The Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: http://www.firstpacific.com

(Stock Code: 00142)

2016 Interim Results - Unaudited

FINANCIAL HIGHLIGHTS

- Turnover increased by 3.2% to US$3,436.0 million (HK$26,800.8 million) from US$3,329.3 million (HK$25,968.5 million).
- Profit contribution from operations decreased by 7.7% to US$226.2 million (HK$1,764.4 million) from US$245.1 million (HK$1,911.8 million) (Restated).
- Recurring profit decreased by 9.7% to US$157.8 million (HK$1,230.8 million) from US$174.8 million (HK$1,363.4 million) (Restated).
- Foreign exchange and derivative gains of US$9.5 million (HK$74.1 million) were recorded compared with foreign exchange and derivative losses of US$17.4 million (HK$135.7 million).
- Non-recurring losses increased to US$40.8 million (HK$318.2 million) from US$0.2 million (HK$1.6 million).
- Profit attributable to owners of the parent decreased by 18.9% to US$127.6 million (HK$995.3 million) from US$157.4 million (HK$1,227.7 million) (Restated).
- Recurring basic earnings per share (calculated based on recurring profit) decreased by 9.5% to U.S. 3.70 cents (HK28.9 cents) from U.S. 4.09 cents (HK31.9 cents) (Restated).
- Basic earnings per share decreased by 18.8% to U.S. 2.99 cents (HK23.3 cents) from U.S. 3.68 cents (HK28.7 cents) (Restated).
- An interim distribution of HK8.00 cents (U.S. 1.03 cents) (2015: HK8.00 cents or U.S. 1.03 cents) per ordinary share has been declared, representing a payout ratio of approximately 28% (2015: approximately 25%) of recurring profit.
- Equity attributable to owners of the parent increased by 8.7% to US$3,337.0 million (HK$26,028.6 million) at 30 June 2016 compared with US$3,070.2 million (HK$23,947.6 million) (Restated) at 31 December 2015.
- Consolidated gearing ratio decreased to 0.57 times at 30 June 2016 from 0.64 times (Restated) at 31 December 2015.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	Notes	**2016** **US$m**	2015 (Restated)[(i)] US$m	**2016** **HK$m***	2015 (Restated)[(i)] HK$m*
Turnover	2	**3,436.0**	3,329.3	**26,800.8**	25,968.5
Cost of sales		**(2,440.0)**	(2,386.1)	**(19,032.0)**	(18,611.5)
Gross profit		**996.0**	943.2	**7,768.8**	7,357.0
Selling and distribution expenses		**(274.2)**	(277.3)	**(2,138.8)**	(2,162.9)
Administrative expenses		**(264.6)**	(250.3)	**(2,063.9)**	(1,952.4)
Other operating income/(expenses), net		**40.8**	(27.7)	**318.3**	(216.1)
Interest income		**27.8**	37.9	**216.8**	295.6
Finance costs		**(186.4)**	(178.6)	**(1,453.9)**	(1,393.1)
Share of profits less losses of associated companies and joint ventures		**125.1**	166.6	**975.8**	1,299.5
Profit before taxation	3	**464.5**	413.8	**3,623.1**	3,227.6
Taxation	4	**(113.2)**	(85.3)	**(883.0)**	(665.3)
Profit for the period from continuing operations		**351.3**	328.5	**2,740.1**	2,562.3
Profit for the period from a discontinued operation	5	**13.7**	28.9	**106.9**	225.4
Profit for the period		**365.0**	357.4	**2,847.0**	2,787.7
Attributable to:					
Owners of the parent	6				
- For profit from continuing operations		**121.9**	145.4	**950.8**	1,134.1
- For profit from a discontinued operation		**5.7**	12.0	**44.5**	93.6
- For profit for the period		**127.6**	157.4	**995.3**	1,227.7
Non-controlling interests					
- For profit from continuing operations		**229.4**	183.1	**1,789.3**	1,428.2
- For profit from a discontinued operation		**8.0**	16.9	**62.4**	131.8
- For profit for the period		**237.4**	200.0	**1,851.7**	1,560.0
		365.0	357.4	**2,847.0**	2,787.7
		US¢	US¢	**HK¢***	HK¢*
Earnings per share attributable to owners of the parent	7				
Basic					
- For profit from continuing operations		**2.86**	3.40	**22.3**	26.5
- For profit from a discontinued operation		**0.13**	0.28	**1.0**	2.2
- For profit for the period		**2.99**	3.68	**23.3**	28.7
Diluted					
- For profit from continuing operations		**2.86**	3.38	**22.3**	26.3
- For profit from a discontinued operation		**0.13**	0.28	**1.0**	2.2
- For profit for the period		**2.99**	3.66	**23.3**	28.5

(i) Refer to Note 1(B)

Details of the interim distribution declared for the period are disclosed in Note 8.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - UNAUDITED

For the six months ended 30 June	2016 US$m	2015 (Restated)(i) US$m	2016 HK$m*	2015 (Restated)(i) HK$m*
Profit for the period	**365.0**	357.4	**2,847.0**	2,787.7
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	**130.2**	(248.1)	**1,015.6**	(1,935.1)
Unrealized gains on available-for-sale assets	**11.4**	31.9	**88.9**	248.8
Realized gains on available-for-sale-assets	**(2.6)**	-	**(20.3)**	-
Unrealized gains on cash flow hedges	**45.8**	41.6	**357.2**	324.5
Income tax related to cash flow hedges	**(8.4)**	(7.0)	**(65.5)**	(54.6)
Share of other comprehensive income/(loss) of associated companies and joint ventures	**6.7**	(72.7)	**52.3**	(567.1)
Items that will not be reclassified to profit or loss:				
Actuarial losses on defined benefit pension plans	**(0.4)**	(1.9)	**(3.1)**	(14.8)
Share of other comprehensive loss of associated companies and joint ventures	**(11.7)**	(11.8)	**(91.3)**	(92.1)
Other comprehensive income/(loss) for the period, net of tax	**171.0**	(268.0)	**1,333.8**	(2,090.4)
Total comprehensive income for the period	**536.0**	89.4	**4,180.8**	697.3
Attributable to:				
Owners of the parent	**178.0**	32.4	**1,388.4**	252.7
Non-controlling interests	**358.0**	57.0	**2,792.4**	444.6
	536.0	89.4	**4,180.8**	697.3

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2016 (Unaudited) US$m	At 31 December 2015 (Restated)(i) US$m	At 1 January 2015 (Restated)(i) US$m	At 30 June 2016 (Unaudited) HK$m*	At 31 December 2015 (Restated)(i) HK$m*	At 1 January 2015 (Restated)(i) HK$m*
Non-current assets							
Property, plant and equipment		**4,016.0**	3,791.1	3,504.6	**31,324.8**	29,570.6	27,336.0
Biological assets		**27.5**	26.2	24.6	**214.5**	204.3	191.9
Associated companies and joint ventures		**4,994.2**	4,360.5	3,568.4	**38,954.8**	34,011.9	27,833.5
Goodwill		**1,079.5**	1,023.8	1,057.6	**8,420.1**	7,985.6	8,249.3
Other intangible assets		**3,289.5**	3,151.2	2,511.8	**25,658.1**	24,579.4	19,592.0
Investment properties		**9.8**	9.7	-	**76.5**	75.7	-
Accounts receivable, other receivables and prepayments		**14.8**	8.8	11.8	**115.4**	68.6	92.0
Available-for-sale assets		**135.3**	44.1	193.8	**1,055.3**	344.0	1,511.6
Deferred tax assets		**206.0**	198.6	199.2	**1,606.8**	1,549.1	1,553.8
Pledged deposits and restricted cash		**30.0**	30.0	30.9	**234.0**	234.0	241.0
Other non-current assets		**299.4**	312.1	385.9	**2,335.3**	2,434.4	3,010.0
		14,102.0	12,956.1	11,488.6	**109,995.6**	101,057.6	89,611.1
Current assets							
Cash and cash equivalents and short-term deposits		**1,687.3**	1,612.3	2,265.9	**13,160.9**	12,575.9	17,674.0
Restricted cash		**52.9**	51.7	53.2	**412.6**	403.3	415.0
Available-for-sale assets		**100.1**	124.8	59.2	**780.8**	973.4	461.8
Accounts receivable, other receivables and prepayments	9	**994.2**	758.5	661.2	**7,754.8**	5,916.3	5,157.3
Inventories		**703.9**	631.0	717.2	**5,490.4**	4,921.8	5,594.2
Other current assets		**9.4**	2.0	5.7	**73.4**	15.6	44.4
		3,547.8	3,180.3	3,762.4	**27,672.9**	24,806.3	29,346.7
Assets classified as held for sale		**963.0**	1,062.6	982.4	**7,511.4**	8,288.3	7,662.7
		4,510.8	4,242.9	4,744.8	**35,184.3**	33,094.6	37,009.4
Current liabilities							
Accounts payable, other payables and accruals	10	**1,324.4**	1,241.0	1,192.4	**10,330.3**	9,679.8	9,300.8
Short-term borrowings		**1,178.6**	998.6	912.0	**9,193.1**	7,789.1	7,113.6
Provision for taxation		**91.5**	44.7	51.0	**713.7**	348.6	397.8
Current portion of deferred liabilities, provisions and payables		**301.0**	348.1	321.9	**2,347.8**	2,715.2	2,510.8
		2,895.5	2,632.4	2,477.3	**22,584.9**	20,532.7	19,323.0
Liabilities directly associated with the assets classified as held for sale		**319.2**	436.2	335.9	**2,489.8**	3,402.4	2,620.0
		3,214.7	3,068.6	2,813.2	**25,074.7**	23,935.1	21,943.0
Net current assets		**1,296.1**	1,174.3	1,931.6	**10,109.6**	9,159.5	15,066.4
Total assets less current liabilities		**15,398.1**	14,130.4	13,420.2	**120,105.2**	110,217.1	104,677.5
Equity							
Issued share capital		**42.8**	42.7	42.9	**333.8**	333.1	334.6
Shares held for share award scheme		**(8.2)**	(6.0)	(8.7)	**(64.0)**	(46.8)	(67.9)
Retained earnings		**1,327.7**	1,398.9	1,434.8	**10,356.1**	10,911.4	11,191.4
Other components of equity		**1,974.7**	1,634.6	1,878.2	**15,402.7**	12,749.9	14,650.0
Equity attributable to owners of the parent		**3,337.0**	3,070.2	3,347.2	**26,028.6**	23,947.6	26,108.1
Non-controlling interests		**5,056.9**	4,264.2	4,064.1	**39,443.8**	33,260.7	31,700.0
Total equity		**8,393.9**	7,334.4	7,411.3	**65,472.4**	57,208.3	57,808.1
Non-current liabilities							
Long-term borrowings		**5,388.5**	5,363.3	4,893.9	**42,030.3**	41,833.7	38,172.4
Deferred liabilities, provisions and payables		**1,332.2**	1,128.9	850.0	**10,391.2**	8,805.4	6,630.0
Deferred tax liabilities		**283.5**	303.8	265.0	**2,211.3**	2,369.7	2,067.0
		7,004.2	6,796.0	6,008.9	**54,632.8**	53,008.8	46,869.4
		15,398.1	14,130.4	13,420.2	**120,105.2**	110,217.1	104,677.5

(i) Refer to Note 1(B)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - UNAUDITED

US$ millions	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive (loss)/income (Note 11)	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	**(Unaudited) Total equity**
	Equity attributable to owners of the parent												
Balance at 1 January 2015													
As previously reported	42.9	(8.7)	1,797.2	61.7	(379.1)	345.2	16.8	12.3	-	1,540.1	3,428.4	4,288.6	7,717.0
Prior year adjustments (Note 1(B))	-	-	-	-	23.5	0.6	-	-	-	(105.3)	(81.2)	(224.5)	(305.7)
As restated[i]	42.9	(8.7)	1,797.2	61.7	(355.6)	345.8	16.8	12.3	-	1,434.8	3,347.2	4,064.1	7,411.3
Profit for the period													
As previously reported	-	-	-	-	-	-	-	-	-	159.6	159.6	208.6	368.2
Prior year adjustments (Note 1(B))	-	-	-	-	-	-	-	-	-	(2.2)	(2.2)	(8.6)	(10.8)
As restated[i]	-	-	-	-	-	-	-	-	-	157.4	157.4	200.0	357.4
Other comprehensive (loss)/income for the period													
As previously reported	-	-	-	-	(128.2)	-	0.2	-	-	-	(128.0)	(161.7)	(289.7)
Prior year adjustments	-	-	-	-	3.0	-	-	-	-	-	3.0	18.7	21.7
As restated[i]	-	-	-	-	(125.2)	-	0.2	-	-	-	(125.0)	(143.0)	(268.0)
Total comprehensive (loss)/income for the period	-	-	-	-	(125.2)	-	0.2	-	-	157.4	32.4	57.0	89.4
Issue of shares upon the exercise of share options	-	-	0.3	(0.1)	-	-	-	-	-	-	0.2	-	0.2
Repurchase and cancellation of shares	(0.2)	-	(17.8)	-	-	-	-	-	-	-	(18.0)	-	(18.0)
Shares vested under share award scheme	-	0.2	-	(0.2)	-	-	-	-	-	-	-	-	-
Employee share-based compensation benefits	-	-	-	6.7	-	-	-	-	-	-	6.7	-	6.7
Acquisition and dilution of interests in subsidiary companies	-	-	-	(0.1)	(1.7)	23.2	-	0.1	-	-	21.5	158.8	180.3
Appropriation to statutory reserve funds	-	-	-	-	-	-	0.4	-	-	(0.4)	-	-	-
2014 final dividend paid	-	-	-	-	-	-	-	-	-	(71.5)	(71.5)	-	(71.5)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	93.4	93.4
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	63.9	63.9
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(160.2)	(160.2)
Balance at 30 June 2015	42.7	(8.5)	1,779.7	68.0	(482.5)	369.0	17.4	12.4	-	1,520.3	3,318.5	4,277.0	7,595.5
Balance at 1 January 2016													
As previously reported	42.7	(6.0)	1,779.7	70.5	(653.8)	369.0	25.7	12.4	-	1,508.7	3,148.9	4,480.2	**7,629.1**
Prior year adjustments (Note 1(B))	-	-	-	-	30.6	0.5	-	-	-	(109.8)	(78.7)	(216.0)	**(294.7)**
As restated[i]	42.7	(6.0)	1,779.7	70.5	(623.2)	369.5	25.7	12.4	-	1,398.9	3,070.2	4,264.2	**7,334.4**
Profit for the period	-	-	-	-	-	-	-	-	-	127.6	127.6	237.4	**365.0**
Other comprehensive income /(loss) for the period	-	-	-	-	57.4	-	(8.3)	-	-	1.3	50.4	120.6	**171.0**
Total comprehensive income /(loss) for the period	-	-	-	-	57.4	-	(8.3)	-	-	128.9	178.0	358.0	**536.0**
Issue of shares upon the exercise of share options	-	-	2.8	(0.9)	-	-	-	-	-	-	1.9	-	**1.9**
Issue of shares under share award scheme	0.1	(2.8)	2.7	-	-	-	-	-	-	-	-	-	**-**
Shares vested under share award scheme	-	0.6	-	(0.6)	-	-	-	-	-	-	-	-	**-**
Transfer from share premium to contributed surplus	-	-	(1,785.2)	-	-	-	-	-	1,785.2	-	-	-	**-**
Reclassification	-	-	-	-	-	-	-	-	173.8	(173.8)	-	-	**-**
Cancellation of share options	-	-	-	(4.0)	-	-	-	-	-	4.0	-	-	**-**
Employee share-based compensation benefits	-	-	-	6.4	-	-	-	-	-	-	6.4	-	**6.4**
Acquisition, divestment and dilution of interests in subsidiary companies	-	-	-	-	8.3	102.2	-	0.2	-	-	110.7	532.8	**643.5**
Appropriation to statutory reserve funds	-	-	-	-	-	-	0.1	-	-	(0.1)	-	-	-
2015 final dividend paid	-	-	-	-	-	-	-	-	-	(30.2)	(30.2)	-	**(30.2)**
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	13.5	**13.5**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	17.7	**17.7**
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(129.3)	**(129.3)**
Balance at 30 June 2016	**42.8**	**(8.2)**	**-**	**71.4**	**(557.5)**	**471.7**	**17.5**	**12.6**	**1,959.0**	**1,327.7**	**3,337.0**	**5,056.9**	**8,393.9**

(i) Refer to Note 1(B)

HK$ millions*	Equity attributable to owners of the parent												
	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive (loss)/income (Note 11)	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	**(Unaudited) Total equity**
Balance at 1 January 2015													
As previously reported	334.6	(67.9)	14,018.1	481.3	(2,957.0)	2,692.6	131.0	96.0	-	12,012.8	26,741.5	33,451.1	60,192.6
Prior year adjustments (Note 1(B))	-	-	-	-	183.3	4.7	-	-	-	(821.4)	(633.4)	(1,751.1)	(2,384.5)
As restated[i]	334.6	(67.9)	14,018.1	481.3	(2,773.7)	2,697.3	131.0	96.0	-	11,191.4	26,108.1	31,700.0	57,808.1
Profit for the period													
As previously reported	-	-	-	-	-	-	-	-	-	1,244.9	1,244.9	1,627.1	2,872.0
Prior year adjustments (Note 1(B))	-	-	-	-	-	-	-	-	-	(17.2)	(17.2)	(67.1)	(84.3)
As restated[i]	-	-	-	-	-	-	-	-	-	1,227.7	1,227.7	1,560.0	2,787.7
Other comprehensive (loss)/income for the period													
As previously reported	-	-	-	-	(1,000.0)	-	1.6	-	-	-	(998.4)	(1,261.3)	(2,259.7)
Prior year adjustments	-	-	-	-	23.4	-	-	-	-	-	23.4	145.9	169.3
As restated[i]	-	-	-	-	(976.6)	-	1.6	-	-	-	(975.0)	(1,115.4)	(2,090.4)
Total comprehensive (loss)/income for the period	-	-	-	-	(976.6)	-	1.6	-	-	1,227.7	252.7	444.6	697.3
Issue of shares upon the exercise of share options	-	-	2.4	(0.8)	-	-	-	-	-	-	1.6	-	1.6
Repurchase and cancellation of shares	(1.5)	-	(138.8)	-	-	-	-	-	-	-	(140.3)	-	(140.3)
Shares vested under share award scheme	-	1.6	-	(1.6)	-	-	-	-	-	-	-	-	-
Employee share-based compensation benefits	-	-	-	52.3	-	-	-	-	-	-	52.3	-	52.3
Acquisition and dilution of interests in subsidiary companies	-	-	-	(0.8)	(13.2)	180.9	-	0.7	-	-	167.6	1,238.6	1,406.2
Appropriation to statutory reserve funds	-	-	-	-	-	-	3.1	-	-	(3.1)	-	-	-
2014 final dividend paid	-	-	-	-	-	-	-	-	-	(557.8)	(557.8)	-	(557.8)
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	728.5	728.5
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	498.4	498.4
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(1,249.5)	(1,249.5)
Balance at 30 June 2015	333.1	(66.3)	13,881.7	530.4	(3,763.5)	2,878.2	135.7	96.7	-	11,858.2	25,884.2	33,360.6	59,244.8
Balance at 1 January 2016													
As previously reported	333.1	(46.8)	13,881.6	549.9	(5,099.6)	2,878.2	200.5	96.7	-	11,767.8	24,561.4	34,945.6	**59,507.0**
Prior year adjustments (Note 1(B))	-	-	-	-	238.7	3.9	-	-	-	(856.4)	(613.8)	(1,684.9)	**(2,298.7)**
As restated[i]	333.1	(46.8)	13,881.6	549.9	(4,860.9)	2,882.1	200.5	96.7	-	10,911.4	23,947.6	33,260.7	**57,208.3**
Profit for the period	-	-	-	-	-	-	-	-	-	995.3	995.3	1,851.7	**2,847.0**
Other comprehensive income /(loss) for the period	-	-	-	-	447.7	-	(64.7)	-	-	10.1	393.1	940.7	**1,333.8**
Total comprehensive income /(loss) for the period	-	-	-	-	447.7	-	(64.7)	-	-	1,005.4	1,388.4	2,792.4	**4,180.8**
Issue of shares upon the exercise of share options	-	-	21.8	(7.0)	-	-	-	-	-	-	14.8	-	**14.8**
Issue of shares under share award scheme	0.7	(21.9)	21.2	-	-	-	-	-	-	-	-	-	**-**
Shares vested under share award scheme	-	4.7	-	(4.7)	-	-	-	-	-	-	-	-	**-**
Transfer from share premium to contributed surplus	-	-	(13,924.6)	-	-	-	-	-	13,924.6	-	-	-	**-**
Reclassification	-	-	-	-	-	-	-	-	1,355.6	(1,355.6)	-	-	**-**
Cancellation of share options	-	-	-	(31.2)	-	-	-	-	-	31.2	-	-	**-**
Employee share-based compensation benefits	-	-	-	49.9	-	-	-	-	-	-	49.9	-	**49.9**
Acquisition, divestment and dilution of interests in subsidiary companies	-	-	-	-	64.7	797.2	-	1.6	-	-	863.5	4,155.8	**5,019.3**
Appropriation to statutory reserve funds	-	-	-	-	-	-	0.7	-	-	(0.7)	-	-	**-**
2015 final dividend paid	-	-	-	-	-	-	-	-	-	(235.6)	(235.6)	-	**(235.6)**
Acquisition of subsidiary companies	-	-	-	-	-	-	-	-	-	-	-	105.3	**105.3**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	138.1	**138.1**
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(1,008.5)	**(1,008.5)**
Balance at 30 June 2016	**333.8**	**(64.0)**	**-**	**556.9**	**(4,348.5)**	**3,679.3**	**136.5**	**98.3**	**15,280.2**	**10,356.1**	**26,028.6**	**39,443.8**	**65,472.4**

(i) Refer to Note 1(B)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - UNAUDITED

For the six months ended 30 June	Notes	2016 US$m	2015 (Restated)[i] US$m	2016 HK$m*	2015 (Restated)[i] HK$m*
Profit before taxation					
From continuing operations		**464.5**	413.8	**3,623.1**	3,227.6
From a discontinued operation		**13.4**	36.6	**104.6**	285.5
Adjustments for:					
Finance costs		**198.4**	185.8	**1,547.5**	1,449.2
Depreciation		**139.8**	129.7	**1,090.4**	1,011.7
Amortization of intangible assets	3	**42.5**	44.8	**331.5**	349.4
Provision for onerous contracts	3	**8.8**	-	**68.7**	-
Employee share-based compensation benefit expenses		**6.7**	7.0	**52.3**	54.6
Provision for impairment losses	3	**6.1**	4.1	**47.6**	32.0
Share of profits less losses of associated companies and joint ventures		**(125.1)**	(166.6)	**(975.8)**	(1,299.5)
Interest income		**(33.5)**	(46.2)	**(261.3)**	(360.4)
Foreign exchange and derivative (gains)/losses, net		**(21.2)**	47.5	**(165.4)**	370.5
Gain on changes in fair value of biological assets	3	**(7.1)**	(1.5)	**(55.4)**	(11.7)
Gain on disposal of available-for-sale assets	3	**(2.6)**	-	**(20.3)**	-
Gain on sale of property, plant and equipment	3	**-**	(0.3)	**-**	(2.3)
Others		**(0.5)**	(1.4)	**(3.9)**	(10.9)
		690.2	653.3	**5,383.6**	5,095.7
Decrease in working capital		**(369.7)**	(35.9)	**(2,883.7)**	(280.0)
Net cash generated from operations		**320.5**	617.4	**2,499.9**	4,815.7
Interest received		**34.6**	43.8	**269.9**	341.6
Interest paid		**(180.1)**	(159.0)	**(1,404.8)**	(1,240.2)
Taxes paid		**(100.2)**	(106.3)	**(781.6)**	(829.1)
Net cash flows from operating activities		**74.8**	395.9	**583.4**	3,088.0
Dividends received from associated companies		**123.2**	126.3	**961.0**	985.1
Proceeds from disposal of available-for-sale assets		**50.6**	1.4	**394.7**	10.9
Dividends received from available-for-sale assets		**2.8**	1.7	**21.8**	13.3
Proceeds from disposal of property, plant and equipment		**2.7**	0.7	**21.1**	5.5
Increased investments in a joint venture		**(238.6)**	-	**(1,861.1)**	-
Increased investments in preferred shares issued by a joint venture		**(197.6)**	-	**(1,541.3)**	-
Purchase of property, plant and equipment		**(189.8)**	(209.2)	**(1,480.4)**	(1,631.8)
Investments in intangible assets		**(148.3)**	(140.3)	**(1,156.7)**	(1,094.4)
Acquisition of available-for-sale assets		**(102.5)**	(35.1)	**(799.5)**	(273.8)
Acquisition of a business		**(46.1)**	-	**(359.6)**	-
Increase in time deposits with original maturity of more than three months		**(44.9)**	(61.6)	**(350.2)**	(480.5)
Acquisition of subsidiary companies		**(25.1)**	(104.5)	**(195.8)**	(815.1)
Investments in associated companies		**(4.6)**	(63.0)	**(35.9)**	(491.4)
Increase in pledged deposits and restricted cash		**(1.2)**	(81.4)	**(9.4)**	(634.9)
Investments in biological assets		**(0.1)**	(0.4)	**(0.8)**	(3.1)
Preferred share dividends received from a joint venture		**-**	9.1	**-**	71.0
Proceeds from divestment of interests in an associated company		**-**	4.2	**-**	32.8
Increased investments in associated companies		**-**	(519.4)	**-**	(4,051.3)
Investments in joint ventures		**-**	(423.4)	**-**	(3,302.5)
Net cash flows used in investing activities		**(819.5)**	(1,494.9)	**(6,392.1)**	(11,660.2)
Proceeds from new borrowings		**1,098.2**	1,039.8	**8,566.0**	8,110.4
Proceeds from issue of shares to non-controlling shareholders by subsidiary companies		**471.7**	197.2	**3,679.2**	1,538.2
Proceeds from divestment of interests in a subsidiary company		**168.6**	-	**1,315.1**	-
Capital contributions from non-controlling shareholders		**17.7**	27.9	**138.1**	217.6
Proceeds from issue of shares under a long-term incentive plan		**1.9**	0.2	**14.8**	1.6
Borrowings repaid		**(887.5)**	(333.1)	**(6,922.5)**	(2,598.2)
Dividends paid to non-controlling shareholders by subsidiary companies		**(129.3)**	(160.2)	**(1,008.5)**	(1,249.5)
Dividends paid to shareholders		**(30.2)**	(71.5)	**(235.6)**	(557.8)
Payments for concession fees payable		**(14.3)**	(17.0)	**(111.5)**	(132.6)
Increased investments in a subsidiary company		**(0.6)**	(12.6)	**(4.7)**	(98.3)
Repurchase of shares		**-**	(19.0)	**-**	(148.2)
Repurchase of a subsidiary company's shares		**-**	(11.7)	**-**	(91.2)
Net cash flows from financing activities		**696.2**	640.0	**5,430.4**	4,992.0
Net decrease in cash and cash equivalents		**(48.5)**	(459.0)	**(378.3)**	(3,580.2)
Cash and cash equivalents at 1 January		**1,450.0**	2,086.3	**11,310.0**	16,273.1
Exchange translation		**31.2**	(96.9)	**243.4**	(755.8)
Cash and cash equivalents at 30 June		**1,432.7**	1,530.4	**11,175.1**	11,937.1
Representing					
Cash and cash equivalents and short-term deposits as stated in the condensed consolidated statement of financial position		**1,687.3**	1,707.4	**13,160.9**	13,317.7
Add cash and cash equivalents and short-term deposits attributable to a discontinued operation		**634.5**	618.3	**4,949.1**	4,822.7
Less time deposits with original maturity of more than three months		**(888.9)**	(785.1)	**(6,933.4)**	(6,123.8)
Less bank overdrafts		**(0.2)**	(10.2)	**(1.5)**	(79.5)
Cash and cash equivalents at 30 June		**1,432.7**	1,530.4	**11,175.1**	11,937.1

(i) Refer to Note 1(B)

* *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.*

Notes:-

1. Basis of preparation and impact of new and revised HKFRSs

(A) Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and the disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the Listing Rules) issued by The Stock Exchange of Hong Kong Limited (SEHK). The condensed interim consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the Group's 2015 audited financial statements, except for the adoption of revised financial reporting standards effective on 1 January 2016 as described below.

(B) Impact of revised HKFRSs

During 2016, the Group has adopted the following revised Hong Kong Financial Reporting Standards (HKFRSs) (which include all HKFRSs, HKASs and Hong Kong (International Financial Reporting Interpretations Committee) - Interpretations) effective for annual periods commencing on or after 1 January 2016 issued by the HKICPA:

HKAS 16 and HKAS 41 Amendments	"Agriculture: Bearer Plants"
HKAS 1 Amendments	"Disclosure Initiative"
HKAS 16 and HKAS 38 Amendments	"Clarification of Acceptable Methods of Depreciation and Amortization"
HKAS 27 (2011) Amendments	"Equity Method in Separate Financial Statements"
HKFRS 10, HKFRS 12 and HKAS 28 (2011) Amendments	"Investment Entities: Applying the Consolidation Exception"
HKFRS 11 Amendments	"Accounting for Acquisitions of Interests in Joint Operations"
Improvements to HKFRSs	"Annual Improvements to HKFRSs 2012-2014"

The Group's adoption of the above pronouncements, except for HKAS 16 and HKAS 41 Amendments, has had no effect on both the profit attributable to owners of the parent for the six-month periods ended 30 June 2016 and 30 June 2015 and the equity attributable to owners of the parent at 30 June 2016, 31 December 2015 and 1 January 2015.

The Group adopted HKAS 16 and HKAS 41 Amendments with effect from 1 January 2016. Under the amendments, bearer plants are defined as living plants that are used in the production or supply of agricultural produce and expected to bear produce for more than one period, and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Biological assets that meet the definition of bearer plants will no longer be within the scope of HKAS 41 "Agriculture". Instead, bearer plants will be measured under HKAS 16 "Property, Plant and equipment" at accumulated cost (before maturity) using the cost model (after maturity). However, the agricultural produce growing on bearer plants will remain within the scope of HKAS 41 and to be measured at fair value less costs to sell. Depreciation for bearer plants is calculated on a straight-line basis over the economic useful lives of 25 years for oil palm and rubber trees, and four years for sugar cane. The Group has applied the amendments retrospectively. The effects of the above change are summarized below:

(a) Effects on the condensed consolidated statement of financial position at 31 December 2015 and 1 January 2015

	At 31 December 2015 US$m	At 1 January 2015 US$m	At 31 December 2015 HK$m*	At 1 January 2015 HK$m*
Assets				
Increase in property, plant and equipment	730.0	772.8	5,694.0	6,027.9
Decrease in biological assets/plantations	(1,124.9)	(1,186.1)	(8,774.2)	(9,251.6)
Decrease in deferred tax assets	(0.9)	(1.0)	(7.0)	(7.8)
Increase in other current assets	2.0	5.7	15.6	44.4
	(393.8)	(408.6)	(3,071.6)	(3,187.1)
Liabilities				
Decrease in deferred tax liabilities	(99.1)	(102.9)	(772.9)	(802.6)
	(99.1)	(102.9)	(772.9)	(802.6)
Equity				
Decrease in retained earnings	(109.8)	(105.3)	(856.4)	(821.4)
Increase in exchange reserve	30.6	23.5	238.7	183.3
Increase in differences arising from changes in equities of subsidiary companies	0.5	0.6	3.9	4.7
Decrease in non-controlling interests	(216.0)	(224.5)	(1,684.9)	(1,751.1)
	(294.7)	(305.7)	(2,298.7)	(2,384.5)

(b) Effects on the condensed consolidated income statement for the six months ended 30 June 2015

For the six months ended 30 June 2015	US$m	HK$m*
Increase in cost of sales	(19.1)	(148.9)
Decrease in administrative expenses	4.5	35.0
Decrease in other operating expenses, net	0.5	3.9
Decrease in taxation	3.3	25.7
Decrease in profit for the period	(10.8)	(84.3)
Attributable to:		
Owners of the parent – For profit from continuing operations	(2.2)	(17.2)
Non-controlling interests – For profit from continuing operations	(8.6)	(67.1)
Decrease in profit for the period	(10.8)	(84.3)
Decrease in earnings per share attributable to owners of the parent	US¢	HK¢*
Basic	(0.06)	(0.5)
Diluted	(0.05)	(0.4)

2. Turnover and operating segmental information

For the six months ended 30 June	**2016 US$m**	2015 US$m	**2016 HK$m***	2015 HK$m*
Turnover				
Sale of goods	**2,705.3**	2,585.8	**21,101.4**	20,169.2
Sale of electricity	**259.3**	325.1	**2,022.5**	2,535.8
Rendering of services	**471.4**	418.4	**3,676.9**	3,263.5
Total	**3,436.0**	3,329.3	**26,800.8**	25,968.5

Operating segmental Information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose operating results are regularly reviewed by the Group's chief operating decision maker 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 him.

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 main segments, which are telecommunications, consumer food products, infrastructure and natural resources. Geographically, the Board of Directors considers the businesses of the Group are operating in the Philippines, Indonesia, Australasia and Singapore and the turnover information of continuing operations is based on the locations of the customers.

The Board of Directors assesses the performance of the operating segments based on a measure of recurring profit. This basis measures the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/losses, gain on changes in fair value of biological assets and non-recurring items. Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items.

The revenue, results and other information for the six months ended 30 June 2016 and 2015, and total assets and total liabilities at 30 June 2016 and 31 December 2015 regarding the Group's operating segments are as follows.

By principal business activity - 2016

For the six months ended/at 30 June	Telecom-munications US$m	Consumer Food Products US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	**2016 Total US$m**	**2016 Total HK$m***
Revenue							
Turnover	-	2,714.1	721.9	-	-	**3,436.0**	**26,800.8**
Results							
Recurring profit	78.4	84.0	59.3	4.5	(68.4)	**157.8**	**1,230.8**
Assets and Liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	1,226.7	645.8	2,659.6	462.1	-	**4,994.2**	**38,954.8**
- Others	-	3,929.7	4,713.2	-	22.1	**8,665.0**	**67,587.0**
	1,226.7	4,575.5	7,372.8	462.1	22.1	**13,659.2**	**106,541.8**
Other assets	-	2,731.8	939.8	-	319.0	**3,990.6**	**31,126.7**
Segment assets	1,226.7	7,307.3	8,312.6	462.1	341.1	**17,649.8**	**137,668.5**
Assets classified as held for sale	-	929.8	33.2	-	-	**963.0**	**7,511.4**
Total assets	1,226.7	8,237.1	8,345.8	462.1	341.1	**18,612.8**	**145,179.9**
Borrowings	-	2,365.4	2,423.2	-	1,778.5	**6,567.1**	**51,223.4**
Other liabilities	-	1,398.8	1,817.3	-	116.5	**3,332.6**	**25,994.3**
Segment liabilities	-	3,764.2	4,240.5	-	1,895.0	**9,899.7**	**77,217.7**
Liabilities directly associated with the assets classified as held for sale	-	319.2	-	-	-	**319.2**	**2,489.8**
Total liabilities	-	4,083.4	4,240.5	-	1,895.0	**10,218.9**	**79,707.5**
Other Information - continuing operations							
Depreciation and amortization	-	(116.1)	(65.1)	-	(7.8)	**(189.0)**	**(1,474.2)**
Gain on changes in fair value of biological assets	-	7.1	-	-	-	**7.1**	**55.4**
Impairment losses	-	(5.9)	(0.2)	-	-	**(6.1)**	**(47.6)**
Interest income	-	21.9	4.5	-	1.4	**27.8**	**216.8**
Finance costs	-	(63.8)	(73.0)	-	(49.6)	**(186.4)**	**(1,453.9)**
Share of profits less losses of associated companies and joint ventures	55.2	(8.3)	74.1	4.1	-	**125.1**	**975.8**
Taxation	-	(76.7)	(28.2)	-	(8.3)	**(113.2)**	**(883.0)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	-	159.8	673.8	-	0.1	**833.7**	**6,502.9**

By geographical market - 2016

For the six months ended/at 30 June	The Philippines US$m	Indonesia US$m	Australasia US$m	Singapore US$m	Others US$m	**2016 Total US$m**	**2016 Total HK$m***
Revenue							
Turnover	643.3	2,354.9	5.8	270.7	161.3	**3,436.0**	**26,808.8**
Assets							
Non-current assets (other than financial instruments and deferred tax assets)	8,494.0	3,385.3	533.5	1,171.9	74.5	**13,659.2**	**106,541.8**

By principal business activity - 2015

For the six months ended 30 June/at 31 December	Telecom-munications US$m	Consumer Food Products US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	2015 (Restated) Total US$m	2015 (Restated) Total HK$m*
Revenue							
Turnover	-	2,608.8	720.5	-	-	3,329.3	25,968.5
Results							
Recurring profit	97.4	82.5	62.3	2.9	(70.3)	174.8	1,363.4
Assets and Liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	1,240.6	632.7	2,028.7	458.5	-	4,360.5	34,011.9
- Others	-	3,757.8	4,463.6	-	23.7	8,245.1	64,311.8
	1,240.6	4,390.5	6,492.3	458.5	23.7	12,605.6	98,323.7
Other assets	-	2,422.2	988.7	-	119.9	3,530.8	27,540.2
Segment assets	1,240.6	6,812.7	7,481.0	458.5	143.6	16,136.4	125,863.9
Assets classified as held for sale	-	1,031.2	31.4	-	-	1,062.6	8,288.3
Total assets	1,240.6	7,843.9	7,512.4	458.5	143.6	17,199.0	134,152.2
Borrowings	-	2,204.3	2,368.2	-	1,789.4	6,361.9	49,622.8
Other liabilities	-	1,248.6	1,701.3	-	116.6	3,066.5	23,918.7
Segment liabilities	-	3,452.9	4,069.5	-	1,906.0	9,428.4	73,541.5
Liabilities directly associated with the assets classified as held for sale	-	436.2	-	-	-	436.2	3,402.4
Total liabilities	-	3,889.1	4,069.5	-	1,906.0	9,864.6	76,943.9
Other Information - continuing operations							
Depreciation and amortization	-	(97.3)	(61.1)	-	(8.1)	(166.5)	(1,298.7)
Gain on changes in fair value of biological assets	-	1.5	-	-	-	1.5	11.7
Impairment losses	-	(4.0)	(0.1)	-	-	(4.1)	(32.0)
Interest income	-	28.8	6.0	-	3.1	37.9	295.6
Finance costs	-	(61.4)	(67.2)	-	(50.0)	(178.6)	(1,393.1)
Share of profits less losses of associated companies and joint ventures	104.9	(9.5)	66.7	4.5	-	166.6	1,299.5
Taxation	-	(65.6)	(7.1)	-	(12.6)	(85.3)	(665.3)
Additions to non-current assets (other than financial instruments and deferred tax assets)	-	621.3	799.0	-	0.2	1,420.5	11,079.9

By geographical market - 2015

For the six months ended 30 June/at 31 December	The Philippines US$m	Indonesia US$m	Australasia US$m	Singapore US$m	Others US$m	2015 Total US$m	2015 Total HK$m*
Revenue							
Turnover	504.2	2,312.3	6.1	344.1	162.6	3,329.3	25,968.5
Assets							
Non-current assets (other than financial instruments and deferred tax assets)	7,624.9	3,168.8	517.9	1,211.0	83.0	12,605.6	98,323.7

3. Profit before taxation

For the six months ended 30 June	**2016** **US$m**	2015 (Restated) US$m	**2016** **HK$m***	2015 (Restated) HK$m*
Profit before taxation (from continuing operations) is stated after (charging)/crediting				
Cost of inventories sold	**(1,472.6)**	(1,395.0)	**(11,486.3)**	(10,881.0)
Employees' remuneration	**(381.1)**	(334.1)	**(2,972.6)**	(2,606.0)
Cost of services rendered	**(162.9)**	(146.4)	**(1,270.6)**	(1,141.9)
Depreciation	**(139.8)**	(114.7)	**(1,090.4)**	(894.7)
Amortization of intangible assets	**(42.5)**	(44.8)	**(331.5)**	(349.4)
Provision for onerous contracts	**(8.8)**	-	**(68.6)**	-
Impairment losses				
- Inventories[(i)]	**(5.7)**	(4.0)	**(44.5)**	(31.2)
- Accounts receivable[(ii)]	**(0.4)**	(0.1)	**(3.1)**	(0.8)
Foreign exchange and derivative gains/(losses), net	**27.8**	(47.5)	**216.8**	(370.5)
Gain on changes in fair value of biological assets	**7.1**	1.5	**55.4**	11.7
Gain on disposal of available-for-sale assets	**2.6**	-	**20.3**	-
Dividends received from available-for-sale assets	**1.7**	1.7	**13.3**	13.3
Gain on sale of property, plant and equipment	**-**	0.3	**-**	2.3

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

4. Taxation

No Hong Kong profits tax (2015: Nil) has been provided as the Group had no estimated assessable profits (2015: Nil) arising in Hong Kong for the period. Taxation on assessable profits generated outside Hong Kong has been provided at the rates of taxation prevailing in the countries in which the Company's subsidiary companies operate.

For the six months ended 30 June	2016	2015 (Restated)	2016	2015 (Restated)
	US$m	US$m	HK$m*	HK$m*
Subsidiary companies - overseas				
Current taxation	**129.5**	100.6	**1,010.1**	784.7
Deferred taxation	**(16.3)**	(15.3)	**(127.1)**	(119.4)
Total	**113.2**	85.3	**883.0**	665.3

Included within share of profits less losses of associated companies and joint ventures is taxation of US$66.0 million (HK$514.8 million) (2015: US$69.4 million or HK$541.3 million) which is analyzed as follows.

For the six months ended 30 June	2016	2015	2016	2015
	US$m	US$m	HK$m*	HK$m*
Associated companies and joint ventures - overseas				
Current taxation	**59.3**	64.8	**462.5**	505.4
Deferred taxation	**6.7**	4.6	**52.3**	35.9
Total	**66.0**	69.4	**514.8**	541.3

5. A discontinued operation

On 31 December 2014, Indofood engaged in a discussion with China Minzhong Holdings Limited (CMZ BVI), a company beneficially owned by the management of China Minzhong Food Corporation Limited (CMZ), to divest a majority interest of approximately 52.9% in CMZ at a price of S$1.2 (US$0.89) per share, thereby reducing Indofood's interests in CMZ from 82.9% to approximately 30%. On 14 October 2015, Indofood and CMZ BVI entered into a binding Memorandum of Understanding (MOU) which sets out the terms upon which they will continue to discuss and work towards finalization of a definitive sale and purchase agreement for the proposed transaction. In consideration of Indofood entering into the MOU, CMZ BVI paid Indofood earnest sums of S$40 million (US$29.4 million) by 30 December 2015, which shall be treated as part of the consideration payable to Indofood upon the consummation of the proposed transaction. CMZ was classified as a disposal group held for sale at 31 December 2014 and 2015 and 30 June 2016 and a discontinued operation in the Group's 2014 and 2015 annual consolidated financial statements and 2015 and 2016 condensed interim consolidated financial statements. The potential divestment is expected to be completed during 2016. Prior to the classification as a discontinued operation, the operation of CMZ was reported as the cultivation and processed vegetables group of the Group's consumer food products business segment and the People's Republic of China geographical segment.

6. Profit attributable to owners of the parent

The profit attributable to owners of the parent includes US$9.5 million (HK$74.1 million) of net foreign exchange and derivative gains (2015: US$17.4 million or HK$135.7 million of loss), which represent the foreign exchange translation differences on the Group's unhedged foreign currency denominated net borrowings and payables and the changes in the fair values of derivatives, US$1.1 million (HK$8.6 million) (2015: US$0.2 million or HK$1.6 million (Restated)) of gain on changes in fair value of biological assets and US$40.8 million (HK$318.2 million) (2015: US$0.2 million or HK$1.6 million) of net non-recurring losses.

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

For the six months ended 30 June	2016	2015	2016	2015
	US$m	US$m	HK$m*	HK$m*
Foreign exchange and derivative gains/(losses), net				
- Subsidiary companies	**21.2**	(47.5)	**165.4**	(370.5)
- Associated companies and joint ventures	**1.3**	(0.9)	**10.1**	(7.0)
Subtotal	**22.5**	(48.4)	**175.5**	(377.5)
Attributable taxation and non-controlling interests	**(13.0)**	31.0	**(101.4)**	241.8
Total	**9.5**	(17.4)	**74.1**	(135.7)

The non-recurring losses represent certain items, through occurrence or size, which are not considered as usual operating items. 1H16's non-recurring losses of US$40.8 million (HK$318.2 million) mainly represent PLDT's impairment provision for its investment in Rocket Internet shares (US$29.3 million or HK$228.5 million), MPIC's project expenses (US$4.3 million or HK$33.5 million) and PLP's provision for onerous contracts (US$3.7 million or HK$28.9 million).

7. Earnings per share attributable to owners of the parent

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the parent of US$127.6 million (HK$995.3 million) (2015: US$157.4 million or HK$1,227.7 million) and the weighted average number of ordinary shares of 4,271.8 million (2015: 4,280.1 million) in issue less shares held for a share award scheme of 6.9 million (2015: 7.7 million) during the period.

The calculation of the diluted earnings per share is based on: (a) the profit for the period attributable to owners of the parent of US$127.6 million (HK$995.3 million) (2015: US$157.4 million or HK$1,227.7 million) reduced by the dilutive impacts of US$0.1 million (HK$0.8 million) (2015: US$0.1 million or HK$0.8 million) in respect of the exercise of share options issued by the Group's subsidiary and associated companies and (b) a share base equal to the aggregate of the weighted average number of ordinary shares of 4,271.8 million (2015: 4,280.1 million) in issue less shares held for a share award scheme of 6.9 million (2015: 7.7 million) during the period (as used in the basic earnings per share calculation) and the weighted average number of ordinary shares of 2.5 million (2015: 27.3 million) assumed to have been issued at no consideration on the deemed exercise of all dilutive share options of the Company during the period.

8. Ordinary share interim distribution

At a meeting held on 19 August 2016, the Directors declared an interim cash distribution of HK8.00 cents (U.S. 1.03 cents) (2015: HK8.00 cents or U.S. 1.03 cents) per ordinary share, equivalent to a total amount of US$43.8 million (HK$341.6 million) (2015: US$44.2 million or HK$344.8 million).

9. Accounts receivable, other receivables and prepayments

Included in accounts receivable, other receivables and prepayments are accounts receivable of US$610.3 million (HK$4,760.3 million) (31 December 2015: US$454.2 million or HK$3,542.8 million) with an ageing profile as follows.

	At 30 June 2016 US$m	At 31 December 2015 US$m	**At 30 June 2016 HK$m***	At 31 December 2015 HK$m*
0 to 30 days	**554.1**	389.7	**4,322.0**	3,039.7
31 to 60 days	**26.8**	17.2	**209.0**	134.2
61 to 90 days	**12.5**	15.0	**97.5**	117.0
Over 90 days	**16.9**	32.3	**131.8**	251.9
Total	**610.3**	454.2	**4,760.3**	3,542.8

Indofood generally allows customers 30 to 60 days of credit. MPIC (a) allows 14 days of credit for its water service customers, (b) collects toll fees by Cavitex Infrastructure Corporation (CIC), and through its associated company, Tollways Management Corporation (TMC), by cash, by prepaid and reloadable electronic toll collection devices and by credit card payment, (c) generally collects charges when services are rendered to its hospital customers, except for certain corporate customers which are allowed an average of 30 days of credit, (d) collects rail fare through single journey tickets and usage of prepaid credits in stored value cards and allows 30 days of credit for its non-rail service customers, such as lessees and advertisers and (e) allows 30 days of credit for its logistics customers. PLP generally allows customers 30 days of credit. RHI generally allows customers 15 to 90 days of credit. FCMI generally receives payments upon delivery and allows some of its customers 30 days of credits.

10. Accounts payable, other payables and accruals

Included in accounts payable, other payables and accruals are accounts payable of US$404.0 million (HK$3,151.2 million) (31 December 2015: US$391.3 million or HK$3,052.1 million) with an ageing profile as follows.

	At 30 June 2016 US$m	At 31 December 2015 US$m	**At 30 June 2016 HK$m***	At 31 December 2015 HK$m*
0 to 30 days	**345.9**	303.5	**2,698.0**	2,367.3
31 to 60 days	**21.6**	22.4	**168.5**	174.7
61 to 90 days	**8.1**	6.2	**63.2**	48.4
Over 90 days	**28.4**	59.2	**221.5**	461.7
Total	**404.0**	391.3	**3,151.2**	3,052.1

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

	Exchange reserve US$m	Unrealized gains on available-for-sale assets US$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$m	Share of other comprehensive loss of associated companies and joint ventures US$m	**Total US$m**	**Total HK$m***
Balance at 1 January 2015								
As previously reported	(307.7)	14.9	(28.0)	4.1	(28.4)	(34.0)	(379.1)	(2,957.0)
Prior year adjustments	23.5	-	-	-	-	-	23.5	183.3
As restated	(284.2)	14.9	(28.0)	4.1	(28.4)	(34.0)	(355.6)	(2,773.7)
Other comprehensive (loss)/income for the period								
As previously reported	(92.2)	27.5	19.8	(3.3)	5.0	(85.0)	(128.2)	(1,000.0)
Prior year adjustments	3.0	-	-	-	-	-	3.0	23.4
As restated	(89.2)	27.5	19.8	(3.3)	5.0	(85.0)	(125.2)	(976.6)
Acquisition and dilution of interests in subsidiary companies	(1.0)	-	-	-	-	(0.7)	(1.7)	(13.2)
Balance at 30 June 2015	(374.4)	42.4	(8.2)	0.8	(23.4)	(119.7)	(482.5)	(3,763.5)
Balance at 1 January 2016								
As previously reported	(542.3)	52.3	(32.6)	5.0	(17.5)	(118.7)	**(653.8)**	**(5,099.6)**
Prior year adjustments	30.6	-	-	-	-	-	**30.6**	**238.7**
As restated	(511.7)	52.3	(32.6)	5.0	(17.5)	(118.7)	**(623.2)**	**(4,860.9)**
Other comprehensive income/(loss) for the period	40.8	4.5	22.6	(4.0)	(0.2)	(5.0)	**58.7**	**457.9**
Recycled to retained earnings	-	-	-	-	-	(1.3)	**(1.3)**	**(10.2)**
Acquisition, divestment and dilution of interests in subsidiary companies	9.8	-	-	-	-	(1.5)	**8.3**	**64.7**
Balance at 30 June 2016	**(461.1)**	**56.8**	**(10.0)**	**1.0**	**(17.7)**	**(126.5)**	**(557.5)**	**(4,348.5)**

12. Contingent liabilities

(a) At 30 June 2016, except for US$66.9 million (HK$521.8 million) (31 December 2015: US$73.4 million or HK$572.5 million) of guarantees 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 2015: Nil).

(b) On 29 June 2011, the Supreme Court of the Philippines, or the Court, promulgated a Decision in the case of Wilson P. Gamboa vs. Finance Secretary Margarito B. Teves, et. al. (G.R. No. 176579) (the "Gamboa Case"), holding that "the term 'capital' in Section 11, Article XII of the 1987 Constitution refers only to shares of stock entitled to vote in the election of directors and thus only to voting common shares, and not to the total outstanding capital stock (common and non-voting preferred shares)". This decision reversed earlier opinions issued by the Philippine Securities and Exchange Commission (SEC) that non-voting preferred shares are included in the computation of the 60%-40% Filipino-alien equity requirement of certain economic activities, such as telecommunications (which is a public utility under Section 11, Article XII of the 1987 Constitution).

Although PLDT is not a party to the Gamboa Case, in its decision, the Court directed the Philippine SEC "to apply this definition of the term 'capital' in determining the extent of allowable foreign ownership in PLDT, and if there is a violation of Section 11, Article XII of the 1987 Constitution, to impose the appropriate sanctions under the law." Although the parties to the Gamboa Case filed Motions for Reconsideration of the decision and argued their positions before the Court, the Court ultimately denied the motions on 9 October 2012.

Meanwhile, on 5 July 2011, the Board of Directors of PLDT approved the amendments to the Seventh Article of Amended Articles of Incorporation of PLDT, or the Amendments to the Articles, which subclassified its authorized preferred capital into preferred shares with full voting rights, or Voting Preferred Shares, and serial preferred shares without voting rights. The Amendments to the Articles were subsequently approved by the stockholders of PLDT and the Philippine SEC.

On 15 October 2012, PLDT and BTF Holdings, Inc. (BTFHI), a Filipino corporation and a wholly-owned company of The Board of Trustees for the Account of the Beneficial Trust Fund created pursuant to the PLDT's Benefit Plan, entered into a Subscription Agreement, pursuant to which PLDT issued 150 million Voting Preferred Shares to BTFHI at Pesos 1 per share reducing the percentage of PLDT's voting stock held by foreigners from 56.62% (based on Voting Common Shares) as at 15 October 2012 to 18.37% (based on Voting Common and Preferred Shares) as at 15 April 2013.

On 20 May 2013, the Philippine SEC issued SEC Memorandum Circular No. 8, Series of 2013, or the Philippine SEC Guidelines, which PLDT believes was intended to fulfill the Court's directive to the Philippine SEC in the Gamboa Case. The Philippine SEC Guidelines provided that "the required percentage of Filipino ownership shall be applied to BOTH: (a) the total number of outstanding shares of stock entitled to vote in the election of directors; AND (b) the total number of outstanding shares of stock, whether or not entitled to vote in the election of directors." PLDT believes it was, and continues to be, compliant with the Philippine SEC Guidelines. As at 29 July 2016, PLDT's foreign ownership was 29.49% of its outstanding shares entitled to vote (Common and Voting Preferred Shares), and 16.21% of its total outstanding capital stock. Therefore, PLDT believes that as at 29 July 2016, PLDT is in compliance with the requirement of Section 11, Article XII of the 1987 Constitution.

On 10 June 2013, Jose M. Roy III filed a petition for certiorari with the Supreme Court against the Philippine SEC, Philippine SEC Chairperson Teresita Herbosa and PLDT, claiming: (1) that the Philippine SEC Guidelines violates the Court's decision in the Gamboa Case (on the basis that (a) the 60-40 ownership requirement be imposed on "each class of shares" and (b) Filipinos must have full beneficial ownership of 60% of the outstanding capital stock of corporations subject to the foreign ownership requirements); and (2) that the PLDT Beneficial Trust Fund is not a Filipino-owned entity and consequently, the corporations owned by PLDT Beneficial Trust Fund, including BTFHI, cannot be considered Filipino-owned corporations.

PLDT raised several procedural and substantive arguments against the petition, including in particular, that (a) the Philippine SEC Guidelines merely implemented the dispositive portion of the decision in the Gamboa Case, and that the dispositive portion of the Gamboa Case that defines "capital" is properly reflected in the Philippine SEC Guidelines, and (b) the fundamental requirements which need to be satisfied in order for PLDT Beneficial Trust Fund and BTFHI to be considered Filipino (for PLDT Beneficial Trust Fund's Trustees to be Filipinos and for 60% of the Fund to accrue to the benefit of Philippine nationals) are satisfied with respect to the PLDT Beneficial Trust Fund, and therefore, PLDT Beneficial Trust Fund and BTFHI are Filipino shareholders for purposes of classifying their 150 million Voting Preferred Shares in PLDT. As a result, more than 60% of PLDT's total voting stock is Filipino-owned and PLDT is compliant with the Constitutional ownership requirements.

In 2013, the Philippine SEC and Chairperson Teresita Herbosa also raised a number of arguments for dismissal of the petition for being procedurally flawed and for lack of merit.

In May 2014, the petitioner filed a consolidated reply and a motion for the issuance of a temporary restraining order to prevent PLDT from holding its 2014 annual stockholders meeting. The temporary restraining order was denied and PLDT held its 2014 annual meeting on 10 June 2014 as scheduled.

On 10 February 2015, PLDT filed a consolidated memorandum setting forth its arguments against the petition.

As at 2 August 2016, the resolution of the petition remained pending with the Supreme Court.

13. Employee information

For the six months ended 30 June	**2016 US$m**	2015 US$m	**2016 HK$m***	2015 HK$m*
Employee remuneration (including Directors' remuneration)	**397.2**	351.6	**3,098.2**	2,742.5

Number of employees	**2016**	2015
At 30 June	**95,017**	97,089
Average for the period	**94,903**	96,899

14. Comparative amounts

As explained in Note 1(B) to the condensed interim consolidated financial statements, due to the Group's adoption of the amendments to HKAS 16 and 41 "Agriculture: Bearer Plants" with effect from 1 January 2016, certain prior year adjustments have been made and certain comparative amounts have been restated to conform with the current period's accounting treatments and presentation.

15. Approval of the condensed interim consolidated financial statements

The condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors on 19 August 2016.

2016 GOALS: HALF-YEAR REVIEW

FIRST PACIFIC

Goal: Reduce significantly First Pacific's Head Office net debt level
Achievement: Partly achieved and ongoing On 27 May 2016, Metro Pacific Holdings, Inc. ("MPHI"), a Philippine affiliate of First Pacific, sold 4.1% of diluted interest of MPIC to GT Capital Holdings, Inc. ("GT Capital") for a net consideration of US$168.6 million. The proceeds will be used for debt reduction.

Goal: Continue to seek new investment opportunities when appropriate
Achievement: Achieved and ongoing First Pacific Group, through MPIC, expanded its infrastructure portfolio by investing in: Global Business Power Corporation ("GBPC") for electricity generation; Cebu-Cordova Bridge Project for toll roads; Metro Iloilo Water District for the supply of bulk treated water; Eco-System Technologies International, Inc. ("ESTII") for wastewater and sewage treatment and Sacred Heart Hospital of Malolos Inc. ("SHHMI") for hospital services.

Goal: Guide PLDT through its digital transformation
Achievement: Ongoing The acquisition of further telecommunications spectrum during the period will strengthen PLDT's service offerings for advanced mobile phone 4G technology. To this end, PLDT's capital expenditure budget for 2016 has been increased to accommodate the new planned spending.

Goal: Execute turnaround in Australia and support Goodman Fielder's export initiatives and expansion in Asia
Achievement: Ongoing Management is executing a business turnaround in Australia to improve profit performance, driven by cost savings, operational efficiencies and new product launches. The China strategy is being implemented with an initial focus on dairy products such as UHT milk, whipping cream, yoghurts and cheese, while in ASEAN markets Goodman Fielder is building its distribution capabilities for the sale of high-quality Australian and New Zealand products.

Goal: Assist Philex to complete the definitive feasibility study for the Silangan project
Achievement: Ongoing The project has secured all major permits including environmental compliance certification for surface mining and approval by the Department of Environment and Natural Resources of the amended Declaration of Mining Project Feasibility for surface mining. The project's feasibility study is under peer review and further optimization by third-party consultants with completion targeted for early 2017.

Goal: Work with management of PacificLight Power Pte. Ltd. ("PLP") to achieve profitability
Achievement: Ongoing The electricity generation industry in Singapore is going through evolutionary changes influenced by the market participants themselves. PLP is fully engaged in working to change and adapt to market conditions to achieve profitability.

Goal: Work with management of Roxas Holdings, Inc. ("RHI") and First Coconut Manufacturing Inc. ("FCMI") with the aim of developing these companies as major players in the Philippines' sugar and coconut industries, respectively
Achievement: Ongoing Both companies are focusing on securing reliable supplies of raw materials as an important part of laying down the foundation for their long-term growth.

PLDT

Goal: Grow consolidated service revenues, excluding international long distance ("ILD")/national long distance ("NLD"), by increasing wireless service revenues and sustaining double digit gains in the data and broadband businesses
Achievement: Mostly achieved and ongoing Consolidated service revenues (excluding ILD and NLD) rose 2% to Pesos 72.1 billion (US$1.5 billion) as data, broadband and digital platform service revenues rose 23% to Pesos 29.5 billion (US$627.7 million) and accounted for 36% of consolidated service revenues. On segment basis, fixed line service revenues (excluding ILD and NLD) rose 9% period-on-period, while wireless service revenues (excluding ILD and NLD) declined by 3% compared to the first half of 2015.

Goal: Meet core income guidance of Pesos 28 billion
Achievement: Ongoing Core income declined 6% to Pesos 17.7 billion (US$376.6 million) in the first half of 2016. With net gain from the sale of 25% interest in Beacon Electric offset by lower equity in earnings in Beacon Electric and taking into consideration lower EBITDA and higher financing costs due to higher capital expenditure, core income guidance was revised upward to Pesos 30 billion for the year as a whole.

Goal: Further establish the PLDT group's fixed and wireless networks' dominance and reliability to support the data and broadband businesses, with 2016 capital expenditure budget of Pesos 43 billion
Achievement: Ongoing During the period, data and broadband revenues rose 25% to Pesos 29.3 billion (US$623.4 million), accounting for 41% of consolidated service revenues (excluding ILD and NLD). 2016 capital expenditure was revised upward to Pesos 48 billion (US$1.0 billion), with the increase to finance utilization of newly acquired spectrum including the 700 MHz band from San Miguel Corporation ("SMC").

Goal: Expand the PLDT group's suite of offers in digital services, particularly via digital platforms and mobile financial services
Achievement: Achieved and ongoing PLDT's digital mobile and commerce arm Voyager Innovations, Inc. offers various consumer lending platforms; a mobile payments platform, PayMaya, as a prepaid wallet for e-commerce payments and remittances; and digital commerce solutions for B2B2C including TackThis! and Takatack, while freenet enables enterprises to reach digital consumers.

INDOFOOD

Goal: Continue to accelerate growth, both organically and inorganically

Achievement: Achieved and ongoing Consolidated net sales rose 4.4% to Rupiah 34.1 trillion (US$2.5 billion) mainly driven by higher sales contributions from Consumer Branded Products ("CBP"). CBP group's total sales value grew 9.4%, driven by existing and new products. In the first half of 2016, this group launched more than 30 new products including new concepts such as Indomie Real Meat and Indomie Bite Mie.

Goal: Maintain a healthy balance sheet

Achievement: Ongoing Gross debt to equity ratio and net debt to equity ratio as of 30 June 2016 stood at 0.66 times and 0.39 times respectively, similar to the figures at the end of 2015.

MPIC

Goal: Continue the development of major projects in light rail and roads which were won in 2015 bidding

Achievement: Achieved and ongoing To date, 14 light rail vehicles ("LRV") were restored which increased the total number of LRVs in operation to 91, while projects for rail replacement, central station unification and facilities improvement are underway. The integration of toll collection systems for Subic Clark Tarlac Expressway ("SCTEX") and North Luzon Expressway ("NLEX") was completed in March 2016, while preparation and construction of other road projects are continuing as scheduled.

Goal: Bid on further public-private partnership ("PPP") projects in the Philippines, expand MPIC's regional presence and pursue opportunities in non- or less-regulated infrastructure businesses

Achievement: Ongoing MPIC is working on the resubmission of proposals for the Metro Rail Transit 3 ("MRT3") rail line as requested by the new Administration of the Philippine Government. MPIC through MetroPac Water Investments Corporation ("MWIC") invested in an unregulated business Eco-System Technologies International, Inc. ("ESTII") which is involved in the wastewater management business.

Goal: Resolve tariff claims in the domestic toll road and water businesses as well as other disputes in light rail and electricity distribution

Achievement: Ongoing Delay in tariff adjustments at Meralco, Maynilad, NLEX and Manila-Cavite Toll Expressway ("CAVITEX") are expected to make progress in the second half of 2016 with the instalment of a new Administration. The final hearing for arbitration filed by Maynilad is expected to take place in December 2016.

Goal: Establish specialty hospitals in the Philippines to improve patient outcomes while reducing costs to patients

Achievement: Ongoing Three joint ventures signed for specialty/non-hospital healthcare formats, further expand the scope of health service offerings from the Hospitals group.

FPW/Goodman Fielder

Goal: Increase sales and profitability in South East Asia and China

Achievement: Ongoing Sales in Fiji and China rose 15% and 5%, respectively. In South East Asia, Goodman Fielder is increasing its sales and distribution capabilities, including recent commencement of distributor partnerships in Vietnam and the Philippines. As a result, higher export volumes and sales are expected from the second half of this year, led by the sales of products in dairy, grocery and baking-related categories. Sales of UHT and flavored milk products continue to develop and the business will expand into higher margin dairy products such as dairy creams, yogurts and cheeses.

Goal: Improve sustainability and growth of profits for the bread business in Australia

Achievement: Ongoing Volume shortfalls across all categories were partly offset by stronger results in Home Baking. Cost-out and logistics improvements will also help to offset the shortfalls. Discussions continue with retailers on reducing wastage of unsold bread loaves. Material and logistics costs improved in the period, and related cost-out programs will continue to drive operational efficiencies and improve profitability of the baking division.

Goal: Refinance debt due in 2016 at a significantly lower net cost

Achievement: Ongoing Discussion of refinancing of approximately A$200 million (US$149 million) is underway and is expected to be finalized in the fourth quarter of this year.

PHILEX

Goal: Complete the definitive feasibility study of the Silangan project

Achievement: Ongoing The project has secured all major permits including environmental compliance certification for surface mining and approval by the Department of Environment and Natural Resources of the amended Declaration of Mining Project Feasibility for surface mining. The project's feasibility study is under peer review and further optimization by third-party consultants with targeted completion by early 2017.

Goal: Continuously improve productivity amidst weak metal prices

Achievement: Achieved and ongoing Tonnage milled rose 5% to 4.7 million tonnes and the operating cost per tonne of ore milled declined 11% to Pesos 741 (US$15.8) period-on-period.

Goal: Explore tenements around Padcal mine to extend the mine life

Achievement: Ongoing Drilling activities in Bumolo resulted in the estimation of a maiden inferred resource of 21.7 million tonnes at 0.2% copper and 0.3 gram/tonne gold at 0.274% copper equivalent cut-off. Additional drilling programs are ongoing to further identify the quality and quantity of the initial findings.

FPM POWER/PLP

Goal: Diversify its gas portfolio

Achievement: Ongoing PLP continues to search for means of reducing its fuel costs by diversifying its gas portfolio. It has successfully done so for the near term through securing better terms in its gas supply agreement and is looking for additional opportunities for the medium and long term.

Goal: Leverage its efficiency advantage and operational flexibility to increase its retail portfolio

Achievement: Achieved and ongoing The proportion of total sales volume devoted to the retail market through PacificLight Energy Pte. Ltd. rose to 68% of total volume of electricity sold compared to 55% period-on-period.

Goal: Achieve a total contract level of 85-90% for its generation

Achievement: Achieved and ongoing Total contract sales accounted for 98% of total volume of electricity sold and 68% of overall generating capacity.

FP NATURAL RESOURCES/RHI/FCMI

Goal: Increase reliability of cane supply

Achievement: Ongoing Shortage in supply of sugar cane in the Philippines worsened in the period due to the impact of El Niño. RHI improved its competitiveness by implementing a new cane purchase program and offering incentives to sugar cane planters. It was able to secure 1.8 million tonnes of sugar cane compared with 1.7 million tonnes in the first half of 2015.

Goal: Lift core net earnings

Achievement: Ongoing Core net income in the period was adversely impacted by higher cost of sugar cane due to cane supply competition, extended facility upgrade of ethanol plants and higher interest expense. RHI is in discussions with sugar cane planters for securing additional supply of sugar cane, the completion of ethanol facilities expansion this year can also enhance production efficiency.

Goal: Increase ethanol production

Achievement: Achieved and ongoing Sales volume of ethanol rose 32% to 39.0 million liters from 29.5 million liters in the first half of 2015 reflecting inclusion of San Carlo Bioenergy, Inc.'s ("SCBI") six months of sales compared with two months in the first half of 2015.

Goal: Complete rights issue

Achievement: Achieved RHI completed its rights issue in May 2016, raised Pesos 1.1 billion (US$23.4 million) by issuing 266.8 million new common shares at Pesos 4.19 (US$0.089) per share. The fund raised will be primarily used for loan repayment and capital expenditure.

REVIEW OF OPERATIONS

FIRST PACIFIC

Below is an analysis of results by individual company.

Contribution and profit summary

For the six months ended 30 June US$ millions	Turnover **2016**	 2015	Contribution to Group profit[(i)] **2016**	 2015 (Restated)[(ii)]
PLDT[(iii)]	**-**	-	**78.4**	97.4
Indofood	**2,540.9**	2,508.6	**76.6**	75.0
MPIC	**462.6**	395.4	**70.2**	69.8
FPW[(iv)]	**-**	-	**7.2**	6.4
Philex[(iii)]	**-**	-	**4.5**	2.9
FPM Power	**259.3**	325.1	**(10.9)**	(7.5)
FP Natural Resources	**173.2**	100.2	**0.2**	1.1
Contribution from operations[(v)]	**3,436.0**	3,329.3	**226.2**	245.1
Head Office items:				
– Corporate overhead			**(15.7)**	(16.0)
– Net interest expense			**(48.4)**	(47.0)
– Other expenses			**(4.3)**	(7.3)
Recurring profit[(vi)]			**157.8**	174.8
Foreign exchange and derivative gains/(losses)[(vii)]			**9.5**	(17.4)
Gain on changes in fair value of biological assets			**1.1**	0.2
Non-recurring items[(viii)]			**(40.8)**	(0.2)
Profit attributable to owners of the parent			**127.6**	157.4

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

(ii) The Group has restated its 1H15 contribution from Indofood to US$75.0 million from US$78.4 million and changes in fair value of biological assets to a gain of US$0.2 million from a loss of US$1.0 million following its adoption of the amendments to Hong Kong Accounting Standards (HKAS) 16 and 41 "Agriculture: Bearer Plants" with effect from 1 January 2016. Accordingly, the Group's 1H2015 recurring profit has been restated to US$174.8 million from US$178.2 million and its 1H2015 profit attributable to owners of the parent has been restated to US$157.4 million from US$159.6 million. Details of the changes are set out in Note 1(B) to the condensed interim consolidated financial statements.

(iii) Associated companies

(iv) Joint venture

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

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

(vii) Foreign exchange and derivative gains/losses represent the gains/losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated net borrowings and payables and the changes in the fair values of derivatives.

(viii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H16's non-recurring losses of US$40.8 million mainly represent PLDT's impairment provision for its investment in Rocket Internet shares (US$29.3 million), MPIC's project expenses (US$4.3 million) and PLP's provision for onerous contracts (US$3.7 million).

Turnover up 3% to US$3.4 billion from US$3.3 billion

- reflecting higher revenues at Indofood and MPIC
- higher revenues from RHI compared with four months in the first half of 2015 following the consolidation of RHI from 27 February 2015
- partly offset by lower revenue at PLP

Recurring profit down 10% to US$157.8 million from US$174.8 million

- reflecting a decrease in contribution from PLDT
- an increase in loss from FPM Power
- partly offset by higher profit contributions from Indofood, Philex, FPW and MPIC

Non-recurring losses to US$40.8 million from US$0.2 million

- mainly reflecting PLDT's impairment provision for its investment in Rocket Internet shares in the period

Reported net profit down 19% to US$127.6 million from US$157.4 million

- reflecting lower recurring profit and higher non-recurring losses
- partly offset by foreign exchange and derivative gains in the period compared to losses in the first half of 2015

The Group's operating results are denominated in local currencies, principally the peso, the rupiah, the Australian dollar (A$) and the Singapore dollar (S$), 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.

Exchange rates against U.S. dollar

Closing	**At 30 June 2016**	At 31 December 2015	Six months change	At 30 June 2015	One year change
Peso	**47.06**	47.06	-	45.09	-4.2%
Rupiah	**13,180**	13,795	+4.7%	13,332	+1.2%
A$	**1.342**	1.372	+2.2%	1.305	-2.8%
S$	**1.347**	1.419	+5.3%	1.347	-

Average	**Six months ended 30 June 2016**	12 months ended 31 December 2015	Six months change	Six months ended 30 June 2015	One year change
Peso	**47.00**	45.61	-3.0%	44.51	-5.3%
Rupiah	**13,414**	13,449	+0.3%	13,009	-3.0%
A$	**1.360**	1.342	-1.3%	1.290	-5.1%
S$	**1.375**	1.379	+0.3%	1.351	-1.7%

During the period, the Group recorded net foreign exchange and derivative gains of US$9.5 million (1H15: losses of US$17.4 million), which can be further analyzed as follows:

For the six months ended 30 June US$ millions	**2016**	2015
Head Office	**(2.3)**	(0.5)
PLDT	**0.7**	(1.2)
Indofood	**0.1**	(13.6)
MPIC	**1.1**	0.4
FPW	**0.2**	-
Philex	**0.1**	(0.2)
FPM Power	**9.1**	(2.3)
FP Natural Resources	**0.5**	-
Total	**9.5**	(17.4)

Divestment
On 27 May 2016, MPHI, a Philippine affiliate of First Pacific, sold 4.1% diluted interest of MPIC to GT Capital for a net consideration of US$168.6 million. Post the transaction together with the dilution impact from MPIC's share placement to GT Capital for Pesos 22.0 billion (US$467.2 million), MPHI's economic interest in MPIC was reduced to approximately 42.0% from approximately 52.0%.

Interim Distribution
First Pacific's Board of Directors, taking into consideration cash flow trends and following consistent prudent risk management practices, declared an interim distribution of HK8 cents (U.S. 1.03 cents) per share, unchanged from a year earlier. The interim distribution represents a 28% payout of the Group's 2016 first half recurring profit to shareholders, higher than the committed payout of 25%.

Debt Profile
At 30 June 2016, net debt at the Head Office stood at US$1.5 billion while gross debt stood at US$1.8 billion with an average maturity of approximately 3.6 years. Approximately 18% of the Head Office borrowings were floating rate bank loans while fixed rate bonds comprised the remainder. Unsecured debts accounted for approximately 61% of Head Office borrowings. The blended interest rate was approximately 5.3% per annum.

Among the outstanding debts, plans are underway to partially refinance the US$300 million bonds issued in July 2010 due to mature in July 2017, taking into account the US$168.6 million net proceeds from the sale of MPIC shares.

There is no Head Office recourse for the borrowings of subsidiary and affiliate companies.

Interest Cover
For the first half of 2016, Head Office recurring operating cash inflow before interest expense was approximately US$120.1 million. Net cash interest expense declined 2% to approximately US$45.7 million reflecting a lower average debt level as the Company bought back approximately US$13.0 million of bonds which mature in 2023 during the period. For the 12 months ended 30 June 2016, the cash interest cover was above 2.0 times.

Foreign Currency Hedging
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.

2016 Outlook
The First Pacific Group of companies continues to evolve as the units respond to changing market conditions. Most clearly at PLDT, market evolution is transforming the Philippines' biggest telecommunications company into a digital service and content provider, repositioning itself to return to earnings growth. MPIC expects to record another year of record high earnings as demand for its products and services continues to grow. At Indofood, continuing growth and a focus on delivering high-quality food products at competitive prices are expected to result in strong financial results by year-end. For First Pacific, debt reduction is easing pressure on cash flow during a period of reduced dividend income. It is expected that a return to growth will begin following stabilization in 2016.

PLDT

PLDT contributed profit of US$78.4 million to the Group (1H15: US$97.4 million), representing approximately 35% (1H15: 40%) of First Pacific's aggregate contribution from operations for the period. The 20% reduction in profit contribution principally reflecting the decline in prepaid cellular service revenues, higher handset subsidies and provisions, and a 5% depreciation of the peso against the U.S. dollar, partly offset by an increase in other income, higher fixed line service revenues and lower manpower reduction costs.

Consolidated core net income down 6% to Pesos 17.7 billion (US$376.6 million) from Pesos 18.9 billion (US$425.3 million)

- principally reflecting the decline in prepaid cellular service revenues, higher costs in connection with growing the postpaid business and data usage, including handset subsidies and provisions
- partly offset by an increase in other income in relation to the sale of the 25% interest in Beacon Electric to MPIC, higher fixed line service revenues and lower manpower reduction costs

Reported net income down 33% to Pesos 12.5 billion (US$265.2 million) from Pesos 18.7 billion (US$420.8 million)

- reflecting lower core net income
- additional impairment of the investment in Rocket Internet due to the further decline in its share price during the period

Consolidated service revenues down 1% to Pesos 80.6 billion (US$1.7 billion) from Pesos 81.2 billion (US$1.8 billion)

- reflecting continued structural change in the revenue mix
- excluding revenue declines from international and national long distance businesses, consolidated service revenues rose 2% owing mainly to higher revenues from data and broadband
- revenues from data, broadband and digital platforms rose 23%, accounting for 36% of total consolidated service revenues
- combined revenues from cellular SMS and domestic voice, accounting for 53% of total consolidated service revenues, decreased 9%
- ILD and NLD revenues, accounting for 11% of total consolidated service revenues, declined 17%
- for fixed line service revenues, increases in data and broadband revenues were partially offset by the decline in ILD and NLD revenues
- for wireless service revenues, declines in SMS, domestic voice and ILD more than offset the rise in data and broadband revenues

EBITDA down 13% to Pesos 30.8 billion (US$655.3 million) from Pesos 35.5 billion (US$797.6 million)

- principally due to higher subsidies of smartphones partly offset by lower selling and promotion expenses
- higher provisions for receivables and inventory in relation to growing the postpaid business and encouraging data usage

EBITDA margin to 38% from 44%

- decrease is partly due to the impact of continuing structural change in the revenue mix where higher margin traditional businesses are replaced by lower margin data and broadband businesses, in line with industry trends
- EBITDA margin for the fixed line segment at 39% and for the wireless segment at 32%

Capital Expenditure

From 2006 to 2015, PLDT spent approximately Pesos 302 billion (US$6.7 billion) in capital expenditure. Capital expenditure for 2016 is estimated at Pesos 48 billion (US$1.0 billion) which includes Pesos 5 billion (US$106.2 million) to roll out network facilities that will utilize the spectrum acquired from SMC at end-May 2016, including the 700 MHz band. During the period, capital expenditure rose 44% to Pesos 20.0 billion (US$425.5 million) for expanding the PLDT group's 3G and 4G/LTE coverage and capacity, additional fiber optic cabling to augment the fiber assets of the group, full integration on the Sun and Smart networks, and data center expansion. A sizeable amount of capital expenditure is to build out a superior network that will deliver the best data experience to PLDT's customers.

Debt Profile

As at 30 June 2016, PLDT's consolidated net debt was US$2.8 billion compared with US$2.4 billion at 31 December 2015 as a result of higher level of capital expenditure. Total gross debt was unchanged at US$3.4 billion, of which 37% was denominated in U.S. dollars. Only 9% of the total debt was unhedged after taking into account U.S. dollar cash on hand and currency hedges in place. 67% of the total debts were due to mature beyond 2018. Post-interest rate swaps, 91% of total debt are fixed-rate loans. The average pre-tax interest cost increased to 4.4% from 4.2% in full year 2015. The debt profile remains healthy.

PLDT is rated investment grade by Fitch Ratings, Moody's Investors Service and Standard and Poor's Financial Services, unchanged from year-end 2015.

Capital Management

Interim Dividend

Considering the higher capital expenditure required to support increasing network traffic due to higher data usage by customers, PLDT's Board of Directors revised the regular dividend payout to 60% of core net income from 75%, with a "look back" policy at year-end to assess the possibility of paying a special dividend.

The PLDT Board of Directors approved an interim dividend of Pesos 49 (US$1.04) per share payable on 1 September 2016 to shareholders on record as of 16 August 2016.

Share Buyback

PLDT has not bought back shares since November 2010 under its share buyback program. In 2008, PLDT's Board of Directors approved a program to buy back up to 5 million shares. So far in the program PLDT had bought back 2.7 million shares at an average cost of Pesos 2,388 (US$51) per share for a total consideration of Pesos 6.5 billion (US$138.3 million).

Additional Investment and Asset Divestment

On 30 May 2016, PLDT and Globe Telecom, Inc. announced the acquisition of the telecommunications businesses of SMC for a total consideration of Pesos 70 billion (US$1.5 billion), consisting of Pesos 52.8 billion (US$1.1 billion) for the equity interest, and Pesos 17.2 billion (US$366.0 million) in assumed liabilities. Each of PLDT and Globe have a 50% equity interest in the acquired businesses. As part of the transaction, 85MHz of spectrum in various bands were returned to the government, while each of PLDT and Globe entered into co-use arrangements with the National Telecommunications Commission ("NTC") for 140MHz each across various spectrum bands. PLDT's share of the total consideration was Pesos 26.45 billion (US$562.8 million) in equity and Pesos 8.55 billion (US$181.9 million) in assumed liabilities. Half of the equity portion has been paid with the remaining to be paid in two equal portions in December 2016 and in May 2017. Post-closing financial due diligence is ongoing. On 12 July 2016, PLDT filed with the Court of Appeals of the Philippines a Petition for Certiorari and Prohibition with Urgent Application for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction against the Philippine Competition Commission's view to protect the "deemed approved" status of the transaction.

On 30 May 2016, PLDT's subsidiary PLDT Communications and Energy Ventures, Inc. ("PCEV") sold a 25% interest in Beacon Electric Asset Holdings, Inc. ("Beacon Electric") to Metro Pacific Investments Corporation ("MPIC") for a consideration of Pesos 26.2 billion (US$557.4 million). PCEV had received Pesos 17.0 billion (US$361.7 million) in cash and the balance of Pesos 9.2 billion (US$195.7 million) is to be received in annual installments until June 2020.

Fixed Line

Growth in the fixed line businesses continues, with service revenues, net of interconnection costs, rising 7% to Pesos 30.9 billion (US$657.4 million), reflecting higher revenues from fixed line data and broadband, and domestic voice businesses, partly offset by lower ILD and NLD revenues.

Fixed line data and broadband, and domestic voice and others revenues, respectively, represented 59% and 31% of total fixed line service revenues and increased 12% and 4% during the period, while ILD and NLD revenues accounted for 10% of total fixed line service revenues and declined 7%.

The number of PLDT fixed line subscribers increased 5% to 2.4 million period-on-period, of which approximately 1.3 million or 57% had broadband subscriptions.

Wireless

Wireless service revenues declined 5% to Pesos 52.7 billion (US$1.1 billion), reflecting decreases in SMS and voice revenues offsetting increases in revenues from wireless data and broadband. Revenues from wireless data, broadband and digital platforms; SMS and domestic voice; and ILD services represented 27%, 65% and 8% of total wireless service revenues, respectively. Wireless data, broadband and digital-related revenues rose 29%, reflecting higher smartphone penetration in the subscriber base, as well as increased data usage among those owning smartphones. SMS and domestic voice, and ILD revenues declined 12% and 23%, respectively, as more users switched to lower cost over-the-top services.

The PLDT group's combined cellular subscriber base declined to 64.5 million (31 December 2015: 64.9 million), while wireless broadband subscribers grew to 4.0 million (31 December 2015: 3.9 million), bringing the group's total wireless subscriber base to 68.5 million.

Prepaid subscribers accounted for 95% of the PLDT group's total cellular subscriber base, while postpaid accounted for the remaining 5%.

Data and Broadband

All of the PLDT group's data and broadband businesses' grew in the period, with total data and broadband revenues increasing 25% to Pesos 29.3 billion (US$623.4 million), accounting for 41% of consolidated service revenues (excluding ILD and NLD). The rise reflects increases of 55%, 22%, 16% and 12% in mobile internet, corporate data and data centers, fixed line broadband and wireless broadband revenues, respectively.

PLDT has the largest number of broadband subscribers in the Philippines. Its combined broadband subscriber base rose to 5.4 million (31 December 2015: 5.2 million) of which 75% were wireless broadband subscribers. The number of PLDT fixed broadband subscribers grew 7% to 1.3 million. As at the end of 30 June 2016, smartphone ownership rose to about 48% of PLDT's cellular subscriber base, and mobile internet usage grew 24% in volume terms.

PLDT operates the largest data center business in the Philippines with seven data centers supporting the growth of Philippine corporates, the business process outsourcing industry and businesses of all sizes. Corporate data and data center revenues rose 22% to Pesos 6.5 billion (US$138.3 million) and accounted for 22% of total data and broadband revenues.

With the popularity of social networks and the growing availability of affordable data-capable devices, and the overall growth of Philippine businesses, including the BPO industry, the upward momentum in PLDT's data and broadband businesses is expected to continue. The buildout of a superior data network, complemented by access to additional frequencies from the acquisition of SMC's telecommunications businesses, will further enable PLDT to deliver a quality customer experience and offer a wide range of content offerings and affordable broadband services to the Philippine market.

Meralco

PLDT's indirect subsidiary PCEV owns 25% of Beacon Electric. As at 30 June 2016, Beacon Electric owned approximately 34.96% of Meralco.

Meralco, the largest electricity distribution utility in the Philippines, has a franchise to distribute electricity in most of Luzon until 2028. The franchise area produces nearly half of the Philippines' gross domestic product and Meralco accounts for over half of the total electricity sales in the Philippines.

Meralco's performance in the first half of 2016 can be found in the MPIC section of this document.

2016 Outlook

PLDT's dominant market position places it in a unique position to lead in the development of the Philippines' digital economy. It is presently undergoing a 'digital pivot', a transformational journey that is expected to take three years to complete, in order for PLDT to better position itself to serve the emerging digital native and digital enterprise. Progress is being made at different paces by the various businesses. The fixed line and enterprise businesses have gathered momentum in building their data and digital revenues. The wireless business is also gaining ground but has much further to go in an environment where competition remains keen. Nevertheless, PLDT is guiding for full-year core income of Pesos 30 billion.

Reconciliation of reported results between PLDT and First Pacific

PLDT's operations are principally denominated in peso, which averaged Pesos 47.00 (1H15: Pesos 44.51) to the U.S. dollar. Its financial results are prepared under Philippine Generally Accepted Accounting Principles (GAAP) and reported in peso. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Philippine GAAP and Hong Kong GAAP are largely based on International Financial Reporting Standards (IFRSs), however, certain adjustments need to be made to PLDT's reported peso results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Peso millions	**2016**	2015
Net income under Philippine GAAP	**12,463**	18,729
Preference dividends[(i)]	**(30)**	(29)
Net income attributable to common shareholders	**12,433**	18,700
Differing accounting and presentational treatments[(ii)]		
- Reclassification of non-recurring items	**5,369**	(8)
- Others	**(3,258)**	(1,940)
Adjusted net income under Hong Kong GAAP	**14,544**	16,752
Foreign exchange and derivative (gains)/losses[(iii)]	**(132)**	207
PLDT's net income as reported by First Pacific	**14,412**	16,959
US$ millions		
Net income at prevailing average rates for 1H16: Pesos 47.00 and 1H15: Pesos 44.51	**306.6**	381.0
Contribution to First Pacific Group profit, at an average shareholding of 1H16: 25.6% and 1H15: 25.6%	**78.4**	97.4

(i) First Pacific presents net income after deduction of preference dividends.

(ii) Differences in accounting treatment under Philippine GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H16 of Pesos 5.4 billion mainly represents impairment provision for investment in Rocket Internet shares (1H15: Nil).*
- *Others: The adjustments principally relate to the elimination of unrealized gains arising from transactions between the Group and its associate/joint venture, the accrual of withholding tax on PLDT's net income in accordance with the requirements of Hong Kong Accounting Standard (HKAS) 12 "Income Taxes", and the recognition of amortization for certain intangible assets identified as a result of the Group's acquisition of an additional 2.7% interest in PLDT in November 2011.*

(iii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative gains/losses (net of related tax) are excluded and presented separately.

INDOFOOD

Indofood's contribution to the Group increased 2% to US$76.6 million (1H15: US$75.0 million) principally reflecting higher core net income, partly offset by a 3% depreciation of the average rupiah exchange rate against the U.S. dollar.

Core net income up 7% to Rupiah 2.2 trillion (US$165.6 million) from Rupiah 2.1 trillion (US$160.0 million)

- reflecting a 4% rise in operating profit
- higher profitability from CBP, Bogasari and Distribution groups, partly offset by weaker performance at the Agribusiness group and lower profit contribution from China Minzhong Food Corporation Limited ("CMZ")

Net income up 29% to Rupiah 2.2 trillion (US$166.3 million) from Rupiah 1.7 trillion (US$133.1 million)

- mainly reflecting higher core net income
- recorded foreign exchange gains in 2016 compared to losses in 2015

Consolidated net sales up 4% to Rupiah 34.1 trillion (US$2.5 billion) from Rupiah 32.6 trillion (US$2.5 billion)

- driven by higher sales contributions from CBP, Bogasari and Distribution groups partly offset by a decrease at the Agribusiness group
- sales contribution from CBP, Bogasari, Agribusiness and Distribution groups amounted to 52%, 23%, 17% and 8% of the total, respectively

Gross profit margin to 28.8% from 27.4%

- mainly on lower key raw material costs

Consolidated operating expenses up 6% to Rupiah 5.6 trillion (US$417.5 million) from Rupiah 5.3 trillion (US$407.4 million)

- due mainly to higher salaries, wages and employee benefits and advertising and promotion expenses

EBIT margin remained at 11.8%

Net gearing at 0.39 times from 0.34 times at the end of 2015

Debt Profile

As at 30 June 2016, Indofood recorded gross debt of Rupiah 28.6 trillion (US$2.2 billion), up 4% from Rupiah 27.6 trillion (US$2.0 billion) as at 31 December 2015. Of this total, 44% matures within one year and the remainder matures between July 2017 and June 2022, while 51% was denominated in rupiah and 49% was denominated in foreign currencies.

Additional Investment and Asset Held for Sale

On 29 February 2016, PT Wushan Hijau Lestari, a 65%-owned subsidiary of PT Perusahaan Perkebunan London Sumatra Indonesia Tbk ("Lonsum"), acquired a 100% interest in PT Pasir Luhur ("PL") for a total consideration of Rupiah 55 billion (US$4.1 million). PL owns approximately 900 hectares of tea plantation located at West Java, Indonesia.

On 31 December 2014, Indofood received a letter of intent from China Minzhong Holdings Limited ("CMZ BVI") to purchase approximately 52.94% of the issued share capital of CMZ at S$1.2 (US$0.89) per share. On 14 October 2015, Indofood and CMZ BVI entered into a binding memorandum of understanding ("MOU"). As at 30 December 2015, Indofood received earnest payments of S$40.0 million (US$29.4 million) from CMZ BVI, one of the principal terms of the MOU. Indofood and CMZ BVI will continue to discuss and work towards the finalization of a definitive sale and purchase agreement. Following the completion of the proposed transaction, Indofood's interest in CMZ will be reduced to 29.94%.

CBP

The CBP group comprises the following divisions: Noodles, Dairy, Snack Foods, Food Seasonings, Nutrition & Special Foods, and Beverages.

Indofood's Noodles division is one of the world's largest producers of instant noodles with annual production capacity of over 17 billion packs. During the period, CBP launched Indomie Real Meat in two flavors: Chicken Mushroom and Beef Rendang, Indomie Bite Mie in three flavors: Seaweed, Shrimp Tempura and BBQ Pizza, and Sarimi Tongseng Ayam in single pack and Isi 2 (one pack consisting of two noodle blocks).

PT Indolakto, the dairy operating subsidiary, has an annual production capacity of more than 600,000 tonnes. It is one of the largest dairy products manufacturers in Indonesia, producing sweetened condensed milk, creamer, UHT milk, sterilized bottled milk, pasteurized liquid milk, lactic acid beverages, powdered milk, ice cream and butter. During the period, it introduced flavor extensions for Indomilk UHT milk, namely Banana Milk and Strawberry Milk.

The Snack Foods division has an annual production capacity of around 45,000 tonnes, producing flavored and salted chips using potatoes, cassavas, soybeans and sweet potatoes, as well as extruded snacks and biscuits. The division also continued to focus on innovation and during the period it introduced popular products such as Chitato Indomie Goreng, Chitato Foodie and Qtela Opak.

The Food Seasonings division has an annual production capacity of more than 135,000 tonnes, manufacturing a wide range of products, including instant seasonings, chili sauces, soy sauces, tomato sauces and other condiments.

The Nutrition & Special Foods division has an annual production capacity of around 25,000 tonnes, producing and marketing baby cereal, biscuits and puddings for babies and children, milk for expectant and lactating mothers, cereal snacks and cereal drinks.

The Beverages division's product portfolio includes ready-to-drink teas, ready-to-drink coffees, packaged water, carbonated soft drinks and fruit flavored drinks with a combined annual production capacity of around 3 billion liters.

Sales by the CBP group rose 9% to Rupiah 17.8 trillion (US$1.3 billion), driven by both volume growth and higher average selling prices.

The EBIT margin improved to 14.9% from 13.1% primarily due to improved gross profit margins.

Overall market conditions in the first half of 2016 were better than last year, with demand for most fast-moving consumer goods increasing from last year. Indofood expects this condition to be sustained for the remainder of the year.

Bogasari

Bogasari produces wheat flour and pasta for domestic and international markets. Its sales rose 4% to Rupiah 10.0 trillion (US$746.7 million) on higher sales. The EBIT margin increased to 8.9% from 7.9%.

The flour industry is expected to benefit from the improving fast-moving consumer goods industry and an increasing preference by younger people for flour-based foods.

Agribusiness

The Agribusiness group consists of two divisions: Plantations and Edible Oils & Fats ("EOF"), which operate through IndoAgri and its main operating subsidiaries PT Salim Ivomas Pratama Tbk ("SIMP") and Lonsum in Indonesia. The Agribusiness group is one of Indonesia's largest palm oil producers with leading businesses in Indonesia's branded cooking oil segment. It also has equity investments in sugar production in Companhia Mineira de Açúcar e Álcool Participacoes ("CMAA") in Brazil and in RHI in the Philippines.

For facilities expansion projects, the construction of two new milling facilities, one each in South Sumatra and in Kalimantan, is expected to be completed within this year as planned. The construction of another new mill in Kalimantan and the expansion of the refinery at Surabaya are expected to be completed in 2017.

Plantations

SIMP and Lonsum have a total planted area of 299,497 hectares. Oil palm is the dominant crop, with 24% of oil palms younger than seven years and an average age of approximately 14 years. Total planted area of oil palm was 246,345 hectares, compared to 246,359 hectares as of December 2015. This division has a total annual processing capacity of 6.4 million tonnes of fresh fruit bunches ("FFB"). In the first half of 2016, crude palm oil ("CPO") production decreased 21% to 353 million tonnes due to the effect of El Niño during the second half of 2015. As at 30 June 2016, RSPO and ISPO certified CPO production were approximately 377,000 and approximately 180,000 tonnes, respectively.

In Indonesia, total planted area of sugar cane decreased 4% from the end of 2015 to 12,835 hectares in South Sumatra. Sugar production rose 16% to approximately 18,000 tonnes in the first half of 2016.

In Brazil, the planted area of sugar cane decreased 0.4% to 52,640 hectares. The reduction in the sugar cane planted area was mainly due to replanting in progress. CMAA's performance was adversely impacted by lower selling prices of electricity generation and losses related to Brazilian currency fluctuation. Indofood's 50% share of CMAA's loss was Rupiah 118 billion (US$8.8 million).

EOF

This division manufactures cooking oils, margarines and shortenings with an annual refinery capacity of 1.4 million tonnes of CPO. Approximately 59% of this division's input needs are sourced from the Plantations division's CPO production.

Agribusiness sales declined 1% to Rupiah 6.7 trillion (US$499.4 million), reflecting lower average selling prices and sales volumes of CPO and rubber, partly offset by higher sugar and palm kernel related product sales. The EBIT margin declined to 7.5% from 9.6%. For sales volume, CPO declined 10% to approximately 388,000 tonnes, palm kernel related products declined 13% to approximately 89,000 tonnes, rubber down 28% to approximately 6,000 tonnes, and sugar rose 16% to approximately 18,000 tonnes.

As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, Indofood's operations continue to be supported by positive market factors that include good demographics, strong economic fundamentals, and a fast-growing middle class with rising discretionary incomes.

The outlook for the agribusiness remains optimistic but they are cautiously managing their activities during this challenging period to mitigate risks and exposures. It will place a stronger emphasis on extracting the optimum from its value chain, and proactively improve operations, increase yields, raise productivity and control costs.

Distribution

The Distribution group is a major component of Indofood's Total Food Solutions chain of operations as it has the most extensive distribution network of stock points in Indonesia among domestic consumer food producers.

Distribution's sales rose 4% to Rupiah 2.7 trillion (US$203.5 million) mainly benefiting from higher sales by CBP businesses. The EBIT margin rose to 4.0% from 3.3%.

The Distribution group continues to strengthen its distribution network serving over 400,000 registered retail outlets in Indonesia for increasing product penetration and high product visibility in retail outlets.

2016 Outlook

Overall market condition in the first half of 2016 is better than last year, supported by improving economic growth and a manageable inflation rate. Indofood remains positive for the outlook for the remainder of the year.

Reconciliation of reported results between Indofood and First Pacific

Indofood's operations are principally denominated in rupiah, which averaged Rupiah 13,414 (1H15: Rupiah 13,009) to the U.S. dollar. Its financial results are prepared under Indonesian GAAP and reported in rupiah. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Accordingly, certain adjustments need to be made to Indofood's reported rupiah results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Rupiah billions	**2016**	2015 (Restated)[i]
Net income under Indonesian GAAP	**2,231**	1,731
Differing accounting and presentational treatments[ii]		
– Reclassification of non-recurring items	**(8)**	(3)
– Gain on changes in fair value of biological assets	**30**	6
– Foreign exchange accounting	**26**	27
– Others	**(195)**	(158)
Adjusted net income under Hong Kong GAAP	**2,084**	1,603
Foreign exchange and derivative (gains)/losses [iii]	**(1)**	354
Gain on changes in fair value of biological assets[iii]	**(30)**	(6)
Indofood's net income as reported by First Pacific	**2,053**	1,951
US$ millions		
Net income at prevailing average rates for 1H16: Rupiah 13,414 and 1H15: Rupiah 13,009	**153.0**	150.0
Contribution to First Pacific Group profit, at an average shareholding of 1H16: 50.1% and 1H15: 50.1%	**76.6**	75.0

(i) The Group has restated its 1H2015 contribution from Indofood to US$75.0 million from US$78.4 million following its adoption of the amendments to HKAS 16 and 41 "Agriculture: Bearer Plants" with effect from 1 January 2016.

(ii) Differences in accounting treatment under Indonesian GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately.*
- *Gain on changes in fair value of biological assets: Under Indonesian GAAP, Indofood measures its biological assets on a historical cost basis. HKAS 41 "Agriculture" requires the measurement of biological assets at fair value less costs to sell. The adjustment relates to the change in fair value of biological assets during the period.*
- *Foreign exchange accounting: The adjustment relates to the reversal of the amortization of foreign exchange losses that were previously capitalized by Indofood on certain fixed assets under construction, as the originating capitalized foreign exchange losses have already been written off by First Pacific.*
- *Others: The adjustments principally relate to the accrual of withholding tax on Indofood's dividends in accordance with the requirements of HKAS 12 "Income Taxes".*

(iii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative gains/losses (net of related tax) and gain on changes in fair value of biological assets are excluded and presented separately.

MPIC

MPIC's infrastructure portfolio as at 19 August 2016 comprises the following assets offering a wide range of services:

Power distribution and generation

- 75.0% in Beacon Electric which owns 34.96% of Meralco and 56.0% of GBPC
- 15.0% in Meralco

Water distribution and sewage management

- 52.8% in Maynilad Water Services, Inc. ("Maynilad")
- 100.0% in MWIC which in turn owns 65.0% in ESTII

Toll roads

- 99.9% in MPTC which in turn owns:
  - 75.6% of Manila North Tollways Corporation ("MNTC")
  - 46.0% of Tollways Management Corporation ("TMC")
  - 100.0% of Cavitex Infrastructure Corporation ("CIC")
  - 100.0% in MPCALA Holdings, Inc. ("MPCALA")
  - 44.9% in CII Bridges and Roads Investment Joint Stock Co. ("CII B&R") in Vietnam
- 29.45% in Don Muang Tollway Public Company Limited ("DMT") in Thailand

Hospitals

- 60.1% interest in Metro Pacific Hospital Holdings, Inc. ("MPHHI") which in turn owns:
  - 100.0% in Colinas Verdes Hospital Managers Corporation, the operator of Cardinal Santos Medical Center ("CSMC")
  - 100.0% in East Manila Hospital Managers Corporation, the operator of Our Lady of Lourdes Hospital ("OLLH")
  - 100.0% in Metro Pacific Zamboanga Hospital Corporation, the operator of West Metro Medical Center ("WMMC")
  - 93.0% in Marikina Valley Medical Center ("MVMC")
  - 85.6% in Asian Hospital, Inc. ("AHI") which owns 100.0% of Asian Hospital and Medical Center
  - 78.0% in Riverside Medical Center, Inc. ("RMCI")
  - 51.0% in Central Luzon Doctors' Hospital ("CLDH")
  - 51.0% in De Los Santos Medical Center Inc. ("DLSMC")
  - 51.0% in Sacred Heart Hospital of Malolos Inc. ("SHHMI")
  - 35.2% in Davao Doctors Hospital, Inc. ("DDH")
  - 33.2% in Medical Doctors, Inc. ("MDI")
  - 20.0% in Manila Medical Services Inc. ("MMSI"), the operator of Manila Doctors Hospital (" MDH")
  - 51.0% in The Megaclinic, Inc. ("Megaclinic")

Rail

- 55.0% in Light Rail Manila Corporation ("LRMC"), the operator of Light Rail Transit ("LTR")
- 20.0% in AF Payments Inc. ("AFPI")

MPIC's contribution to the Group increased 1% to US$70.2 million (1H15: US$69.8 million), reflecting higher contributions from its power, toll roads, hospitals and rail businesses, partly offset by a lower contribution from its water business due to the expiry of income tax holiday of Maynilad, a higher MPIC head office net interest expense, lower average shareholding in MPIC and a 5% depreciation of the average peso exchange rate against the U.S. dollar.

Consolidated core net income up 13% to Pesos 6.6 billion (US$141.4 million) from Pesos 5.9 billion (US$132.2 million)	▪ reflecting strong growth at all of MPIC's operating companies, except Maynilad due to the expiration of its income tax holiday ▪ Power, water, toll roads, hospitals and rail accounted for 52%, 22%, 22%, 3% and 1%, respectively, of MPIC's consolidated profit contribution from operations ▪ a 39% increase in contribution from Meralco/Beacon Electric to Pesos 4.1 billion (US$86.7 million), a higher average shareholding in Meralco and lower net interest expense at Beacon Electric ▪ a 26% decline in contribution from Maynilad to Pesos 1.8 billion (US$38.3 million) as the increases in billed volume and average effective tariff were offset by an increase in tax expense due to the expiration of Maynilad's income tax holiday in December 2015 ▪ a 32% rise in contribution from MPTC and DMT to Pesos 1.8 billion (US$38.1 million). MPTC's performance reflected higher contributions from NLEX and SCTEX ▪ a 33% increase in contribution from Hospitals to Pesos 249 million (US$5.3 million) ▪ a turnaround of contribution of Pesos 159 million (US$3.4 million) from the light rail business from a pre-operating loss for the same period in 2015 ▪ partly offset by a higher MPIC head office net interest expense arising from debt financing for investments in various projects and interest accretion on amounts due to Beacon Electric in relation to its acquisition of an additional 10% interest in Meralco and to PCEV in relation to its acquisition of an additional 25% common and preferred shares in Beacon Electric
Consolidated reported net income up 25% to Pesos 7.0 billion (US$148.5 million) from Pesos 5.6 billion (US$125.0 million)	▪ due largely to higher core net income ▪ a non-recurring income of Pesos 336 million (US$7.1 million) principally reflecting reduced expected future tax liabilities related to Maynilad following a reassessment of future net deferred tax liabilities

Revenues up 24% to Pesos 21.7 billion (US$462.6 million) from Pesos 17.6 billion (US$395.4 million)	▪	reflecting revenue growth at Maynilad, MPTC and Hospitals, and new contribution from Rails business

Debt Profile

As at 30 June 2016, MPIC reported consolidated debt of Pesos 88.2 billion (US$1.9 billion), up 1% from Pesos 87.6 billion (US$1.9 billion) as at 31 December 2015. Of the total, 94% was denominated in pesos. Fixed-rate loans accounted for 95% of the total and the average pre-tax interest cost was approximately 5.8%.

Interim Dividend

MPIC's Board of Directors declared an interim dividend of Peso 0.032 (U.S. 0.068 cent) per share payable on 26 September 2016 to shareholders on record as of 1 September 2016. This interim dividend represents a payout ratio of 15% of core net income.

Additional Investments

On 7 March 2016, MPHHI completed the acquisition of a 51.0% interest in SHHMI for a total consideration of Pesos 150 million (US$3.2 million). SHHMI plans to use the funds paid by MPHHI to increase its bed capacity and to enhance its medical facilities.

On 15 April 2016, MPTC signed a joint venture agreement with the City of Cebu and the Municipality of Cordova for the financing, design, construction, implementation, operation and maintenance of the 8.25 kilometers Cebu-Cordova Bridge Project. The estimated construction cost is expected to be no more than Pesos 27.9 billion (US$592.9 million). Construction is expected to be completed by 2020.

On 5 May 2016, MWIC signed a joint venture agreement with the Metro Iloilo Water District for the supply of bulk treated water and the rehabilitation, expansion, operation and maintenance of certain water facilities, with an estimated project cost of Pesos 2.8 billion (US$59.6 million).

On 27 May 2016, Beacon Electric, through its wholly-owned entity, Beacon Powergen Holdings, Inc. ("Beacon Powergen") acquired a 56% interest in GBPC for a total consideration of Pesos 22.1 billion (US$470.2 million) of which half was paid in cash and the remaining half in vendor finance to be settled through a 10-year fixed interest rate peso denominated loan.

On 30 May 2016, MPIC acquired an additional 25.0% interest in Beacon Electric from PLDT's subsidiary PCEV for a consideration of Pesos 26.2 billion (US$557.4 million). MPIC has paid Pesos 17.0 billion (US$361.7 million) in cash to PCEV upfront and the balance of Pesos 9.2 billion (US$195.7 million) to be settled in annual installments until June 2020.

On 16 June 2016, MWIC acquired a 65.0% interest in ESTII for a total consideration of Pesos 1.8 billion (US$38.3 million). ESTII's core businesses are related to wastewater and sewage treatment plant facilities.

On 29 July 2016, MPHHI completed the acquisition of a 93.0% interest in MVMC for a total consideration of Pesos 993 million (US$21.1 million). MVMC is a prominent tertiary hospital in Marikina with 140 beds, its newly built 7-storey Medical Arts Building has 44 clinics for MVMC's more than 270 accredited doctors.

Equity Placement

On 27 May 2016, MPIC raised Pesos 22.0 billion (US$467.2 million) new equity by placing 3.6 billion of new shares to GT Capital . The funds were primarily used for the acquisition of an additional 25% interest in Beacon Electric from PCEV and the acquisition of a 56% interest in GBPC by Beacon Electric. GT Capital also acquired another 1.3 billion shares of MPIC from MPHI which brings its economic interest in MPIC to 15.6%.

Power

Meralco operates a franchise that runs until 2028 for electricity distribution to a region that produces over half of the Philippines' gross domestic product.

Meralco's operating performance was strong during the period, driven by sustained economic growth and robust consumer demand resulting from low inflation, interest rates and fuel prices. The volume of electricity sold rose 11% to 19,717 GWh, with residential, commercial and industrial demand recording 17%, 11% and 6% increases, respectively.

Natural gas accounted for 46% of Meralco's total fuel sources, followed by coal at 37%. The remaining 17% included hydro, geothermal and biomass sources.

System loss was further reduced to 6.46% at end-June 2016 from 6.60% a year earlier, reflecting Meralco's continuing investment in operating efficiencies. Capital expenditure declined 14% to Pesos 4.5 billion (US$95.7 million) during the transition to a new regulatory period. On 15 June 2016, Meralco received approval from the Energy Regulatory Commission of Pesos 15.5 billion (US$329.8 million) for capital expenditure on system quality and various power station expansion projects.

Revenues decreased 4% to Pesos 128.8 billion (US$2.7 billion), mainly reflecting a 9% decrease in the average distribution rate and lower pass-through charges despite the higher availability of Meralco's contracted power plants. The decline eroded the positive impact of an 11% growth in energy sales, a 4% increase in number of customers and an 8% rise in non-electricity revenues.

During the period, MPIC added GBPC to its power generation portfolio through Beacon Electric. GBPC is a holding company, through its subsidiaries, is a leading power producer in the Visayas region and Mindoro Island with current generation capacity of 702 MW, an additional 150 MW is expected to commence operation this year, of which 70 MW is contracted to Meralco. Its fuel sources are coal and diesel.

In the first half of 2016, GBPC's electricity sold rose 4% to 1,787 GWh. Revenues declined 5% to Pesos 8.5 billion (US$180.9 million) reflecting lower market prices, partly offset by lower fuel and other pass-through costs.

Meralco PowerGen Corporation ("Meralco PowerGen"), Meralco's wholly-owned power generation subsidiary, is developing several power projects with a total planned capacity of over 3,000 MW through San Buenaventura Power, Redondo Peninsula Energy, Atimonan One Energy, St. Raphael Power and Mariveles Power. It also has investments in GBPC's power assets and the PLP power plant in Singapore.

Water

Maynilad is the biggest water utility in the Philippines. It operates a concession that runs until 2037 for water distribution and sewerage services for the West Zone of Metro Manila.

During the period, Maynilad's average non-revenue water fell to 29.3% from 32.3%. Revenues rose 8% to Pesos 10.1 billion (US$214.9 million), reflecting a 4% increase in billed water volume to 247.6 million cubic meters, a 5% increase in billed customers to 1.3 million and a 5% increase in inflationary adjustment. Core income declined 25% to Pesos 3.6 billion (US$76.6 million), resulting from the expiration of an income tax holiday.

Maynilad's water tariff under the rate rebasing for the period from 2013 to 2017 received a favorable award in arbitration proceedings on 29 December 2014. However, the Metropolitan Waterworks and Sewerage System ("MWSS") of the Philippines has not yet acted on the arbitration award. Maynilad continues the arbitration process, and a new hearing is expected to take place in December 2016. Despite the subsequent delay in the tariff increase it is entitled to, Maynilad remains committed to providing affordable, clean and safe water to its customers, and continues to invest in wastewater treatment facilities.

The investment in ESTII allows MPIC to diversify its water-related investment and invest in the high-growth wastewater engineering procurement and construction ("EPC") and operations and maintenance ("O&M") market.

Toll Roads

MPTC operates NLEX, CAVITEX, SCTEX and the Subic Freeport Expressway in the Philippines, and has investments in DMT in Thailand and CII B&R in Vietnam. The concession for NLEX runs until 2037, for CAVITEX until 2033 for the original toll road and to 2046 for its extension, for SCTEX until 2043, for DMT until 2034 and for CII B&R and various roads and bridges ranging from 2018 to 2034.

During the period, revenues rose 27% to Pesos 5.9 billion (US$125.5 million), reflecting strong traffic growth on the NLEX and CAVITEX and the inclusion of SCTEX.

Capital expenditure increased 26% to Pesos 2.4 billion (US$51.1 million) mainly reflecting the cost of integrating SCTEX with NLEX which was completed in March 2016, Segments 2 and 3 of NLEX road widening project with target completion by 2016 and the construction of Segment 10 of the NLEX Harbour Link with completion planned in 2017.

In the Philippines, the integration of SCTEX with NLEX was completed in March 2016. The construction of the CAVITEX C5 South Link is expected to be completed in 2019, while it would be in 2020 for Cavite-Laguna Expressway ("CALAX") and the Cebu-Cordova Bridge, and in 2021 for NLEX Citi Link.

For the Connector Road with estimated project cost of Pesos 17.5 billion (US$371.9 million), there was no comparative bid submitted during the "Swiss Challenge" process, MPTC is expected to receive the award of the project during 2016.

In Vietnam, CII B&R expects to complete the construction of the first 37-kilometer section of its 53-kilometer toll roads this year and by 2018 for the remaining 16-kilometer section.

Hospitals

MPIC's Hospital group comprises 12 full-service hospitals and MegaClinic, a mall-based diagnostic and surgical center, and has indirect ownership in two healthcare colleges. MPIC is the largest private provider of premier hospital services in the Philippines with approximately 2,800 beds as at end-June 2016.

Revenues rose 25% to Pesos 9.3 billion (US$197.9 million), reflecting higher contribution from all of its operating units. The number of out-patients rose 31% to 1.3 million and in-patients rose 25% to 73,416.

The Hospital division plans to expand its portfolio to 5,000 beds. Current priorities include implementing synergies across its hospital network, expanding capacity and enhancing facilities of its existing hospitals, establishing a central laboratory for the Hospitals division and improving healthcare delivery.

Rail

LRMC commenced operation of Light Rail Transit 1 ("LRT1"), its first rail project, in September 2015, in a concession which runs until 2047. During the period, it recorded revenues of Pesos 1.5 billion (US$31.9 million). LRT1's average daily ridership for the period was at 405,568.

In February 2016, LRMC signed a Pesos 24.0 billion (US$510.6 million) loan facility for the LRT1 project, of which Peso 15.3 billion (US$325.5 million) is for the construction of the Cavite Extension while the remaining is for the rehabilitation of the existing LRT1 system. Since takeover in September 2015, 14 LRV were restored which increased the total number of LRV in operation to 91.

Projects for rail replacement, lining and leveling are progressing as scheduled and are expected to be completed by 2017. Other ongoing enhancement projects involve various improvements for stations and depots, the unification of the central station and preparations for the Grantor's delivery of the right of way for the Cavite Extension.

MPIC is working on the re-submission of proposals for MRT3 rail line as requested by the new Administration of the Philippine Government.

As at 30 June 2016, there were approximately 2.1 million Automated Fare Collection System's beep™ cards registered for use on LRT1, LRT2 and MRT3 network. AFPI successfully created an integrated contactless payment solution for its rail network. AFPI has expanded the use of the beep™ cards in certain bus lines in Metro Manila and recently, the CAVITEX on a trial basis. AFPI expects to further expand usage of the beep™ cards in the public transport sector, toll roads and retail establishments.

2016 Outlook

The arrival into power of a new business-friendly Administration in the Philippine Government is expected to result in better prospects for resolution of the many continuing tariff disputes involving MPIC businesses. Continuing strong economic growth is lifting revenues at all businesses while Management's enduring vigilance over costs and efficiency is feeding directly to the bottom line. In all, the outlook for the MPIC group of companies is for stronger earnings in 2016, creating a stable foundation for further growth and investment.

Reconciliation of reported results between MPIC and First Pacific

MPIC's operations are principally denominated in peso, which averaged Pesos 47.00 (1H15: Pesos 44.51) to the U.S. dollar. Its financial results are prepared under Philippine GAAP and reported in peso. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Philippine GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to MPIC's reported peso results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Peso millions	**2016**	2015
Net income under Philippine GAAP	**6,980**	5,563
Preference dividends(i)	**(3)**	(1)
Net income attributable to common shareholders	**6,977**	5,562
Differing accounting and presentational treatments(ii)		
- Reclassification of non-recurring items	**(213)**	357
- Others	**(31)**	35
Adjusted net income under Hong Kong GAAP	**6,733**	5,954
Foreign exchange and derivative gains (iii)	**(123)**	(37)
MPIC's net income as reported by First Pacific	**6,610**	5,917
US$ millions		
Net income at prevailing average rates for 1H16: Pesos 47.00 and 1H15: Pesos 44.51	**140.6**	132.9
Contribution to First Pacific Group profit, at an average shareholding of 1H16: 50.0% and 1H15: 52.5%	**70.2**	69.8

(i) First Pacific presents net income after deduction of preference dividends.

(ii) Differences in accounting treatment under Philippine GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustment includes:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H16 of Pesos 213 million principally represents Pesos 545 million of reversal of net deferred tax liabilities for future related to Maynilad following a reassessment and Pesos 121 million of reversal of provision for liabilities, partly offset by Pesos 453 million of project expenses. Adjustment for 1H15 of Pesos 357 million principally represents project expenses.*

(iii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative gains (net of related tax) are excluded and presented separately.

FPW/GOODMAN FIELDER

FPW contributed a profit of US$7.2 million to the Group (1H15: 6.4 million). The 13% increase in profit contribution reflected six months of contribution in the period versus three months in the first half of 2015, partly offset by a 5% depreciation of the average Australian dollar exchange rate against the U.S. dollar.

During the period, Goodman Fielder recorded core net income of A$20.7 million (US$15.2 million), sales of A$953.3 million (US$701.0 million), normalized EBIT at A$57.5 million (US$42.3 million) and EBIT margin at 6.0%. Capital expenditure decreased 61% to A$35.2 million (US$25.9 million).

International Business

Papua New Guinea's market leadership for the flour and snack categories continued in the period, as sales volume of GF Pro Bakers Flour and Meadow Fresh UHT milk introduced in late 2015 remained strong, while sales volume of Flame Stock Feed rose 19%.

In Fiji, sales of poultry, snack foods and ice cream products remained strong and grew by 12%. In China, sales volume of UHT milk rose 48% to 8,670 million liters. Sales volumes of UHT milk also grew in PNG, Fiji, Vietnam and Malaysia. However, the positive impact from higher sales volume was offset by the depreciation of the Papua New Guinean Kina and the Renminbi against the U.S. dollar.

With the milk facility expansion at Christchurch in New Zealand completed in late 2015, Goodman Fielder's export volumes of its Meadow Fresh UHT milk to Southeast Asia rose approximately 50% during the period. In addition to UHT milk, Goodman Fielder is working on increasing exports of its dairy creams, yogurts, butter and cheese products to the foodservice and retail markets across China and South East Asia.

New Zealand Business

Puhoi Valley premium organic milk and flavored milk were launched in late 2015 and recorded strong performance in the period. In March 2016, Puhoi Valley Kawau Blue was named the best cheese at the New Zealand Champion of Cheese awards. Puhoi Valley also won the washed rind cheese category with their cellar range washed rind winning a perfect score of 100 from the judges. Puhoi Valley's Fresh Goat cheese made Cheese awards history by becoming the first goat cheese to win the Champion Export Cheese Award. It has only been exported since the end of 2015. Baking products sales volume and prices remained under pressure due to continuing price constraints.

The expanded UHT milk facility at Christchurch increased Goodman Fielder's efficiency and production capacity, while lower raw milk prices eroded the margin of its dairy products.

Continued sales to large retail customers of fresh white milk during the period has assisted with Dairy margins. The New Zealand business is focusing on a number of cost-out initiatives.

Australia Business

In Australia, the reassessment of logistics arrangements carried out by the new management has begun showing positive results. During the period, costs in relation to logistics were reduced by approximately 15%, and the local business was stabilized period-on-period. Praise, Australia's most popular salad dressing and mayonnaise brand, continues to maintain strong market share.

The June 2016 closing of a bread manufacturing facility in Tamworth will allow Goodman Fielder to move production to facilities in Sydney and Canberra.

New product initiatives are being launched to drive sales growth. For example, the introduction of White Wings 'Cake in a Cup' in May 2016, which is focused on convenience snacking, has generated strong volume growth with an expected annualized net sales value growth of A$3.0 million (US$2.2 million) for the home baking category.

Debt Profile

As at 30 June 2016, Goodman Fielder's net debt stood at A$457.2 million (US$340.7 million) with maturity ranging from 2016 to 2020, and 31% of total borrowings were at fixed rate. Fixed rate borrowings are drawn in U.S. dollars and hedged to A$167.9 million. In addition, Australian dollar and New Zealand dollar borrowings are funded by a diverse panel of domestic and international banks.

2016 Outlook

After 15 months of new management at Goodman Fielder, the outlook is more positive than it has been in recent years. Recent management initiatives to improve operating efficiencies and cost structures are expected to lift profitability for the second half of this year. An increased capital expenditure budget is also planned to support growth opportunities and various management initiatives. These investments will improve the manufacturing footprint with enhanced scale in key growth markets and categories, and support the business for longer-term, sustainable growth.

Reconciliation of reported results between FPW/Goodman Fielder and First Pacific

Goodman Fielder's operations are principally denominated in A$, which averaged A$1.360 (April to June 2015: A$1.287) to the U.S. dollar. Its financial results are prepared under Australian GAAP and reported in A$. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Australian GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to Goodman Fielder's reported A$ results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

A$ millions	**For the six months ended 30 Jun 2016**	For the three months ended 30 Jun 2015
Goodman Fielder's net income under Australian GAAP	**10.5**	9.4
Differing accounting and presentational treatments[i]		
- Reclassification of non-recurring items	**10.8**	9.8
Adjusted Goodman Fielder's net income under Hong Kong GAAP	**21.3**	19.2
Foreign exchange and derivative (gains)/losses[ii]	**(0.6)**	0.2
Adjusted Goodman Fielder's net income	**20.7**	19.4
Differing accounting and presentational treatments[i]		
- Acquisition accounting	**(1.1)**	(3.1)
Adjusted FPW's net income as reported by First Pacific	**19.6**	16.3
US$ millions		
Net income at prevailing average rate for 1H16: A$1.360 and April to June 2015: A$1.287	**14.4**	12.7
Contribution to First Pacific Group profit, at an average shareholding of 1H16: 50.0% and April to June 2015: 50.0%	**7.2**	6.4

(i) Differences in accounting treatment under Australian GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H16 of A$10.8 million principally represents write-off of deferred tax assets related to prior years of A$6.3 million, site closure costs of A$2.8 million and project expenses of A$1.7 million. Adjustment for April to June 2015 of A$9.8 million principally represents losses arising from unwinding cross currency interest rate swaps of A$8.0 million after the early settlement of related debts following a change in control of Goodman Fielder and change of control related expenses of A$0.5 million (which are pre-acquisition in nature and hence eliminated at First Pacific level) and manpower rightsizing costs of A$1.3 million.*
- *Acquisition accounting: A fair value assessment was performed at the date of acquisition of Goodman Fielder and certain revaluation increment adjustments have been made to its property, plant and equipment and inventories. The adjustments principally relate to recognition of additional depreciation based on the fair value of its property, plant and equipment and the reversal of the revaluation increment adjustment made to Goodman Fielder's inventories at the date of acquisition into its post-acquisition cost of sales.*

(ii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative gains/losses (net of related tax) are excluded and presented separately.

PHILEX

Philex's natural resources portfolio comprises:

Philex for metal-related assets

- 100% in Padcal mine
- 100% in Silangan Mindanao Exploration Co., Inc. ('SMECI")
- 100% in Silangan Mindanao Mining Co., Inc.
- 99.3% in Lascogon Mining Corporation
- 100% in Philex Gold Philippines, Inc.
- 5% in Kalayaan Copper Gold Resources, Inc.

PXP Energy Corporation ("PXP")*, formerly Philex Petroleum Corporation, for energy-related assets

- 53.4% Pitkin Petroleum Limited which owns oil and gas exploration assets in Peru Block Z-38
- 58.2%[†] in Forum Energy Limited ("Forum") which owns 70.0% of Service Contract ("SC") 72, currently in the exploration stage and a 2.3% interest in the Galoc oil field (SC 14C-1) which is in the production stage, both of these assets are located in the West Philippine Sea
- 50.0% in SC 75 and 70.0% in SC 74, both located in Northwest Palawan

** 19.8% held by Philex, 25.03% held by First Pacific and 7.7% held by Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific.*
† 48.8% held directly by PXP, 18.4% held by its 51.2%-owned Canadian subsidiary FEC Resources, Inc., and 3.3% held by First Pacific.

Philex

Philex's contribution to the Group increased 55% to US$4.5 million (1H15: US$2.9 million) on the strength of lower production costs and expenses, as well as higher gold prices. These positive factors were partly offset by lower volumes of metal sold and lower copper prices. The average realized price for gold rose 6% to US$1,263 per ounce (1H15: US$1,190 per ounce), while the average realized copper price fell 18% to US$2.14 per pound (1H15: US$2.61 per pound), the lowest level since 2005.

Gold production decreased 8% to 49,589 ounces (1H15: 53,689 ounces) due to lower gold grades, while copper production increased 3% to 17.3 million pounds (1H15: 16.9 million pounds) as a result of higher tonnage milled. The efforts to increase metal output from the second quarter of 2016 resulted in higher tonnage. The improved production in the second quarter of 2016 was driven by improved equipment efficiency and better ore grades, particularly in June 2016, as new draw points started to deliver higher grades. Gold grade averaged 0.436 gram/tonne in June compared with an average of 0.406 gram/tonne for the period. Copper grades were also higher in June at 0.215% against 0.206% average for the period.

During the period, Philex retired US$6.5 million of outstanding short-term debts. As at 30 June 2016, it had Pesos 349 million (US$7.4 million) of cash and cash equivalents and Pesos 9.4 billion (US$200.2 million) of borrowings comprising convertible notes issued by SMECI and short-term bank loans.

Core net income up 49% to Pesos 774 million (US$16.5 million) from Pesos 520 million (US$11.7 million)	▪ reflecting a higher production of copper and increase in gold prices ▪ lower operating costs and expenses through cost management initiatives
Net income up 28% to Pesos 779 million (US$16.6 million) from Pesos 607 million (US$13.6 million)	▪ reflecting higher core net income
Revenue flat at Pesos 4.8 billion (US$102.1 million) from Pesos 4.8 billion (US$107.8 million) (restated)	▪ reflecting higher output of copper which was offset by an 18% decline in prices ▪ a 6% improvement in gold price was offset by lower ore grade of gold and metal recovery ▪ revenues from gold, copper and silver contributed 62%, 37% and 1% of the total, respectively
EBITDA up 14% to Pesos 1.7 billion (US$36.2 million) from Pesos 1.5 billion (US$33.7 million)	▪ reflecting lower operating expenses through cost management initiatives
Operating cost per tonne of ore milled down 11% to Pesos 741 (US$15.8) from Pesos 830 (US$18.6)	▪ arising from continued organizational optimization initiatives with comparatively lower total cost allocated over higher tonnage
Capital expenditure (including exploration costs) down 51% to Pesos 1.2 billion (US$25.5 million) from Pesos 2.5 billion (US$56.2 million)	▪ reflecting lower capital expenditure for Silangan project due to the near completion of the feasibility study

The mine life of Philex's major operating metal asset Padcal mine was extended to 2022 in October 2015 with additional resources and reserves declared. The maiden inferred resource estimate from the Bumolo exploration increases the likelihood of further extension of Padcal's mine life. Additional work is required to further identify the quality and quantity of the initial findings.

Property Dividend

On 29 February 2016, Philex's Board of Directors approved a property dividend of record as at 15 March 2016, in which every 100 shares of Philex will be entitled to receive 17 shares of PXP. Philex's registered shareholders in the U.S. received the equivalent property dividend in the form of cash. The transaction was completed with Philex's shareholding in PXP declining by 45.0% to 19.8%, and First Pacific and its Philippine affiliate Two Rivers Pacific Holdings Corporation's economic interest increasing to 25.0% and 7.7%, respectively. Subsequently, PXP will be deconsolidated from Philex.

Interim Dividend

With the significantly improved first half results, Philex's Board of Directors declared on 27 July 2016 an interim dividend of Peso 0.03 (U.S. 0.064 cent) per share payable on 24 August 2016 to shareholders on record as of 10 August 2016.

Silangan Project

The gold copper mine development project is located in Surigao del Norte, Northeastern Mindanao in the Philippines. The project has secured all major permits including environmental compliance certification for surface mining and approval by the Department of Environment and Natural Resources of the amended Declaration of Mining Project Feasibility for surface mining. The project's definitive feasibility study is under peer review by third-party consultants with targeted completion by early 2017. Meantime, community development and environment enhancement programs are ongoing while the feasibility study is progressing.

Mineral Resources and Proved Reserves

Listed below are the mineral resources and proved reserves of the Padcal mine and the mineral resources of the Silangan project based on the most recent data:

	Padcal mine (As at 31 December 2015*)	Silangan Project (as at 5 August 2011) Boyongan	Bayugo
Resources(million tonnes)	258[i]	273[i]	125[i]
Gold (gram/tonne)	0.37	0.72	0.66
Copper (%/tonne)	0.20	0.52	0.66
Contained copper (thousand lbs)	1,172,400	3,120,000	1,820,000
Contained gold (ounces)	3,036,200	6,300,000	2,700,000
Copper equivalent[ii] cutoff (%)	0.314	-	-
Copper equivalent cutoff (%)		0.50	0.50
Proved reserves (million tonnes)	69.7		
Gold (gram/tonne)	0.41		
Copper (%/tonne)	0.20		
Recoverable copper (thousand lbs)	255,300		
Recoverable gold (ounces)	726,300		
Copper equivalent[ii] cutoff (%)	0.370		

* Based on the Competent Person's report disclosed in March 2016

(i) Measured and indicated

(ii) Copper equivalent = % copper + 0.66 x gram/tonne gold; Metal prices: US$2.75/lb copper, US$1,275/oz gold; Metal recoveries: 82% copper, 80% gold

PXP

During the period, petroleum revenues declined 29% to Pesos 59 million (US$1.3 million) (1H15: Pesos 83 million (US$1.9 million)) as a result of lower crude oil prices and lower output in the Galoc oil field. Costs fell 50% to Pesos 90 million (US$1.9 million) (1H15: Pesos 179 million (US$4.0 million)) because of cost cutting initiatives and lower production.

SC72

The property covered by SC 72 is located in Reed Bank (Rector Bank) which lies within the Philippines' Exclusive Economic Zone ("EEZ") as defined under the United Nations Convention on the Law of the Sea ("UNCLOS"). Its second sub-phase of exploration activities is currently suspended due to a force majeure imposed since 15 December 2014.

On 12 July 2016, the Permanent Court of Arbitration made a favorable decision confirming that PXP's service contracts, particularly SC 72, are within the Philippine's EEZ. PXP, through Forum, will take guidance from the Philippine Government in respect of any future activity in SC 72 and other areas covered by the Tribunal's decision.

2016 Outlook

On current trends, the operational results at the Padcal mine will be stronger than in 2015, though the uncertainty over future metal prices, particularly for copper, brings uncertainty to the anticipated full-year results. The improved price for gold, however, has been favorable in the first half and Philex aims to take full advantage of a sustained trend by ramping up production from June. Continuing exploration in the vicinity of the Padcal mine is anticipated to deliver further results in the course of the second half of 2016. It is also expected that the peer review of the Silangan Project's definitive feasibility study will be finished by early 2017.

Reconciliation of reported results between Philex and First Pacific

Philex's operations are principally denominated in peso, which averaged Pesos 47.00 (1H15: Pesos 44.51) to the U.S. dollar. Its financial results are prepared under Philippine GAAP and reported in peso. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Philippine GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to Philex's reported peso results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Peso millions	**2016**	2015
Net income under Philippine GAAP	**779**	607
Differing accounting and presentational treatments[(i)]		
- Reclassification of non-recurring items	**-**	(107)
- Revenue recognition regarding sale of mine products	**(105)**	6
- Depreciation of revaluation increment of assets	**(120)**	(153)
- Others	**(91)**	(89)
Adjusted net income under Hong Kong GAAP	**463**	264
Foreign exchange and derivative (gains)/losses[(ii)]	**(5)**	20
Philex's net income as reported by First Pacific	**458**	284
US$ millions		
Net income at prevailing average rates for 1H16: Pesos 47.00 and 1H15: Pesos 44.51	**9.7**	6.4
Contribution to First Pacific Group profit, at an average shareholding of 1H16: 46.2% and 1H15: 46.2%	**4.5**	2.9

(i) Differences in accounting treatments under Philippine GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H15 of Pesos 107 million represents a gain on sale of available-for-sale assets.*
- *Revenue recognition regarding sale of mine products: Philex recognizes revenue based on the production of mine products. HKAS 18 "Revenue" requires the recognition of revenue based on the satisfaction of certain conditions, which includes the transfer of significant risks and rewards of ownership of the products to the buyers and the absence of continuing managerial involvement to the degree usually associated with ownership and effective control over the products sold.*
- *Depreciation of revaluation increment of assets: A fair value assessment was performed at the date of acquisition of Philex and certain revaluation increment adjustments have been made to its property, plant and equipment. The adjustment relates to the recognition of additional depreciation based on the revalued fair value of these property, plant and equipment over the remaining life of the mine.*
- *Others: The adjustments principally relate to accrual of withholding tax on Philex's net income in accordance with the requirements of HKAS 12 "Income Taxes" and the adjustments for the Group's direct share of PXP's results.*

(ii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative gains/losses (net of related tax) are excluded and presented separately.

FPM POWER/PLP

First Pacific through a 60/40-owned entity with Meralco PowerGen holds a 70% interest in PLP. PLP is the first power plant in Singapore fully fueled by liquefied natural gas, equipped with efficient facilities for power generation. The plant's fuel is provided by BG Group under a long-term agreement until 2024 through SLNG Terminal developed by the Singaporean Government. Its combined cycle combustion turbine power plant consists of two 400 gross megawatts natural gas-fired turbines with net capacity of 781 megawatts. PLP launched commercial operations of the power plant on 1 February 2014.

First Pacific's share of FPM Power's loss widened by 45% to US$10.9 million (1H15: US$7.5 million), reflecting a lower contribution from the retail market, non-recognition of deferred tax credit arising from tax losses and capital allowances and a long outage of the plant in January 2016 and four incidents of forced outages in the period. This was slightly offset by a 2% depreciation of the average Singapore dollar exchange rate against the U.S. dollar.

During the period, the volume of electricity sold rose 19% to approximately 2,353 gigawatt hours (1H15: 1,983 gigawatt hours), of which 98% was for retail, futures, contracts for difference and vesting contracts and the remaining 2% for merchant market sales. PLP's generation market share for the period was approximately 8.4%.

Core net loss up 53% to S$57.1 million (US$41.5 million) from S$37.3 million (US$27.6 million)	▪ reflecting a lower contribution from the retail market ▪ lower oil prices resulting in lower average selling prices per unit of electricity ▪ one long outage and four incidents of forced outages in the period ▪ non-recognition of deferred tax credits arising from tax losses and capital allowances ▪ slightly offset by a 2% depreciation of the average Singapore dollar exchange rate against the U.S. dollar
Net loss up 38% to S$54.9 million (US$39.9 million) from S$39.8 million (US$29.5 million)	▪ reflecting higher core net loss ▪ the recognition of provision for onerous contracts as non-recurring losses ▪ partly offset by a foreign exchange gains on US$ denominated shareholders' loans compared with a loss in the first half of 2015
Revenues down 19% to S$356.5 million (US$259.3 million) from S$439.2 million (US$325.1 million)	▪ reflecting a 34% decrease in average selling prices due to lower fuel costs and intense competition as a result of lower oil prices, despite higher volume of electricity generated and sold
Operating expenses down 4% to S$11.5 million (US$8.4 million) from S$12.0 million (US$8.9 million)	▪ reflecting savings achieved in operating expenses
EBITDA at a loss of S$2.8 million (US$2.0 million) from S$6.1 million (US$4.5 million)	▪ reflecting lower contribution from retail and pool market due to intense competition ▪ partly offset by reduction in fixed costs

Debt Profile

As at 30 June 2016, FPM Power's net debt stood at US$506.5 million while gross debt stood at US$548.6 million with 7% maturing within one year and the remaining debts maturing from 2018 up to 2021. All of the borrowings were floating-rate bank loans, with 95% effectively changed to fixed rates through interest rate swap arrangements.

2016 Outlook

Continuing low crude oil prices and strong competition in the Singapore market will put pressure on profitability in 2016 and beyond.

Reconciliation of reported results between FPM Power/PLP and First Pacific

PLP's operations are principally denominated in S$, which averaged S$1.375 (1H15: S$1.351) to the U.S. dollar. Its financial results are prepared under Singapore GAAP and reported in S$. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Singapore GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to PLP's reported S$ results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June S$ millions	**2016**	2015
PLP's net loss under Singapore GAAP	**(54.9)**	(39.8)
Differing accounting and presentational treatments[(i)]		
- Reclassification of non-recurring items	**12.1**	-
- Intra-group elimination for consolidation accounting	**22.5**	15.1
- Amortization of vesting contract	**(0.9)**	(0.9)
- Others	**0.2**	0.3
Adjusted PLP's net loss under Hong Kong GAAP	**(21.0)**	(25.3)
Foreign exchange and derivative (gains)/losses[(ii)]	**(14.3)**	2.5
Adjusted PLP's net loss	**(35.3)**	(22.8)
US$ millions		
Net loss at prevailing average rates for 1H16: S$1.375 and 1H15: S$1.351	**(25.7)**	(16.9)
FPM Power's share of PLP's net loss, at an average shareholding of 1H16: 70.0% and 1H15: 70.0%	**(18.0)**	(11.8)
Adjusted FPM Power head office's net loss[(iii)]	**(0.2)**	(0.7)
Adjusted FPM Power's net loss as reported by First Pacific	**(18.2)**	(12.5)
First Pacific Group's share of loss, at an average shareholding of 1H16: 60.0% and 1H15: 60.0%	**(10.9)**	(7.5)

(i) Differences in accounting treatments under Singapore GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H16 of S$12.1 million represents provision for onerous contracts.*
- *Intra-group elimination for consolidation accounting: Intra-group transactions between FPM Power and PLP are eliminated upon FPM Power's consolidation accounting. The principal consolidation adjustments include elimination of shareholders loans interest expenses and management service fee.*
- *Amortization of vesting contract: A fair value assessment was performed at the date of acquisition of PLP and the fair value of PLP's vesting contract entered with the regulator in the respect of the supply of electricity has been measured and recognized as an intangible asset. The adjustment relates to the amortization of the carrying amount of the vesting contract.*
- *Others: The adjustments principally relate to reversal of additional interest expenses arising from settlement/realization of cash flow hedge reserve under interest rate swaps which are pre-acquisition in nature and hence eliminated at First Pacific level.*

(ii) To illustrate the underlying operational results and profit contributions, foreign exchange and derivative gains/losses (net of related tax) are excluded and presented separately.

(iii) Adjusted FPM Power head office's net loss for 1H16 excludes foreign exchange and derivative gains (net of related tax) of US$8.0 million (1H15: foreign exchange and derivative losses (net of related tax) of US$2.4 million).

FP NATURAL RESOURCES/ RHI/FCMI

Disposal/Additional Investment

On 18 February 2016, FP Natural Resources sold its entire 14.8% interest in Victorias Milling Company, Inc. ("VMC") to VMC and LT Group in two transactions for a total consideration of approximately Pesos 2.2 billion (US$46.0 million). The proceeds raised were used to participate in RHI's rights issue and invest in FCMI.

On 18 May 2016, FP Natural Resources and its Philippine affiliate First Agri Holdings Corporation increased their economic interest in RHI to 59.7% from 50.8% for a consideration of Pesos 1.1 billion (US$23.4 million) by participating in RHI's rights issue.

Review of Operations

First Pacific and its indirect agribusiness subsidiary IndoAgri, through a 70/30-owned entity FP Natural Resources and a Philippine affiliate have an aggregate 59.7% interest in RHI and 100.0% in FCMI.

RHI is the leading sugar milling operator and the biggest ethanol producer in the Philippines, and FCMI engages in crushing of copra, and refining coconut oil and production of crude coconut oil in the Philippines.

During the period, FP Natural Resources' contribution to the Group decreased 82% to US$0.2 million (1H15: US$1.1 million). RHI recorded a core net income of Pesos 197 million (US$4.2 million) despite higher material costs for sugar and ethanol production, and decline in sales of premium raw sugar, while FCMI recorded a loss of US$1.5 million.

Together with its associate Hawaiian-Philippine Company, Inc. ("HPC"), RHI is one of the largest raw sugar producers in the Philippines, accounting for 17% of the Philippines' raw sugar production. It has three sugar mills, one in Batangas and two in Negros Occidental, with combined milling capacity of 34,500 tonnes of sugar cane per day. Its refinery facility in Batangas has capacity of 18,000 Lkg per day. RHI also has two ethanol plants in Negros Occidental with daily production capacity of 285,000 liters.

During the period, RHI sold 1.4 million Lkg of refined sugar (1H15: 1.1 million Lkg), 1.1 million Lkg of raw sugar (1H15: 538,000 Lkg), 50,279 Lkg of premium raw sugar (1H15: 200,000 Lkg) and 39.0 million liters of ethanol (1H15: 29.5 million liters) in the Philippines.

Core net income down 33% to Pesos 215 million (US$4.6 million) from Pesos 320 million (US$7.2 million)

- principally due to higher cost of sugar cane, extended facility upgrade for ethanol, and higher interest expense due to a higher debt level
- continued shortage in supply of sugar cane in the Philippines
- earlier commencement of off-season maintenance activities in 2016
- partly offset by a 34%, 101% and 32% increase in sales volume of refined sugar, raw sugar and ethanol, respectively, and higher average selling prices of all products

Reported net income down 38% to Pesos 197 million (US$4.2 million) from Pesos 320 million (US$7.2 million)

- reflecting a lower core net income

Revenue up 43% to Pesos 7.8 billion (US$164.9 million) from Pesos 5.4 billion (US$121.3 million)

- mainly driven by improved sales volumes and higher average selling prices of sugar and ethanol

Operating expenses down 18% to Pesos 456 million (US$9.7 million) from Pesos 559 million (US$12.6 million)

- reflecting cost control initiatives and lower tax
- the consolidation of SCBI's six months of operating expenses while it was two months in the first half of 2015

EBITDA down 3% to Pesos 873 million (US$18.6 million) from Pesos 904 million (US$20.3 million)

- reflecting higher cost of cane for sugar and extended facility upgrade for ethanol
- earlier commencement of off-season maintenance activities in 2016
- partly offset by the higher average selling prices of all products and higher volumes of refined sugar, raw sugar and alcohol

EBITDA margin down to 11.3% from 16.7%

- due to lower EBITDA

Debt Profile

As at 30 June 2016, long-term debt of RHI stood at Pesos 4.0 billion (US$84.8 million) with maturities ranging from two to eight years at an annual interest of approximately 4.5%. Short-term debt stood at Pesos 5.1 billion (US$108.7 million) with an average interest of approximately 3.2%.

2016 Outlook

High production costs are expected for the remainder of 2016. RHI's profitability will be slightly boosted with improved competitiveness in attracting cane supply from independent sugar farmers, improved production efficiency resulting from capital investments, and higher average prices of raw and refined sugar, and higher sales of ethanol.

Reconciliation of reported results between FP Natural Resources/RHI/FCMI and First Pacific

RHI's operations are principally denominated in peso, which averaged Pesos 47.00 (1H15: Pesos 44.51) to the U.S. dollar. Its financial results are prepared under Philippine GAAP and reported in peso. First Pacific's financial results are prepared under Hong Kong GAAP and reported in U.S. dollars. Philippine GAAP and Hong Kong GAAP are largely based on IFRSs, however, certain adjustments need to be made to RHI's reported peso results to ensure full compliance with Hong Kong GAAP. An analysis of these adjustments follows.

For the six months ended 30 June Peso millions	**2016**	2015
RHI's net income under Philippine GAAP	**197**	320
Differing accounting and presentational treatments[(i)]		
- Reclassification of non-recurring items	**18**	-
- Depreciation of revaluation increment of assets	**(27)**	(16)
- Others	**(7)**	(11)
Adjusted RHI's net income	**181**	293
US$ millions		
Net profit at prevailing average rates for 1H16: Pesos 47.00 and 1H15: Pesos 44.51	**3.9**	6.6
FP Natural Resources group's share of RHI's net income, at an average shareholding of 1H16: 52.3% and 1H15: 45.3%	**2.0**	3.0
FCMI's net loss	**(1.7)**	(1.4)
Adjusted FP Natural Resources group's net income as reported by First Pacific	**0.3**	1.6
Contribution to First Pacific Group profit, at an average shareholding of 1H16: 70.0% and 1H15: 70.0%	**0.2**	1.1

(i) Differences in accounting treatments under Philippine GAAP, compared with Hong Kong GAAP, and other presentational differences. The principal adjustments include:

- *Reclassification of non-recurring items: Certain items, through occurrence or size, are not considered usual operating items which are reallocated and presented separately. Adjustment for 1H16 of Pesos 18 million principally represents payments for settlements of claims.*
- *Depreciation of revaluation increment of assets: A fair value assessment was performed at the date of FP Natural Resources' acquisition of a controlling interest in RHI of 27 February 2015 and certain revaluation increment adjustments have been made to its property, plant and equipment. The adjustment relates to the recognition of additional depreciation based on the revalued fair value of these property, plant and equipment.*
- *Others: The adjustments relates to accrual of withholding tax on RHI's net income in accordance with the requirements of HKAS12 "Income Taxes".*

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

NET DEBT AND GEARING

(A) Head Office Net Debt

The decrease in net debt principally reflects the net proceeds on sale of 1.3 billion common shares in MPIC of US$168.6 million. The Head Office's borrowings at 30 June 2016 comprise bonds of US$1,461.7 million (with an aggregated face value of US$1,471.3 million) which are due for redemption between 2017 and 2023 and a bank loan of US$316.8 million (with a principal amount of US$320 million) which is due for repayment in 2018.

Changes in Head Office net debt

US$ millions	Borrowings	Cash and cash equivalents[(i)]	Net debt
At 1 January 2016	1,789.4	(114.1)	1,675.3
Movement	(10.9)	(201.3)	(212.2)
At 30 June 2016	**1,778.5**	**(315.4)**	**1,463.1**

Head Office cash flow

For the six months ended 30 June US$ millions	**2016**	2015
Dividend and fee income	**132.7**	183.3
Head Office overhead expense	**(12.6)**	(12.1)
Net cash interest expense	**(45.7)**	(46.6)
Net cash inflow from operating activities	**74.4**	124.6
Net proceeds on sale of an investment[(ii)]/(net investments)[(iii)]	**168.6**	(455.1)
Financing activities		
- Dividends paid	**(30.2)**	(71.5)
- (Repayment of loans)/borrowings	**(13.3)**	70.0
- Repurchase of shares	**-**	(19.0)
- Others	**1.8**	(0.1)
Increase/(decrease) in cash and cash equivalents	**201.3**	(351.1)
Cash and cash equivalents at 1 January	**114.1**	508.5
Cash and cash equivalents at 30 June	**315.4**	157.4

(i) Includes pledged deposits and restricted cash
(ii) Represents the net proceeds from the sale of 1.3 billion common shares in MPIC
(iii) Represents mainly the investments in an additional 40.2% effective interest in Goodman Fielder of US$423.4 million

(B) Group Net Debt and Gearing

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

Consolidated

US$ millions	**At 30 June 2016** Net debt[(i)]	Total equity	Gearing[(ii)] (times)	At 31 December 2015 Net debt[(i)]	Total equity (Restated)	Gearing[(ii)] (times) (Restated)
Head Office	**1,463.1**	**2,119.3**	**0.69x**	1,675.3	2,112.6	0.79x
Indofood	**1,293.2**	**3,380.8**	**0.38x**	1,053.3	3,193.7	0.33x
MPIC	**1,367.0**	**3,863.4**	**0.35x**	1,282.3	3,202.4	0.40x
FPM Power	**506.5**	**409.8**	**1.24x**	465.4	397.2	1.17x
FP Natural Resources	**167.1**	**219.1**	**0.76x**	191.6	215.0	0.89x
Group adjustments[(iii)]	**-**	**(1,598.5)**	**-**	-	(1,786.5)	-
Total	**4,796.9**	**8,393.9**	**0.57x**	4,667.9	7,334.4	0.64x
Associated companies and joint venture						
PLDT	**2,848.4**	**2,374.1**	**1.20x**	2,431.7	2,420.3	1.00x
FPW	**340.5**	**1,006.6**	**0.34x**	336.7	972.9	0.35x
Philex	**192.8**	**556.5**	**0.35x**	182.1	579.8	0.31x

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

Head Office's gearing decreased which reflects the net proceeds on sale of 1.3 billion MPIC shares.

Indofood's gearing increased because of an increase in its net debt, which mainly reflects the appreciation of the rupiah against the U.S. dollar during the period and its payments for capital expenditure and dividends to shareholders, partly offset by its operating cash inflow, despite an increase in its equity reflecting the appreciation of the rupiah against the U.S. dollar and its profit recorded during the period.

MPIC's gearing decreased because of a growth of its equity as a result of its share placement and profit recorded during the period, partly offset by an increase in its net debt, which principally reflects its payments for acquisition of additional interests in Beacon Electric and Maynilad's and MPTC's payments for capital expenditure, partly offset by the proceeds from share placement and operating cash inflow.

FPM Power's gearing increased mainly because of an increase in its net debt mainly as a result of the appreciation of the S$ against the U.S. dollar during the period and its operating cash outflow.

FP Natural Resources' gearing decreased mainly reflecting a decrease in its net debt as a result of the proceeds from its sale of investments in Victorias Milling Company, Inc., partly offset by its repayment of advances to First Pacific and RHI's payments for capital expenditure.

The Group's gearing decreased to 0.57 times which reflects an increase in the Group's equity as a result of sale of MPIC shares, MPIC's share placement, an appreciation of the rupiah and its profit recorded during the period, partly offset by a higher net debt level reflecting Indofood's payments for capital expenditure and dividends and MPIC's payments for additional investments in Beacon Electric.

PLDT's gearing increased because of an increase in net debt mainly reflecting its payments for capital expenditure and its reduced equity reflecting dividends paid. FPW's gearing decreased principally because of a growth of FPW's equity as a result of an appreciation of the A$ against the U.S. dollar and its profit recorded during the period, despite an increase in its net debt reflecting an appreciation of the A$ against the U.S. dollar during the period and its payments for capital expenditure, partly offset by its operating cash inflow. Philex gearing increased principally because of its payments for capital expenditure, coupled with its reduced equity mainly because of its declaration of a property dividend of PXP shares.

MATURITY PROFILE
The maturity profile of debt of consolidated and associated companies and joint venture follows.

Consolidated

	Carrying amounts		**Nominal values**	
US$ millions	**At 30 June 2016**	At 31 December 2015	**At 30 June 2016**	At 31 December 2015
Within one year	**1,178.6**	998.6	**1,180.4**	1,000.2
One to two years	**949.1**	574.1	**962.7**	578.0
Two to five years	**2,291.3**	2,513.7	**2,306.2**	2,542.2
Over five years	**2,148.1**	2,275.5	**2,156.6**	2,285.4
Total	**6,567.1**	6,361.9	**6,605.9**	6,405.8

The change in the Group's debt maturity profile from 31 December 2015 to 30 June 2016 principally reflects a shift in long-term borrowings among the different maturity periods for Indofood and MPIC, Indofood's reclassification of Rupiah 2.0 trillion (US$151.7 million) of its bonds mature in May 2017 from long-term to short-term and MPIC's repayments of short-term borrowings.

Associated companies and joint venture

	PLDT				**FPW**				**Philex**			
	Carrying amounts		**Nominal values**		**Carrying amounts**		**Nominal values**		**Carrying amounts**		**Nominal values**	
US$ millions	**At 30 June 2016**	At 31 December 2015	**At 30 June 2016**	At 31 December 2015	**At 30 June 2016**	At 31 December 2015	**At 30 June 2016**	At 31 December 2015	**At 30 June 2016**	At 31 December 2015	**At 30 June 2016**	At 31 December 2015
Within one year	**621.9**	359.4	**626.1**	365.7	**136.1**	122.2	**136.1**	122.2	**64.0**	70.5	**64.0**	70.5
One to two years	**531.4**	693.1	**532.5**	695.9	**179.4**	170.3	**179.8**	170.9	**-**	-	**-**	-
Two to five years	**1,277.6**	1,008.5	**1,279.3**	1,012.6	**142.1**	143.1	**142.6**	143.7	**-**	-	**-**	-
Over five years	**914.4**	1,357.9	**921.2**	1,359.0	**-**	-	**-**	-	**136.2**	133.0	**153.0**	153.0
Total	**3,345.3**	3,418.9	**3,359.1**	3,433.2	**457.6**	435.6	**458.5**	436.8	**200.2**	203.5	**217.0**	223.5

The change in PLDT's debt maturity profile from 31 December 2015 to 30 June 2016 principally reflects loan repayments and new borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs. The change in FPW's debt maturity profile from 31 December 2015 to 30 June 2016 principally reflects its new short-term borrowings. The decrease in Philex's debt principally reflects loan repayments.

CHARGES ON GROUP ASSETS
At 30 June 2016, certain bank and other borrowings were secured by the Group's property, plant and equipment, accounts receivable, pledged deposits, cash and cash equivalents and inventories amounting to a net book value of US$1,288.9 million (31 December 2015: US$1,280.2 million), receipts from future toll collections and funds in the related accounts of CIC and the Group's interests of 11.1% (31 December 2015: 6.9%) in PLDT, 35.5% (31 December 2015: 40.2%) in MPIC, 100% (31 December 2015: 100%) in CIC, 100% (31 December 2015: 100%) in AIF Toll Road Holdings (Thailand) Limited, 25.9% (31 December 2015: 25.9%) in DMT, none (31 December 2015: 93.7%) in SCBI and none (31 December 2015: 45.1%) in Hawaiian-Philippine Company, Inc.

FINANCIAL RISK MANAGEMENT

FOREIGN CURRENCY RISK

(A) Company risk

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

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

With the exception of the Head Office, the principal components of the Group's net asset value (NAV) mainly relate to investments denominated in the peso and the rupiah. Accordingly, any change in these currencies, against their respective 30 June 2016 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 peso and rupiah exchange rates against the U.S. dollar.

Company	Basis	**Effect on adjusted NAV**[i] US$ millions	**Effect on adjusted NAV per share** HK cents
PLDT	(i)	25.2	4.60
Indofood	(i)	24.2	4.41
MPIC	(i)	19.6	3.57
Philex	(i)	4.1	0.75
PXP	(i)	0.2	0.03
FP Natural Resources	(ii)	0.6	0.11
Head Office - Other assets	(iii)	1.1	0.20
Total		**75.0**	**13.67**

(i) Based on quoted share prices at 30 June 2016 applied to the Group's economic interests

(ii) Based on quoted share prices of RHI at 30 June 2016 applied to the Group's effective economic interest and the value of other assets measured at cost

(iii) Based on the investment costs in SMECI's convertible notes

(B) Group risk

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

NET DEBT BY CURRENCY

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

Consolidated

US$ millions	US$	Peso	Rupiah	S$	Others	**Total**
Total borrowings	2,587.7	1,951.8	1,098.2	830.3	99.1	**6,567.1**
Cash and cash equivalents[i]	(559.5)	(532.3)	(615.0)	(57.4)	(6.0)	**(1,770.2)**
Net debt	2,028.2	1,419.5	483.2	772.9	93.1	**4,796.9**
Representing:						
Head Office	1,477.2	(10.7)	-	-	(3.4)	**1,463.1**
Indofood	500.5	-	483.2	256.5	53.0	**1,293.2**
MPIC	63.2	1,260.1	-	-	43.7	**1,367.0**
FPM Power	(9.7)	-	-	516.4	(0.2)	**506.5**
FP Natural Resources	(3.0)	170.1	-	-	-	**167.1**
Net debt	2,028.2	1,419.5	483.2	772.9	93.1	**4,796.9**

Associated companies and joint venure

US$ millions	US$	Peso	A$	NZ$	Others	**Total**
Net debt						
PLDT	934.6	1,918.1	-	-	(4.3)	**2,848.4**
FPW	141.8	0.1	77.2	177.5	(56.1)	**340.5**
Philex	59.2	133.6	-	-	-	**192.8**

(i) Includes short-term deposits, pledged 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 and joint venture. This does not reflect the indirect effect of fluctuating exchange rates on revenues and input costs at the operating company level.

US$ millions	Total US$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	**Group net profit effect**
Head Office[i]	1,477.2	-	1,477.2	-	**-**
Indofood	500.5	-	500.5	5.0	**1.9**
MPIC	63.2	-	63.2	0.6	**0.2**
FPM Power	(9.7)	-	(9.7)	(0.1)	**-**
FP Natural Resources	(3.0)	-	(3.0)	-	**-**
PLDT	934.6	(473.2)	461.4	4.6	**0.8**
FPW	141.8	(142.2)	(0.4)	-	**-**
Philex	59.2	-	59.2	0.6	**0.2**
Total	**3,163.8**	**(615.4)**	**2,548.4**	**10.7**	**3.1**

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

EQUITY MARKET RISK

As the majority of the Company's investments are listed, the Company is exposed to fluctuations in the equity market values of such investments. In addition, the value of the Company's investments may be impacted by sentiment towards specific countries.

INTEREST RATE RISK

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

Consolidated

US$ millions	Fixed interest rate borrowings[i]	Variable interest rate borrowings[i]	Cash and cash equivalents[ii]	**Net debt**
Head Office	1,461.7	316.8	(315.4)	**1,463.1**
Indofood	302.8	1,869.1	(878.7)	**1,293.2**
MPIC	1,773.9	100.7	(507.6)	**1,367.0**
FPM Power[ii]	533.4	15.2	(42.1)	**506.5**
FP Natural Resources	90.1	103.4	(26.4)	**167.1**
Total	4,161.9	2,405.2	(1,770.2)	**4,796.9**
Associated companies and joint venture				
PLDT	3,054.1	291.2	(496.9)	**2,848.4**
FPW	142.2	315.4	(117.1)	**340.5**
Philex	136.2	64.0	(7.4)	**192.8**

(i) Reflects certain interest rate swap agreements which effectively changed variable interest rate borrowings to fixed interest rate borrowings at FPM Power, PLDT and FPW
(ii) Includes short-term deposits, pledged 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	316.8	3.2	**3.2**
Indofood	1,869.1	18.7	**7.0**
MPIC	100.7	1.0	**0.3**
FPM Power	15.2	0.2	**0.1**
FP Natural Resources	103.4	1.0	**0.5**
PLDT	291.2	2.9	**0.5**
FPW	315.4	3.2	**1.1**
Philex	64.0	0.6	**0.2**
Total	**3,075.8**	**30.8**	12.9

ADJUSTED NAV PER SHARE

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

US$ millions	Basis	At 30 June 2016	At 31 December 2015
PLDT	(i)	**2,523.9**	2,418.3
Indofood	(i)	**2,418.2**	1,649.1
MPIC	(i)	**1,958.4**	1,604.7
FPW	(ii)	**554.0**	554.0
Philex	(i)	**409.7**	213.3
PXP	(i)	**17.3**	5.5
FPM Power	(ii)	**335.3**	335.3
FP Natural Resources	(iii)	**60.7**	79.4
Head Office – Other assets	(iv)	**107.1**	107.1
– Net debt		**(1,463.1)**	(1,675.3)
Total Valuation		**6,921.5**	5,291.4
Number of Ordinary Shares in Issue (millions)		**4,275.8**	4,268.5
Value per share – U.S. dollars		**1.62**	1.24
– HK dollars		**12.63**	9.67
Company's closing share price (HK$)		**5.62**	5.14
Share price discount to HK$ value per share (%)		**55.5**	46.8

(i) Based on quoted share prices applied to the Group's economic interests
(ii) Represents investment costs
(iii) Mainly represents RHI (based on quoted share price applied to the Group's effective economic interest) and the Group's economic interest in other assets (measured at cost)
(iv) Represent investment costs in SMECI's convertible notes

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period ended 30 June 2016, the Company repurchased US$13.0 million of the US$400 million (Period ended 30 June 2015: Nil) 4.5% Guaranteed Bonds due April 2023 issued by its subsidiary company, FPC Treasury Limited, at an aggregate consideration of US$13.3 million (Period ended 30 June 2015: Nil). These bonds were subsequently cancelled.

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

CORPORATE GOVERNANCE

Corporate Governance Practices

First Pacific is committed to building and maintaining high standards of corporate governance. During the period ended 30 June 2016, the Company's Corporate Governance Committee, comprised of a majority of Independent Non-executive Directors (INEDs) and chaired by an INED, was delegated with the responsibility for supervision of the Company's corporate governance functions, carried out a review of its corporate governance practices to ensure compliance with the Listing Rule requirements.

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

Code Provision C.2.5: Issuers should have an internal audit function.

Since the Group has multiple listed companies in Philippines, Indonesia and Singapore, as well as a joint venture company in Australia, each of which has its own internal audit and/or risk management functions to monitor the internal control system for operational, financial and compliance and risk management functions. Accordingly, the Company can rely on group resources to carry out internal audit/risk management functions for members of the Group. Taking this into account, the Company does not consider it necessary to have a separate internal audit function. The Company will review the need for such function on an annual basis.

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

The Company does not disclose such information as a large number of the senior executives employed by the Group are employed in jurisdictions that do not require disclosure of such information.

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

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

On 30 June 2016, the Company re-appointed Ambassador Albert Ferreros del Rosario as a Non-executive Director to replace Mr. Napoleon L. Nazareno, who retired from the Board due to personal reasons.

Compliance of the Model Code for Securities Transactions by Directors of Listed Issuers
The Company has adopted its own Model Code for Securities Transactions by Directors (the Model Code) on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2016.

Continuing Connected Transactions
During the period, the INEDs agreed with the Directors in relation to the following continuing connected transactions and approved the disclosure of the transactions in the form of a published announcement:

- 29 July 2016: following the previous announcement made on 15 October 2014 relating to certain continuing connected transactions in respect of the Indofood Group's noodles business, plantations business, insurance business, distribution business, flour business, beverage business and dairy business and the respective Annual Caps for 2014, 2015 and 2016, the Annual Cap in respect of a continuing connected transaction between PT Indolakto, a subsidiary of Indofood, and PT Nippon Indosari Corpindo, an associate of Mr. Salim, has been increased from US$0.3 million (equivalent to approximately HK$2.3 million) to US$1.0 million (equivalent to approximately HK$7.8 million) as a result of expansion of the Dairy Business, thereby increasing the aggregated Annual Cap in respect of the Dairy Business Transactions relating to associates of Mr. Salim from US$6.1 million (equivalent to approximately HK$47.6 million) to US$6.8 million (equivalent to approximately HK$53.0 million) for 2016. Furthermore, PT Salim Ivomas Pratama Tbk ("SIMP"), a member of the Indofood Group, proposed to enter into a revolving loan agreement with the Plantation Joint Venture companies ("the Borrowers") whereby SIMP will provide a revolving loan facility of up to US$40 million (equivalent to approximately HK$312 million) to the Borrowers, which are the Company's connected subsidiaries relating to the Indofood Group's plantations business, in order to finance the immediate and urgent working capital requirements of the Borrowers and to facilitate the smooth running of their operations. In compliance with the Listing Rule requirements, the Company announced the revised Annual Cap in respect of the Dairy Business Transactions relating to associates of Mr. Salim for 2016 as well as the entering into of the revolving loan agreement between SIMP and the Borrowers on 29 July 2016.

Internal Control and Risk Management
The Board is responsible for maintaining an adequate system of internal controls in the Group and reviewing their effectiveness through the Audit and Risk Management Committee.

During the period ended 30 June 2016, the Audit and Risk Management Committee reviewed and advised that:

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

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

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

REVIEW STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE
The Audit and Risk Management Committee has reviewed the 2016 interim results, including the accounting policies and practices adopted by the Group. The Audit and Risk Management Committee also has discussed financial reporting, auditing, risk management and internal control matters with the Company's management and its external auditors.

INTERIM DISTRIBUTION
The Board has declared an interim distribution of HK8.00 cents (U.S. 1.03 cents) per ordinary share. It is expected that the interim distribution will be paid in cash in a currency to be determined based on the registered address of each shareholder on the Company's Register of Members as follows: Hong Kong dollars for shareholders with registered addresses in Hong Kong, Macau and PRC, Sterling pounds for shareholders with registered addresses in the United Kingdom and U.S. dollars for shareholders with registered addresses in all other countries. It is expected that the warrants will be dispatched to shareholders on or about Tuesday, 20 September 2016.

CLOSURE OF REGISTER OF MEMBERS
The Register of Members will be closed from Monday, 5 September 2016 to Wednesday, 7 September 2016, both days inclusive, during which period no transfer of shares will be registered. The ex-entitlement date will be Thursday, 1 September 2016. In order to qualify for the interim distribution, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong Branch Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 2 September 2016. The interim distribution will be paid to shareholders whose names appear on the Register of Members on Wednesday, 7 September 2016 and the payment date will be on or about Tuesday, 20 September 2016.

RESULTS ANNOUNCEMENT AND INTERIM REPORT
This interim results announcement is published on the website of the Company (www.firstpacific.com) and the designated issuer website of the Stock Exchange (www.hkexnews.hk). The 2016 interim report containing all the information required by the Listing Rules will be mailed to shareholders and made available on the above websites before end of September 2016.

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

Hong Kong, 19 August 2016

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

Executive Directors:
Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson

Non-executive Directors:
Anthoni Salim, *Chairman*
Benny S. Santoso
Tedy Djuhar
Ambassador Albert F. del Rosario

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