumed on 14 October 2020 when the Force Majeure imposed on 15 December 2014 was lifted by the Philippine Department of Energy ("DOE"). FEL is required to drill a minimum of two wells as part of its work commitment under SP 2 of SC 72 in a 20-month period from 14 October 2020 to 13 June 2022. On 17 February 2022, the DOE approved the related work program and budget.

PXP holds a 50% interest in SC 75 Northwest Palawan Block. All exploration activities of SC 75 were suspended on 27 December 2015 due to the imposition of Force Majeure until its lifting by the DOE on 14 October 2020. The SC 75 consortium is required to undertake a 3D seismic survey as part of its work commitment under SP 2 of SC 75 in an 18-month period from 14 October 2020 to 13 April 2022. On 8 January 2022, the DOE approved PXP's proposed work program for 2022 to 2023, which includes the acquisition, processing, and interpretation of at least 1,000 square kilometers of 3D seismic data.

The ongoing exploration activities of SC 72 and SC 75 were suspended on 6 April 2022 when FEL and PXP received a directive from the DOE to put on hold any oil exploration activities. On 11 April 2022, FEL and PXP terminated all the related exploration work and declared Force Majeure for both SC 72 and SC 75.

Outlook

The uncertainty of the geopolitical situation, combined with high inflation and interest rates threaten to slow global growth in 2023. However, with the support of mineral resources development from the Philippine government, resilient global demand for green metals including copper, the further extension of Padcal's mine life to the end of 2027, the development of the Silangan Project, and potential business expansion are promising factors for the growth of Philex.

FP NATURAL RESOURCES/RHI

RHI's strategy of focusing on sugar refining has proven beneficial to its business direction, given the farming sector in the Philippines is facing challenges from sugarcane shortages owing to unfavourable weather conditions caused by La Niña, rising fertilizer costs, declining productivity, and intense competition for sugarcane.

Its sugar mill in Batangas has a refinery capacity of 18,000 LKg per day (one LKg is equal to one 50-kilogram bag of sugar), and the bioethanol plant of San Carlos Bioenergy, Inc. has a daily production capacity of approximately 100,000 liters of bioethanol used exclusively for industrial purposes with none used for human consumption. On 15 December 2022, RHI announced the permanent closure of its Batangas milling operations from crop year 2022-2023.

In 2022, FP Natural Resources' loss narrowed 29% to US$6.4 million (2021: US$8.9 million), reflecting a lower core net loss at RHI.

During the year, RHI's refinery sales volumes (including tolling arrangements) doubled to 2,094 thousand LKg (2021: 1,084 thousand LKg) attributable to the completion of flex-fuel conversion on one of its refinery boilers. This facility enhancement increased the refinery's fuel source flexibility, thus expanding its production capability to the entire season. Sugar milling volumes declined 35% to 477 thousand tonnes (2021: 733 thousand tonnes) due to sugar cane shortages and intense competition. Sales volume of bioethanol also decreased 18% to 26.1 million liters (2021: 31.7 million liters) as bioethanol production was adversely impacted by higher cost of feedstock.

Core net loss down 18% to 797 million pesos (US$14.6 million) from 974 million pesos (US$19.7 million)	▪ reflecting higher gross profit at the Batangas refinery ▪ partly offset by a gross loss from bioethanol operations
Reported net loss down 11% to 791 million pesos (US$14.5 million) from 891 million pesos (US$18.1 million)	▪ mainly reflecting lower core net loss
Revenues up 113% to 10.5 billion pesos (US$193.4 million) from 5.0 billion pesos (US$100.3 million)	▪ reflecting higher sales volume of refined sugar and increased tolling fee ▪ higher sugar and bioethanol prices ▪ partly offset by lower sales volume of bioethanol

Operating expenses up 10% to 615 million pesos (US$11.3 million) from 559 million pesos (US$11.3 million)	▪ reflecting higher selling and distribution expense due to increased refined sugar sales ▪ higher personnel costs of regular and outsourced employees
EBITDA loss improved 59% to 39 million pesos (US$0.7 million) from 95 million pesos (US$1.9 million)	▪ reflecting higher revenues ▪ partly offset by higher cash production cost
EBITDA margin to -0.4% from -1.9%	▪ reflecting lower EBITDA loss due to higher revenues

Debt Profile

As at 31 December 2022, long-term debt of RHI, including a convertible note issued by San Carlos Bioenergy, Inc., stood at 5.1 billion pesos (US$91.1 million) with maturities up until December 2028 at an annual interest rate of approximately 6.0%. The current portion of long-term debt was 407 million pesos (US$7.3 million).

Outlook

With Batangas refinery resuming operation in February 2023, continuing initiatives to reduce operating expenses, and potential income from its unutilized assets, RHI expects an improvement in its 2023 financial performance

FINANCIAL REVIEW

NET DEBT AND GEARING

(A) Head Office net debt

The increase in net debt mainly reflects the additional investments principally in Philex and Voyager, partly offset by the increase in dividend income. The Head Office's borrowings at 31 December 2022 comprise bonds totalling US$706.2 million (with an aggregated face value of US$707.8 million) which are due for redemption in April 2023 (with a face value of US$357.8 million) and September 2027 (with a face value of US$350.0 million), and bank loans totalling US$752.8 million (with a principal amount of US$760.0 million) which are due for repayment between August 2023 and June 2029. As part of the proactive liability management initiatives, Head Office has obtained committed banking facilities to refinance the US$357.8 million outstanding bond due in April 2023.

Changes in Head Office net debt

US$ millions	Borrowings	Cash and cash equivalents	Net debt
At 1 January 2022	1,435.2	(113.0)	1,322.2
Movement	23.8	16.4	40.2
At 31 December 2022	**1,459.0**	**(96.6)**	**1,362.4**

Head Office cash flow

For the year ended 31 December US$ millions	**2022**	2021
Dividend and fee income	**225.9**	204.4
Head Office overhead expense	**(18.6)**	(18.6)
Net cash interest expense	**(51.7)**	(49.3)
Tax paid	**(0.1)**	(0.1)
Net cash inflow from operating activities	**155.5**	136.4
Net investments[(i)]	**(58.2)**	(13.3)
Financing activities		
- Distributions paid	**(111.2)**	(91.7)
- Payments for repurchase of shares	**(14.5)**	(23.8)
- New/(repayment of) borrowings, net	**15.5**	(1.4)
- Others[(ii)]	**(3.5)**	(4.6)
Net (decrease)/increase in cash and cash equivalents	**(16.4)**	1.6
Cash and cash equivalents at 1 January	**113.0**	111.4
Cash and cash equivalents at 31 December	**96.6**	113.0

(i) Mainly represents additional investment in Philex through a stock rights offering and the investment in Voyager, an associated company of PLDT, in 2022

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

(B) Group net debt and gearing

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

Consolidated

US$ millions	**Net debt[(i)] 2022**	**Total equity 2022**	**Gearing[(ii)] (times) 2022**	Net debt[(i)] 2021	Total equity 2021	Gearing[(ii)] (times) 2021
Head Office	**1,362.4**	**1,139.5**	**1.20x**	1,322.2	1,336.5	0.99x
Indofood	**2,549.7**	**5,834.0**	**0.44x**	2,263.2	5,998.2	0.38x
MPIC	**4,398.8**	**4,276.9**	**1.03x**	3,819.5	4,547.2	0.84x
FPM Power	**103.6**	**285.1**	**0.36x**	378.3	43.4	8.72x
FP Natural Resources	**78.7**	**12.2**	**6.45x**	82.3	29.0	2.84x
Group adjustments[(iii)]	**-**	**(1,181.9)**	**-**	-	(1,341.2)	-
Total	**8,493.2**	**10,365.8**	**0.82x**	7,865.5	10,613.1	0.74x
Associated Companies						
PLDT	**4,023.8**	**2,043.8**	**1.97x**	4,483.3	2,499.3	1.79x
Philex	**64.6**	**553.6**	**0.12x**	142.0	523.5	0.27x

(i) Includes short-term deposits and restricted cash

(ii) Calculated as net debt divided by total equity

(iii) Group adjustments mainly represents elimination of goodwill arising from acquisitions prior to 1 January 2001 against the Group's retained earnings and other standard consolidation adjustments to present the Group as a single economic entity.

Head Office's gearing increased because of a decrease in its equity reflecting the Company's distributions to shareholders and loss for the year.

Indofood's gearing increased because of an increase in its net debt as a result of its payments for retention amount payable for Pinehill acquisition of US$650 million in April 2022, and capital expenditure, despite its operating cash inflow, coupled with a decrease in its equity reflecting the depreciation of the rupiah against U.S. dollar during the year, despite its profit recorded during the year.

MPIC's gearing increased because of an increase in its net debt as a result of payments for capital expenditure, acquisitions of 40% interest in JJC, and additional 2% interest in Meralco, shares repurchases and concession fees, despite operating cash inflow, and the receipts of dividends from Meralco, and remaining 20% consideration in relating to the transfer of 56% interest in GBPC, coupled with a decrease in its equity reflecting the depreciation of the peso against U.S. dollar during the year, despite its profit recorded during the year.

FPM Power's gearing decreased because of a decrease in its net debt as a result of PLP's operating cash inflow, coupled with an increase in its equity reflecting PLP's profit recorded during the year.

FP Natural Resources' gearing increased because of a decrease in its equity reflecting RHI's loss for the year.

The Group's gearing increased to 0.82 times because of a higher net debt level mainly as a result of the Group's payments for (i) retention amount payable for Pinehill acquisition, (ii) investments, and (iii) capital expenditure, despite the Group's operating cash inflow, coupled with a decrease in the Group's equity reflecting the depreciation of the rupiah and the peso against U.S. dollar during the year, despite the Group's profit recorded for the year.

PLDT's gearing increased mainly because of a decrease in its total equity reflecting the depreciation of the peso against U.S. dollar during the year, partly offset by a decrease in net debt reflecting the proceeds from its towers sale. Philex's gearing decreased mainly because of a decrease in its net debt reflecting proceeds from stock rights offering and its operating cash inflow.

MATURITY PROFILE

The maturity profile of debt of consolidated companies follows.

Consolidated

	Carrying amounts		Nominal values	
US$ millions	**2022**	2021	**2022**	2021
Within one year	**1,824.3**	1,645.7	**1,828.5**	1,649.8
One to two years	**996.8**	760.5	**1,003.4**	767.9
Two to five years	**2,555.3**	2,481.9	**2,573.3**	2,499.6
Over five years	**5,845.9**	6,240.3	**5,901.3**	6,282.4
Total	**11,222.3**	11,128.4	**11,306.5**	11,199.7

The change in the Group's debt maturity profile from 31 December 2021 to 31 December 2022 mainly reflects a shift in long-term borrowings among the different maturity periods for Head Office, Indofood and MPIC, Indofood's refinancing of Rupiah 2.0 trillion (US$134.1 million) of its bonds matured in May 2022 with new long-term borrowings, PLP's prepayment of S$275.0 million (US$199.6 million) long-term borrowings, and the Group's net new borrowings.

	PLDT				Philex			
	Carrying amounts		Nominal values		Carrying amounts		Nominal values	
US$ millions	**2022**	2021	**2022**	2021	**2022**	2021	**2022**	2021
Within one year	**579.1**	225.4	**585.5**	232.4	**29.0**	198.6	**29.0**	202.9
One to two years	**203.2**	540.9	**208.8**	547.7	**-**	-	**-**	-
Two to five years	**1,138.5**	1,034.4	**1,154.8**	1,055.3	**106.0**	-	**114.8**	-
Over five years	**2,555.2**	3,151.4	**2,567.7**	3,172.7	**-**	-	**-**	-
Total	**4,476.0**	4,952.1	**4,516.8**	5,008.1	**135.0**	198.6	**143.8**	202.9

The change in PLDT's debt maturity profile from 31 December 2021 to 31 December 2022 mainly reflects new borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs, and loan repayments due to proceeds from tower sales. The change in Philex's debt maturity profile mainly reflects the partial redemption of the Silangan Mindanao Exploration Co., Inc.'s notes ("SMECI's notes"), and the extension of the maturity date for the remaining SMECI's notes for three years.

CHARGES ON GROUP ASSETS

At 31 December 2022, 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$900.4 million (2021: US$801.1 million) and the interests of the Group's 70% (2021: 70%) in PLP, 55% (2021: 55%) in LRMC, 100% (2021: 100%) in MPCALA Holdings, Inc., 100% (2021: 100%) in Cebu Cordova Link Expressway Corporation, 35% (2021: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (2021: 88.9%) in PT Bintaro Serpong Damai, 99.5% (2021: 99.5%) in PT Makassar Metro Network (formerly known as PT Bosowa Marga Nusantara), 99.4% (2021: 99.4%) in PT Jalan Tol Seksi Empat, 61.2% (2021: 61.2%) in PT Inpola Meka Energi, and 40.0% (2021: Nil) in JJC.

FINANCIAL RISK MANAGEMENT

FOREIGN CURRENCY RISK

(A) Company risk

As the Head Office debts are currently denominated in U.S. dollars, foreign currency risk relates mainly to the receipt of cash dividends.

The Company actively reviews the potential benefits of hedging based on forecast dividend flows and enters into hedging arrangements (including the use of forward exchange contracts) for managing its foreign currency exposure in respect of dividend income and payments in foreign currencies on a transactional basis.

(B) Group risk

The results of the Group's subsidiary and associated companies are denominated in local currencies, principally the rupiah, peso and S$, which are translated and consolidated to give the Group's results in U.S. dollars. The Group also exposed to foreign currency risk in relates to the translation of non-U.S. dollar denominated investments in subsidiary and associated companies. However, the Group does not actively seek to hedge risks arising on the translation of foreign currency denominated investments due to (i) the non-cash nature of such exposure until the values of the investments are realized, and (ii) the high costs associated with such hedging.

The principal components of the Group's net asset value ("NAV") mainly relate to investments denominated in the rupiah and peso. Accordingly, any change in these currencies, against their respective 31 December 2022 exchange rates, would have an effect on the Group's NAV in U.S. dollar terms.

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

Company	**Basis**	**Effect on adjusted NAV** US$ millions	**Effect on adjusted NAV per share** HK cents
Indofood	(i)	18.8	3.46
PLDT	(i)	13.0	2.40
MPIC	(i)	8.1	1.49
Philex	(i)	1.5	0.27
PXP	(i)	0.8	0.14
FP Natural Resources	(ii)	0.1	0.02
Head Office - Other assets	(iii)	1.1	0.21
Total		**43.4**	**7.99**

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

NET DEBT BY CURRENCY

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

Consolidated

US$ millions	US$	Rupiah	Peso	S$	Others	**Total**
Total borrowings	4,644.4	1,536.3	4,702.2	254.8	84.6	**11,222.3**
Cash and cash equivalents(i)	(958.9)	(856.3)	(804.0)	(48.9)	(61.0)	**(2,729.1)**
Net Debt	3,685.5	680.0	3,898.2	205.9	23.6	**8,493.2**
Representing:						
Head Office	1,372.9	-	(8.3)	-	(2.2)	**1,362.4**
Indofood	2,288.8	296.7	-	10.4	(46.2)	**2,549.7**
MPIC	116.6	383.3	3,826.9	-	72.0	**4,398.8**
FPM Power	(91.9)	-	-	195.5	-	**103.6**
FP Natural Resources	(0.9)	-	79.6	-	-	**78.7**
Net Debt	3,685.5	680.0	3,898.2	205.9	23.6	**8,493.2**

Associated Companies

US$ millions	US$	Peso	**Total**
Net Debt			
PLDT	464.1	3,559.7	**4,023.8**
Philex	29.0	35.6	**64.6**

(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 levels.

US$ millions	Total US$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	**Group net profit effect**
Head Office[(i)]	1,372.9	-	1,372.9	-	**-**
Indofood	2,288.8	-	2,288.8	22.9	**8.9**
MPIC	116.6	-	116.6	1.2	**0.4**
FPM Power	(91.9)	-	(91.9)	(0.9)	**(0.3)**
FP Natural Resources	(0.9)	-	(0.9)	(0.0)	**(0.0)**
PLDT	464.1	(290.3)	173.8	1.7	**0.3**
Philex	29.0	-	29.0	0.3	**0.1**
Total	**4,178.6**	**(290.3)**	**3,888.3**	**25.2**	**9.4**

(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 subsidiary and associated companies are exposed to changes in interest rates to the extent that they impact the cost of variable interest rate borrowings. An analysis of this for consolidated and associated companies follows.

Consolidated

US$ millions	Fixed interest rate borrowings[(i)]	Variable interest rate borrowings[(i)]	Cash and cash equivalents[(ii)]	**Net debt**
Head Office	935.0	524.0	(96.6)	**1,362.4**
Indofood	2,731.4	1,467.6	(1,649.3)	**2,549.7**
MPIC	4,301.4	943.7	(846.3)	**4,398.8**
FPM Power	-	235.1	(131.5)	**103.6**
FP Natural Resources	11.7	72.4	(5.4)	**78.7**
Total	7,979.5	3,242.8	(2,729.1)	**8,493.2**
Associated Companies				
PLDT	2,654.1	1,821.9	(452.2)	**4,023.8**
Philex	106.0	29.0	(70.4)	**64.6**

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

(ii) Includes short-term deposits and restricted cash

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

US$ millions	Variable interest rate borrowings	Profit effect of 1% change in interest rates	**Group net profit effect**
Head Office	524.0	5.2	**5.2**
Indofood	1,467.6	14.7	**5.7**
MPIC	943.7	9.4	**3.3**
FPM Power	235.1	2.4	**0.8**
FP Natural Resources	72.4	0.7	**0.2**
PLDT	1,821.9	18.2	**3.5**
Philex	29.0	0.3	**0.1**
Total	**5,093.7**	**50.9**	**18.8**

ADJUSTED NAV PER SHARE

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

At 31 December US$ millions	Basis	**2022**	2021
Indofood	(i)	**1,879.3**	1,948.7
PLDT	(i)	**1,304.8**	1,962.8
MPIC	(i)	**811.0**	1,011.2
FPM Power	(ii)	**150.0**	-
Philex	(i)	**145.6**	243.8
PXP	(i)	**76.4**	67.0
FP Natural Resources	(iii)	**9.9**	14.6
Head Office - Other assets	(iv)	**134.7**	98.8
- Net debt		**(1,362.4)**	(1,322.2)
Total valuation		**3,149.3**	4,024.7
Number of ordinary shares in issue (millions)		**4,241.7**	4,279.1
Value per share - U.S. dollars		**0.74**	0.94
- HK dollars		**5.79**	7.34
Company's closing share price (HK$)		**2.33**	2.87
Share price discount to HK$ value per share (%)		**59.8**	60.9

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 30 March 2021, the Board approved a share repurchase program to repurchase the Company's shares from the open market, by way of "on market repurchases", over a period of approximately 3 years, commencing 31 March 2021 and ending 31 March 2024.

During the year ended 31 December 2022, the Company repurchased a total of 39,706,000 (2021: 65,818,000) ordinary shares on the SEHK at an aggregate consideration of approximately HK$113.1 million (US$14.5 million) (2021: HK$185.1 million (US$23.8 million)). These shares have been subsequently cancelled. Details of the repurchases are summarized as follows:

		Purchase price paid per share		Aggregate consideration paid	
Month of repurchases	**Number of ordinary shares repurchased**	**Highest HK$**	**Lowest HK$**	**HK$ millions**	**US$ millions**
January 2022	6,524,000	3.04	2.87	19.5	2.5
February 2022	3,252,000	3.25	3.03	10.2	1.3
May 2022	646,000	3.13	3.11	2.0	0.3
June 2022	3,908,000	3.43	3.00	12.6	1.6
July 2022	5,720,000	3.25	2.92	17.6	2.3
September 2022	13,874,000	3.00	2.36	38.2	4.9
October 2022	5,282,000	2.46	2.09	11.9	1.5
November 2022	500,000	2.16	2.11	1.1	0.1
Total	**39,706,000**			**113.1**	**14.5**

During the year ended 31 December 2022, the independent trustee managing the Company's share award scheme bought on the SEHK a total of 2,618,000 (2021: 3,690,000) shares of the Company at an aggregate consideration of approximately HK$8.1 million (US$1.0 million) (2021: HK$9.9 million (US$1.3 million)) at the cost of the Company.

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

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 Corporate Governance Committee reviews the Company's corporate governance practices to ensure their compliance with the Listing Rules. This Committee is also tasked with the responsibility of overseeing Environmental, Social and Governance ("ESG") reporting in compliance with Listing Rule requirements. As recommended by the Corporate Governance Committee, the Board approves the Company's ESG report for publication on the websites of the Company and the SEHK.

The Company has adopted its own Code on Corporate Governance Practices (the "First Pacific Code"), which incorporates the principles and requirements set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the "CG Code"). During the year ended 31 December 2022, the First Pacific Code was updated to reflect relevant amendments to the Listing Rules in order to strengthen the transparency and accountability of the Board and the respective Board committees, and to ensure that the Company is in line with international and local corporate governance best practices.

Throughout the year ended 31 December 2022, the Company has applied the principles and complied with the material code provisions ("CP") of the CG Code and, where appropriate, adopted the recommended best practices ("RBP") contained in the CG Code, save for the deviations from (i) CP E.1.5 and RBP E.1.8 (disclosure of details of remuneration payable to members of senior management by band and on an individual and named basis); (ii) RBP D.1.5 and D.1.6 (announcement and publication of quarterly financial results); and (iii) CP D.2.5 (an internal audit function).

The Board believes that the Company has strong underlying rationale to deal with such deviations as disclosed in the section headed "Governance Framework" in the Corporate Governance Report of its 2021 Annual Report and the section headed "Corporate Governance Practices" in its 2022 Interim Report. Detailed information regarding the Company's corporate governance practices will be disclosed in the Corporate Governance Report contained in the Company's 2022 Annual Report. The Board will continue to review and recommend alternative steps and actions as appropriate in the circumstances of such deviations.

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

The Company has adopted its own Model Code for Securities Transactions by Directors (the "Model Code") on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2022.

AUDIT OPINION
The Group's independent auditor, Ernst & Young, has expressed an unqualified opinion on the Group's financial statements for the year ended 31 December 2022 in their report dated 30 March 2023.

REVIEW STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE
The Audit and Risk Management Committee has reviewed the 2022 annual 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.

FINAL DISTRIBUTION
The Board has recommended a final cash distribution of HK11.50 cents (U.S. 1.47 cents) per ordinary share. Subject to approval by shareholders of the Company at the forthcoming annual general meeting ("AGM"), the final 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 despatched to shareholders on or about Thursday, 6 July 2023.

AGM
The AGM of the Company will be held on Friday, 16 June 2023. A circular to shareholders containing, among others, the notice of AGM, will be uploaded to the websites of the Company (www.firstpacific.com) and the SEHK (www.hkexnews.hk), and be despatched to those shareholders requiring printed copies by the end of April 2023.

CLOSURE OF REGISTER OF MEMBERS

1. **AGM**
   The Register of Members will be closed from Tuesday, 13 June 2023 to Friday, 16 June 2023, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited (the "Hong Kong Branch Registrar"), 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 Monday, 12 June 2023.

2. **Proposed Final Distribution**
   Upon shareholders' approval of the proposed final distribution, the Register of Members will be closed from Friday, 23 June 2023 to Tuesday, 27 June 2023, both days inclusive, during which period no transfer of shares will be registered. The ex-entitlement date will be Tuesday, 20 June 2023. In order to qualify for the proposed final distribution, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Hong Kong Branch Registrar (at the address above) no later than 4:30 p.m. on Wednesday, 21 June 2023. The final distribution will be paid to shareholders whose names appear on the Register of Members on Tuesday, 27 June 2023 and the payment date will be on or about Thursday, 6 July 2023.

Results Announcement and Annual Report
This annual results announcement is published on the website of the Company (www.firstpacific.com) and the website of the SEHK (www.hkexnews.hk). The 2022 Annual Report containing all the information required by the Listing Rules will be uploaded to the above websites and be despatched to those shareholders requiring printed copies by the end of April 2023.

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

Hong Kong, 30 March 2023

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

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

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

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