FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: www.firstpacific.com

(Stock Code: 00142)

2021 Interim Results - Unaudited

FINANCIAL HIGHLIGHTS

- Profit contribution from operations increased by 26% to US$249.2 million (HK$1,943.8 million) from US$197.4 million (HK$1,539.7 million).
- Recurring profit increased by 38% to US$209.5 million (HK$1,634.1 million) from US$151.7 million (HK$1,183.3 million).
- Non-recurring losses decreased by 90% to US$5.4 million (HK$42.1 million) from US$53.4 million (HK$416.5 million).
- Profit attributable to owners of the parent increased by 80% to US$181.0 million (HK$1,411.8 million) from US$100.6 million (HK$784.7 million).
- Turnover increased by 23% to US$4,226.0 million (HK$32,962.8 million) from US$3,437.7 million (HK$26,814.1 million) (Restated).
- Basic earnings per share increased by 80% to U.S. 4.18 cents (HK32.6 cents) from U.S. 2.32 cents (HK18.1 cents).
- Recurring basic earnings per share (calculated based on recurring profit) increased by 38% to U.S. 4.84 cents (HK37.8 cents) from U.S. 3.50 cents (HK27.3 cents).
- An interim distribution of HK9.00 cents (U.S. 1.15 cents) (2020: HK7.00 cents or U.S. 0.90 cent) per ordinary share has been declared, representing a 29% increase from 2020 and a payout ratio of approximately 24% (2020: 26%) of recurring profit.
- Equity attributable to owners of the parent increased by 1% to US$3,183.6 million (HK$24,832.1 million) at 30 June 2021 compared with US$3,140.0 million (HK$24,492.0 million) at 31 December 2020.
- Consolidated net debt decreased by 2% to US$8,033.4 million (HK$62,660.5 million) at 30 June 2021 from US$8,205.6 million (HK$64,003.7 million) at 31 December 2020.
- Consolidated gearing ratio remained stable at 0.77 times at 30 June 2021.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED INCOME STATEMENT - UNAUDITED

For the six months ended 30 June	Notes	2021 US$m	2020 (Restated)[i] US$m	2021 HK$m*	2020 (Restated)[i] HK$m*
Turnover	2	**4,226.0**	3,437.7	**32,962.8**	26,814.1
Cost of sales		**(2,855.7)**	(2,365.3)	**(22,274.5)**	(18,449.4)
Gross profit		**1,370.3**	1,072.4	**10,688.3**	8,364.7
Selling and distribution expenses		**(354.9)**	(304.0)	**(2,768.2)**	(2,371.2)
Administrative expenses		**(354.8)**	(289.1)	**(2,767.4)**	(2,255.0)
Other operating expenses, net	3(A)	**(66.2)**	(47.4)	**(516.3)**	(369.7)
Interest income		**19.8**	38.1	**154.4**	297.2
Finance costs	3(B)	**(233.9)**	(205.4)	**(1,824.4)**	(1,602.1)
Share of profits less losses of associated companies and joint ventures		**167.3**	148.3	**1,304.9**	1,156.7
Profit before taxation from continuing operations	3	**547.6**	412.9	**4,271.3**	3,220.6
Taxation	4	**(140.7)**	(151.9)	**(1,097.5)**	(1,184.8)
Profit for the period from continuing operations		**406.9**	261.0	**3,173.8**	2,035.8
Profit for the period from a discontinued operation		**90.7**	37.9	**707.5**	295.6
Profit for the period		**497.6**	298.9	**3,881.3**	2,331.4
Profit attributable to:					
Owners of the parent	6	**181.0**	100.6	**1,411.8**	784.7
Non-controlling interests		**316.6**	198.3	**2,469.5**	1,546.7
		497.6	298.9	**3,881.3**	2,331.4
Profit attributable to owners of the parent arising from:					
Continuing operations		**147.7**	93.4	**1,152.1**	728.5
A discontinued operation		**33.3**	7.2	**259.7**	56.2
		181.0	100.6	**1,411.8**	784.7
		US¢	US¢	**HK¢***	HK¢*
Earnings per share attributable to owners of the parent	7				
Basic					
Continuing operations		**3.41**	2.15	**26.6**	16.8
A discontinued operation		**0.77**	0.17	**6.0**	1.3
		4.18	2.32	**32.6**	18.1
Diluted					
Continuing operations		**3.40**	2.15	**26.5**	16.8
A discontinued operation		**0.77**	0.17	**6.0**	1.3
		4.17	2.32	**32.5**	18.1

(i) Refer to Note 14

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	2021 US$m	2020 US$m	2021 HK$m*	2020 HK$m*
Profit for the period	**497.6**	298.9	**3,881.3**	2,331.4
Other comprehensive (loss)/income				
Items that are or may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	**(249.0)**	13.6	**(1,942.1)**	106.0
Unrealized gains/(losses) on cash flow hedges	**58.1**	(66.8)	**453.2**	(521.1)
Realized (gains)/losses on cash flow hedges	**(14.6)**	18.3	**(113.9)**	142.7
Income tax related to cash flow hedges	**(4.0)**	0.7	**(31.2)**	5.5
Share of other comprehensive loss of associated companies and joint ventures	**(11.1)**	(41.8)	**(86.6)**	(326.0)
Reclassification adjustment for foreign operations disposed of during the period	**(22.2)**	-	**(173.2)**	-
Items that will not be reclassified to profit or loss:				
Changes in fair value of equity investments at fair value through other comprehensive income	**35.3**	8.1	**275.3**	63.2
Actuarial losses on defined benefit pension plans	**(0.1)**	(1.4)	**(0.8)**	(10.9)
Share of other comprehensive loss of associated companies and joint ventures	**(14.6)**	(3.3)	**(113.9)**	(25.7)
Other comprehensive loss for the period, net of tax	**(222.2)**	(72.6)	**(1,733.2)**	(566.3)
Total comprehensive income for the period	**275.4**	226.3	**2,148.1**	1,765.1
Income attributable to:				
Owners of the parent	**112.4**	65.6	**876.7**	511.7
Non-controlling interests	**163.0**	160.7	**1,271.4**	1,253.4
	275.4	226.3	**2,148.1**	1,765.1

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2021 (Unaudited) US$m	At 31 December 2020 (Audited) US$m	At 30 June 2021 (Unaudited) HK$m*	At 31 December 2020 (Audited) HK$m*
Non-current assets					
Property, plant and equipment		**3,986.4**	4,038.1	**31,093.9**	31,497.2
Biological assets		**21.8**	22.2	**170.0**	173.2
Associated companies and joint ventures		**5,264.1**	5,314.4	**41,060.0**	41,452.3
Goodwill		**4,251.1**	4,366.3	**33,158.6**	34,057.2
Other intangible assets		**6,121.7**	5,927.3	**47,749.3**	46,232.9
Investment properties		**9.2**	9.3	**71.8**	72.5
Accounts receivable, other receivables and prepayments		**149.4**	63.9	**1,165.3**	498.4
Financial assets at fair value through other comprehensive income		**455.8**	426.0	**3,555.2**	3,322.8
Deferred tax assets		**88.3**	110.1	**688.8**	858.8
Other non-current assets		**655.8**	687.5	**5,115.2**	5,362.5
		21,003.6	20,965.1	**163,828.1**	163,527.8
Current assets					
Cash and cash equivalents and short-term deposits		**2,638.0**	2,377.8	**20,576.4**	18,546.8
Restricted cash		**33.6**	50.2	**262.1**	391.6
Financial assets at fair value through other comprehensive income		**107.6**	3.3	**839.3**	25.7
Accounts receivable, other receivables and prepayments	9	**1,296.5**	1,073.9	**10,112.7**	8,376.4
Inventories		**930.6**	835.6	**7,258.7**	6,517.7
Biological assets		**49.8**	55.7	**388.4**	434.5
		5,056.1	4,396.5	**39,437.6**	34,292.7
Assets classified as held for sale		**-**	1,582.0	**-**	12,339.6
		5,056.1	5,978.5	**39,437.6**	46,632.3
Current liabilities					
Accounts payable, other payables and accruals	10	**1,722.9**	1,552.8	**13,438.7**	12,111.8
Short-term borrowings		**1,808.8**	1,659.7	**14,108.6**	12,945.7
Provision for taxation		**119.0**	180.6	**928.2**	1,408.7
Current portion of deferred liabilities, provisions and payables		**1,172.0**	593.9	**9,141.6**	4,632.4
		4,822.7	3,987.0	**37,617.1**	31,098.6
Liabilities directly associated with the assets classified as held for sale		**-**	843.8	**-**	6,581.6
		4,822.7	4,830.8	**37,617.1**	37,680.2
Net current assets		**233.4**	1,147.7	**1,820.5**	8,952.1
Total assets less current liabilities		**21,237.0**	22,112.8	**165,648.6**	172,479.9
Equity					
Issued share capital		**43.2**	43.4	**337.0**	338.5
Shares held for share award scheme		**(2.0)**	(2.4)	**(15.6)**	(18.7)
Retained earnings		**1,784.1**	1,604.4	**13,916.0**	12,514.3
Other components of equity		**1,358.3**	1,494.6	**10,594.7**	11,657.9
Equity attributable to owners of the parent		**3,183.6**	3,140.0	**24,832.1**	24,492.0
Non-controlling interests		**7,253.3**	7,488.5	**56,575.7**	58,410.3
Total equity		**10,436.9**	10,628.5	**81,407.8**	82,902.3
Non-current liabilities					
Long-term borrowings		**8,896.2**	8,973.9	**69,390.4**	69,996.4
Deferred liabilities, provisions and payables		**1,525.9**	2,111.3	**11,902.0**	16,468.2
Deferred tax liabilities		**378.0**	399.1	**2,948.4**	3,113.0
		10,800.1	11,484.3	**84,240.8**	89,577.6
		21,237.0	22,112.8	**165,648.6**	172,479.9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY – UNAUDITED

	Equity attributable to owners of the parent												
US$ millions	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive loss (Note 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	**Total equity**
At 1 January 2020	43.4	(3.2)	63.1	10.9	(716.1)	417.6	-	12.6	1,699.0	1,401.4	2,928.7	5,829.3	8,758.0
Profit for the period	-	-	-	-	-	-	-	-	-	100.6	100.6	198.3	298.9
Other comprehensive loss for the period	-	-	-	-	(35.0)	-	-	-	-	-	(35.0)	(37.6)	(72.6)
Total comprehensive (loss)/income for the period	-	-	-	-	(35.0)	-	-	-	-	100.6	65.6	160.7	226.3
Purchase of shares under share award scheme	-	(0.2)	-	-	-	-	-	-	-	-	(0.2)	-	(0.2)
Shares vested under share award scheme	-	1.8	-	(1.7)	-	-	-	-	-	(0.1)	-	-	-
Lapse of share options	-	-	-	(1.4)	-	-	-	-	-	1.4	-	-	-
Employee share-based compensation benefits	-	-	-	0.5	-	-	-	-	-	-	0.5	-	0.5
Acquisition and divestment of interests in subsidiary companies	-	-	-	-	(1.1)	13.3	-	-	-	-	12.2	60.4	72.6
Recognition of a financial liability on non-controlling interests' put option	-	-	-	-	-	(2.4)	-	-	-	-	(2.4)	(58.7)	(61.1)
2019 final distribution declared	-	-	-	-	-	-	-	-	(39.2)	-	(39.2)	-	(39.2)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	6.6	6.6
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(36.3)	(36.3)
At 30 June 2020	43.4	(1.6)	63.1	8.3	(752.2)	428.5	-	12.6	1,659.8	1,503.3	2,965.2	5,962.0	8,927.2
At 1 January 2021	43.4	(2.4)	63.1	9.3	(651.8)	439.7	1.1	12.6	1,620.6	1,604.4	3,140.0	7,488.5	**10,628.5**
Profit for the period	-	-	-	-	-	-	-	-	-	181.0	181.0	316.6	**497.6**
Other comprehensive loss for the period	-	-	-	-	(66.2)	-	(2.4)	-	-	-	(68.6)	(153.6)	**(222.2)**
Total comprehensive (loss)/income for the period	-	-	-	-	(66.2)	-	(2.4)	-	-	181.0	112.4	163.0	**275.4**
Repurchase of shares	(0.2)	-	(7.3)	-	-	-	-	-	-	-	(7.5)	-	**(7.5)**
Purchase of shares under share award scheme	-	(1.3)	-	-	-	-	-	-	-	-	(1.3)	-	**(1.3)**
Shares vested under share award scheme	-	1.7	-	(1.7)	-	-	-	-	-	-	-	-	**-**
Employee share-based compensation benefits	-	-	-	0.8	-	-	-	-	-	-	0.8	0.2	**1.0**
Acquisition of interests in subsidiary companies	-	-	-	-	-	(15.0)	-	-	-	-	(15.0)	(19.7)	**(34.7)**
Deconsolidation of a discontinued operation	-	-	-	-	-	-	1.3	-	-	(1.3)	-	(356.2)	**(356.2)**
Recognition of a financial liability on non-controlling interests' put option	-	-	-	-	-	(4.0)	-	-	-	-	(4.0)	(3.6)	**(7.6)**
2020 final distribution declared	-	-	-	-	-	-	-	-	(41.8)	-	(41.8)	-	**(41.8)**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	70.0	**70.0**
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(88.9)	**(88.9)**
At 30 June 2021	**43.2**	**(2.0)**	**55.8**	**8.4**	**(718.0)**	**420.7**	**-**	**12.6**	**1,578.8**	**1,784.1**	**3,183.6**	**7,253.3**	**10,436.9**

HK$ millions*	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive loss (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	**Total equity**
	Equity attributable to owners of the parent												
At 1 January 2020	338.5	(25.0)	492.2	85.0	(5,585.6)	3,257.3	-	98.3	13,252.2	10,930.9	22,843.8	45,468.6	68,312.4
Profit for the period	-	-	-	-	-	-	-	-	-	784.7	784.7	1,546.7	2,331.4
Other comprehensive loss for the period	-	-	-	-	(273.0)	-	-	-	-	-	(273.0)	(293.3)	(566.3)
Total comprehensive (loss)/income for the period	-	-	-	-	(273.0)	-	-	-	-	784.7	511.7	1,253.4	1,765.1
Purchase of shares under share award scheme	-	(1.6)	-	-	-	-	-	-	-	-	(1.6)	-	(1.6)
Shares vested under share award scheme	-	14.1	-	(13.3)	-	-	-	-	-	(0.8)	-	-	-
Lapse of share options	-	-	-	(10.9)	-	-	-	-	-	10.9	-	-	-
Employee share-based compensation benefits	-	-	-	3.9	-	-	-	-	-	-	3.9	-	3.9
Acquisition and divestment of interests in subsidiary companies	-	-	-	-	(8.5)	103.7	-	-	-	-	95.2	471.1	566.3
Recognition of a financial liability on non-controlling interests' put option	-	-	-	-	-	(18.7)	-	-	-	-	(18.7)	(457.8)	(476.5)
2019 final distribution declared	-	-	-	-	-	-	-	-	(305.8)	-	(305.8)	-	(305.8)
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	51.5	51.5
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(283.1)	(283.1)
At 30 June 2020	338.5	(12.5)	492.2	64.7	(5,867.1)	3,342.3	-	98.3	12,946.4	11,725.7	23,128.5	46,503.7	69,632.2
At 1 January 2021	338.5	(18.7)	492.2	72.5	(5,084.0)	3,429.7	8.6	98.3	12,640.6	12,514.3	24,492.0	58,410.3	**82,902.3**
Profit for the period	-	-	-	-	-	-	-	-	-	1,411.8	1,411.8	2,469.5	**3,881.3**
Other comprehensive loss for the period	-	-	-	-	(516.4)	-	(18.7)	-	-	-	(535.1)	(1,198.1)	**(1,733.2)**
Total comprehensive (loss)/income for the period	-	-	-	-	(516.4)	-	(18.7)	-	-	1,411.8	876.7	1,271.4	**2,148.1**
Repurchase of shares	(1.5)	-	(57.0)	-	-	-	-	-	-	-	(58.5)	-	**(58.5)**
Purchase of shares under share award scheme	-	(10.1)	-	-	-	-	-	-	-	-	(10.1)	-	**(10.1)**
Shares vested under share award scheme	-	13.2	-	(13.2)	-	-	-	-	-	-	-	-	**-**
Employee share-based compensation benefits	-	-	-	6.2	-	-	-	-	-	-	6.2	1.6	**7.8**
Acquisition of interests in subsidiary companies	-	-	-	-	-	(117.0)	-	-	-	-	(117.0)	(153.7)	**(270.7)**
Deconsolidation of a discontinued operation	-	-	-	-	-	-	10.1	-	-	(10.1)	-	(2,778.4)	**(2,778.4)**
Recognition of a financial liability on non-controlling interests' put option	-	-	-	-	-	(31.2)	-	-	-	-	(31.2)	(28.1)	**(59.3)**
2020 final distribution declared	-	-	-	-	-	-	-	-	(326.0)	-	(326.0)	-	**(326.0)**
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	546.0	**546.0**
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	(693.4)	**(693.4)**
At 30 June 2021	**337.0**	**(15.6)**	**435.2**	**65.5**	**(5,600.4)**	**3,281.5**	**-**	**98.3**	**12,314.6**	**13,916.0**	**24,832.1**	**56,575.7**	**81,407.8**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS – UNAUDITED

For the six months ended 30 June	Notes	2021 US$m	2020 (Restated)[i] US$m	2021 HK$m*	2020 (Restated)[i] HK$m*
Profit before taxation					
From continuing operations		**547.6**	412.9	**4,271.3**	3,220.6
From a discontinued operation		**86.4**	45.3	**673.9**	353.4
Adjustments for:					
Finance costs		**243.3**	221.4	**1,897.7**	1,726.9
Depreciation		**175.1**	199.7	**1,365.8**	1,557.7
Amortization of other intangible assets		**71.2**	58.9	**555.4**	459.4
Provision for impairment losses		**39.9**	66.5	**311.3**	518.7
Write-down of inventories to net realizable value	3(C)	**7.3**	11.4	**56.9**	88.9
Loss on changes in fair value of biological assets	3(A)	**2.4**	10.0	**18.7**	78.0
Employee share-based compensation benefit expenses		**1.0**	1.7	**7.8**	13.3
Share of profits less losses of associated companies and joint ventures		**(170.4)**	(159.3)	**(1,329.1)**	(1,242.6)
Gain on deconsolidation of a discontinued operation		**(66.6)**	-	**(519.5)**	-
Gain on disposal of an associated company	3(A)	**(22.2)**	-	**(173.2)**	-
Interest income		**(19.9)**	(40.2)	**(155.2)**	(313.5)
Reversal of provision for onerous contracts, net	3(C)	**(4.4)**	(4.4)	**(34.3)**	(34.3)
(Gain)/loss on disposal of property, plant and equipment, net	3(A)	**(0.6)**	0.5	**(4.7)**	3.9
Others		**(1.1)**	5.3	**(8.6)**	41.3
		889.0	829.7	**6,934.2**	6,471.7
Decrease/(increase) in working capital		**77.0**	(124.2)	**600.6**	(968.8)
Net cash generated from operations		**966.0**	705.5	**7,534.8**	5,502.9
Interest received		**18.9**	40.9	**147.4**	319.0
Interest paid		**(223.0)**	(202.3)	**(1,739.4)**	(1,577.9)
Taxes paid		**(213.1)**	(167.7)	**(1,662.2)**	(1,308.1)
Net cash flows from operating activities		**548.8**	376.4	**4,280.6**	2,935.9
Disposal of an associated company		**148.4**	-	**1,157.5**	-
Dividends received from associated companies		**131.8**	148.0	**1,028.0**	1,154.3
Deconsolidation of a discontinued operation		**126.9**	-	**989.8**	-
Decrease in restricted cash		**24.0**	3.6	**187.2**	28.1
Dividends received from financial assets at fair value through other comprehensive income		**10.7**	5.0	**83.5**	39.0
Decrease in short-term deposits with original maturity of more than three months		**2.0**	157.8	**15.6**	1,230.8
Disposal of property, plant and equipment		**1.1**	1.0	**8.6**	7.8
Investments in other intangible assets		**(355.0)**	(380.9)	**(2,769.0)**	(2,971.0)
Payments for purchase of property, plant and equipment		**(212.8)**	(128.8)	**(1,659.8)**	(1,004.6)
Investment in a joint venture		**(147.5)**	-	**(1,150.5)**	-
Acquisition of financial assets at fair value through other comprehensive income		**(105.1)**	(349.0)	**(819.8)**	(2,722.2)
Instalment payment for acquisition of a subsidiary company		**(50.7)**	(48.5)	**(395.5)**	(378.3)
Advances to joint ventures		**(15.4)**	-	**(120.1)**	-
Investments in biological assets		**(5.1)**	(4.5)	**(39.8)**	(35.1)
Increased investments in associated companies		**(2.0)**	(1.2)	**(15.6)**	(9.4)
Increased investments in joint ventures		**(0.4)**	(64.5)	**(3.1)**	(503.1)
Proceeds from an instalment payment for disposal of a subsidiary company		**-**	31.7	**-**	247.3
Disposal of financial assets at fair value through other comprehensive income		**-**	1.1	**-**	8.6
Disposal of investment properties		**-**	1.0	**-**	7.8
Net cash flows used in investing activities		**(449.1)**	(628.2)	**(3,503.0)**	(4,900.0)
Proceeds from new bank borrowings and other loans		**3,175.9**	1,329.3	**24,772.0**	10,368.5
Capital contributions from non-controlling shareholders		**19.9**	6.6	**155.2**	51.5
Repayment of bank borrowings and other loans		**(2,989.2)**	(956.8)	**(23,315.7)**	(7,463.0)
Dividends paid to non-controlling shareholders by subsidiary companies		**(69.6)**	(61.2)	**(542.9)**	(477.4)
Increased investments in subsidiary companies		**(34.8)**	(4.1)	**(271.4)**	(32.0)
Principal portion of lease payments		**(14.4)**	(16.8)	**(112.3)**	(131.0)
Payments for concession fees payable		**(11.9)**	(14.9)	**(92.8)**	(116.2)
Repurchase of shares		**(7.5)**	-	**(58.5)**	-
Payments for purchase of shares under a long-term incentive plan		**(1.6)**	(0.2)	**(12.5)**	(1.6)
Divestments of interests in subsidiary companies		**-**	92.1	**-**	718.4
Repurchase of shares by a subsidiary company		**-**	(13.9)	**-**	(108.4)
Net cash flows from financing activities		**66.8**	360.1	**521.1**	2,808.8
Net increase in cash and cash equivalents		**166.5**	108.3	**1,298.7**	844.7
Cash and cash equivalents at 1 January		**2,363.2**	2,650.8	**18,433.0**	20,676.2
Exchange translation		**(51.0)**	6.0	**(397.8)**	46.9
Cash and cash equivalents at 30 June		**2,478.7**	2,765.1	**19,333.9**	21,567.8
Representing					
Cash and cash equivalents and short-term deposits as stated in the condensed consolidated statement of financial position		**2,638.0**	2,801.6	**20,576.4**	21,852.5
Less: short-term deposits with original maturity of more than three months		**(159.3)**	(36.5)	**(1,242.5)**	(284.7)
Cash and cash equivalents at 30 June		**2,478.7**	2,765.1	**19,333.9**	21,567.8

(i) Refer to Note 14

Notes:-

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

(A) Basis of preparation

The condensed interim consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") issued by The Stock Exchange of Hong Kong Limited ("SEHK"). The condensed interim consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2020 annual consolidated financial statements of First Pacific Company Limited ("First Pacific" or the "Company") and its subsidiary companies (the "Group"), except for the adoption of revised standards for the first time for the current period's financial information. Details of any changes in accounting policies are set out in Note 1(B).

(B) Amendments adopted by the Group

During 2021, the Group has initially adopted the following revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all HKFRSs, HKASs and Hong Kong (International Financial Reporting Interpretations Committee) – Interpretations) effective for annual periods commencing on or after 1 January 2021 issued by the HKICPA.

HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 Amendments	"Interest Rate Benchmark Reform – Phase 2"

The Group applied HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 Amendments "Interest Rate Benchmark Reform – Phase 2" ("the IRBR Phase 2 amendments") retrospectively. However, in accordance with exceptions permitted in the IRBR Phase 2 amendments, the Group has elected not to restate the comparative information with the cumulative effect of initial adoption as an adjustment to opening balance of equity at 1 January 2021, if any.

The IRBR Phase 2 amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free interest rate ("RFR").

The IRBR Phase 2 amendments include the following practical expedients:

(i) a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
(ii) permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
(iii) provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

The Group had certain interest-bearing borrowings denominated in the United States dollars and foreign currencies based on the London Interbank Offered Rate ("LIBOR") and various IBOR, respectively. In addition, the Group currently has applied cash flow hedge to manage the cash flow interest rate risk of bank borrowings, denominated in the United States dollars based on LIBOR, by using interest rate swaps. Since these IBORs had not been replaced up to the reporting date, the amendments have no significant impact on the condensed interim consolidated financial statements. The Group will apply the practical expedients in the future periods when they become applicable and expects that no significant modification gain or loss will arise as a result of applying the amendments. While uncertainty persists in the timing or amount of the interest rate benchmark-based cash flows of the hedged item or hedging instrument, the Group continues to apply the existing accounting policies.

In addition, the Group has elected to early adopt HKFRS 16 Amendment "COVID-19-Related Rent Concessions beyond 30 June 2021" with effect from 1 January 2021. The amendment extends the availability of the practical expedient in paragraph 46A of HKFRS 16 "Leases" so that it applies to COVID-19-related rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met. The amendment has no significant impact on the condensed interim consolidated financial statements.

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

2. Turnover and operating segmental information

For the six months ended 30 June	2021 US$m	2020 (Restated) US$m	2021 HK$m*	2020 (Restated) HK$m*
Turnover				
Sale of goods				
- Consumer Food Products	**3,295.9**	2,722.0	**25,708.0**	21,231.6
Sale of electricity				
- Infrastructure	**418.2**	256.9	**3,262.0**	2,003.8
Rendering of services				
- Consumer Food Products	**68.7**	67.3	**535.9**	525.0
- Infrastructure	**443.2**	391.5	**3,456.9**	3,053.7
Total	**4,226.0**	3,437.7	**32,962.8**	26,814.1

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 most senior executive management who make decisions about how resources are to be allocated to the segment and assess its performance, and for which discrete financial information is available to them.

The Board of Directors considers the business of the Group from both product or service and geographical perspectives. From the product or service perspective, the Group's business interests are divided into four segments, which are consumer food products, telecommunications, infrastructure and natural resources. Geographically, the Board of Directors considers that the businesses of the Group are mainly operating in Indonesia, the Philippines, Singapore, the Middle East, Africa and others, and the turnover information is based on the locations of the customers.

The Board of Directors assesses the performance of the 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/loss 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 amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the condensed interim consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

The revenue, results and other information for the six months ended 30 June 2021 and 2020, and assets and liabilities at 30 June 2021 and 31 December 2020 regarding the Group's operating segments are as follows:

By principal business activity – 2021

For the six months ended/at 30 June	Consumer Food Products US$m	Telecom-munications US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	2021 Total US$m	2021 Total HK$m*
Revenue							
Turnover							
- Point in time	3,295.9	-	-	-	-	**3,295.9**	**25,708.0**
- Over time	68.7	-	861.4	-	-	**930.1**	**7,254.8**
Total	3,364.6	-	861.4	-	-	**4,226.0**	**32,962.8**
Results							
Recurring profit	118.4	71.2	52.7	6.9	(39.7)	**209.5**	**1,634.1**
Assets and liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	562.7	1,196.6	3,343.5	161.3	-	**5,264.1**	**41,060.0**
- Others	7,854.7	-	7,088.2	-	7.5	**14,950.4**	**116,613.1**
	8,417.4	1,196.6	10,431.7	161.3	7.5	**20,214.5**	**157,673.1**
Other assets	3,549.9	-	2,031.5	-	263.8	**5,845.2**	**45,592.6**
Total assets	11,967.3	1,196.6	12,463.2	161.3	271.3	**26,059.7**	**203,265.7**
Borrowings	3,829.3	-	5,443.5	-	1,432.2	**10,705.0**	**83,499.0**
Other liabilities	2,299.1	-	2,436.6	-	182.1	**4,917.8**	**38,358.9**
Total liabilities	6,128.4	-	7,880.1	-	1,614.3	**15,622.8**	**121,857.9**
Other information							
Depreciation and amortization	(154.0)	-	(91.2)	-	(2.1)	**(247.3)**	**(1,929.0)**
Loss on changes in fair value of biological assets	(2.4)	-	-	-	-	**(2.4)**	**(18.7)**
Impairment losses	(25.3)	-	(21.9)	-	-	**(47.2)**	**(368.2)**
Interest income	11.3	-	5.5	-	3.0	**19.8**	**154.4**
Finance costs	(96.1)	-	(110.9)	-	(26.9)	**(233.9)**	**(1,824.4)**
Share of profits less losses of associated companies and joint ventures	4.4	71.9	89.5	1.5	-	**167.3**	**1,304.9**
Taxation	(114.2)	-	(23.7)	-	(2.8)	**(140.7)**	**(1,097.5)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	192.8	-	534.1	-	0.1	**727.0**	**5,670.6**

By geographical market – 2021

For the six months ended/at 30 June	Indonesia US$m	The Philippines US$m	Singapore US$m	The Middle East, Africa & Others US$m	**2021 Total US$m**	**2021 Total HK$m***
Revenue						
Turnover						
- Consumer Food Products	2,587.3	82.2	106.8	588.3	**3,364.6**	**26,243.9**
- Infrastructure	21.4	426.9	412.9	0.2	**861.4**	**6,718.9**
Total	2,608.7	509.1	519.7	588.5	**4,226.0**	**32,962.8**
Assets						
Non-current assets (other than financial instruments and deferred tax assets)	3,731.6	11,634.6	617.3	4,231.0	**20,214.5**	**157,673.1**

By principal business activity – 2020

For the six months ended 30 June/at 31 December	Consumer Food Products US$m	Telecom-munications US$m	Infrastructure US$m	Natural Resources US$m	Head Office US$m	2020 Total US$m	2020 Total HK$m*
Revenue (Restated)							
Turnover							
- Point in time	2,722.0	-	-	-	-	2,722.0	21,231.6
- Over time	67.3	-	648.4	-	-	715.7	5,582.5
Total	2,789.3	-	648.4	-	-	3,437.7	26,814.1
Results							
Recurring profit	90.1	62.5	42.6	2.2	(45.7)	151.7	1,183.3
Assets and liabilities							
Non-current assets (other than financial instruments and deferred tax assets)							
- Associated companies and joint ventures	578.5	1,201.5	3,373.5	160.9	-	5,314.4	41,452.3
- Others	8,043.0	-	6,896.6	-	10.1	14,949.7	116,607.7
	8,621.5	1,201.5	10,270.1	160.9	10.1	20,264.1	158,060.0
Other assets	3,253.1	-	1,600.4	-	244.0	5,097.5	39,760.5
Segment assets	11,874.6	1,201.5	11,870.5	160.9	254.1	25,361.6	197,820.5
Assets classified as held for sale	-	-	1,582.0	-	-	1,582.0	12,339.6
Total assets	11,874.6	1,201.5	13,452.5	160.9	254.1	26,943.6	210,160.1
Borrowings	3,887.6	-	5,315.1	-	1,430.9	10,633.6	82,942.1
Other liabilities	2,270.4	-	2,430.5	-	136.8	4,837.7	37,734.1
Segment liabilities	6,158.0	-	7,745.6	-	1,567.7	15,471.3	120,676.2
Liabilities directly associated with the assets classified as held for sale	-	-	843.8	-	-	843.8	6,581.6
Total liabilities	6,158.0	-	8,589.4	-	1,567.7	16,315.1	127,257.8
Other information (Restated)							
Depreciation and amortization	(143.3)	-	(78.0)	-	(3.0)	(224.3)	(1,749.6)
Loss on changes in fair value of biological assets	(10.0)	-	-	-	-	(10.0)	(78.0)
Impairment losses	(65.1)	-	(0.5)	-	-	(65.6)	(511.7)
Interest income	15.9	-	16.5	-	5.7	38.1	297.2
Finance costs	(56.8)	-	(113.1)	-	(35.5)	(205.4)	(1,602.1)
Share of profits less losses of associated companies and joint ventures	(0.2)	64.0	83.5	1.0	-	148.3	1,156.7
Taxation	(97.6)	-	(46.6)	-	(7.7)	(151.9)	(1,184.8)
Additions to non-current assets (other than financial instruments and deferred tax assets)	122.5	-	457.4	-	-	579.9	4,523.2

By geographical market – 2020

For the six months ended 30 June/at 31 December	Indonesia US$m	The Philippines US$m	Singapore US$m	The Middle East, Africa & Others US$m	2020 Total US$m	2020 Total HK$m*
Revenue (Restated)						
Turnover						
- Consumer Food Products	2,362.5	126.0	22.3	278.5	2,789.3	21,756.6
- Infrastructure	15.7	378.8	253.9	-	648.4	5,057.5
Total	2,378.2	504.8	276.2	278.5	3,437.7	26,814.1
Assets						
Non-current assets (other than financial instruments and deferred tax assets)	3,867.3	11,479.6	579.4	4,337.8	20,264.1	158,060.0

3. Profit before taxation from continuing operations

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

(A) Other operating expenses, net

For the six months ended 30 June	2021 US$m	2020 (Restated) US$m	2021 HK$m*	2020 (Restated) HK$m*
Foreign exchange and derivative losses/(gains), net	**51.0**	(12.6)	**397.8**	(98.3)
Impairment losses				
- An associated company and a joint venture	**15.7**	-	**122.5**	-
- Property, plant and equipment	**15.4**	31.5	**120.1**	245.7
- Other receivables	**7.3**	0.9	**57.0**	7.0
- Goodwill	**-**	21.4	**-**	166.9
Loss on changes in fair value of biological assets	**2.4**	10.0	**18.7**	78.0
Gain on disposal of an associated company	**(22.2)**	-	**(173.2)**	-
Dividend income from financial assets at fair value through other comprehensive income ("FVOCI")	**(10.7)**	(5.0)	**(83.5)**	(39.0)
(Gain)/loss on disposal of property, plant and equipment, net	**(0.6)**	0.5	**(4.7)**	3.9
Other expenses	**7.9**	0.7	**61.6**	5.5
Total	**66.2**	47.4	**516.3**	369.7

(B) Finance costs

For the six months ended 30 June	2021 US$m	2020 (Restated) US$m	2021 HK$m*	2020 (Restated) HK$m*
Finance costs on				
- Bank borrowings and other loans	**308.1**	269.1	**2,403.2**	2,099.0
- Lease liabilities	**2.1**	2.3	**16.4**	17.9
Less: Finance costs capitalized in				
- Other intangible assets	**(71.8)**	(62.9)	**(560.1)**	(490.6)
- Property, plant and equipment	**(4.5)**	(3.1)	**(35.1)**	(24.2)
Total	**233.9**	205.4	**1,824.4**	1,602.1

(C) Other items

For the six months ended 30 June	2021 US$m	2020 (Restated) US$m	2021 HK$m*	2020 (Restated) HK$m*
Cost of inventories sold	**1,640.7**	1,370.8	**12,797.5**	10,692.2
Cost of services rendered	**616.4**	443.2	**4,807.9**	3,457.0
Employees' remuneration	**434.5**	399.9	**3,389.1**	3,119.2
Depreciation	**175.1**	165.2	**1,365.8**	1,288.6
Amortization of other intangible assets	**71.2**	57.4	**555.4**	447.7
Write-down of inventories to net realizable value	**7.3**	11.4	**56.9**	88.9
Impairment losses on accounts receivable	**1.5**	0.4	**11.7**	3.2
Reversal of provision for onerous contracts, net	**(4.4)**	(4.4)	**(34.3)**	(34.3)

4. Taxation

No Hong Kong profits tax (2020: Nil) has been provided as the Group had no estimated assessable profits (2020: 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	2021 US$m	2020 (Restated) US$m	2021 HK$m*	2020 (Restated) HK$m*
Subsidiary companies - overseas				
Current taxation	**139.1**	150.4	**1,085.0**	1,173.1
Deferred taxation	**1.6**	1.5	**12.5**	11.7
Total	**140.7**	151.9	**1,097.5**	1,184.8

Included within the share of profits less losses of associated companies and joint ventures is taxation of US$86.4 million or HK$673.9 million) (2020 (Restated): US$37.9 million or HK$295.6 million) which is analyzed as follows:

For the six months ended 30 June	2021 US$m	2020 (Restated) US$m	2021 HK$m*	2020 (Restated) HK$m*
Associated companies and joint ventures - overseas				
Current taxation	**50.8**	60.8	**396.2**	474.2
Deferred taxation	**35.6**	(22.9)	**277.7**	(178.6)
Total	**86.4**	37.9	**673.9**	295.6

5. A discontinued operation

On 23 December 2020, Beacon PowerGen Holdings Inc. ("Beacon PowerGen"), a wholly-owned subsidiary company of MPIC, entered into a sale and purchase agreement to sell its 56% interest in Global Business Power Corporation ("GBPC") to Meralco PowerGen Corporation ("MGen"), a wholly-owned subsidiary company of Manila Electric Company ("Meralco") and an associated company of the Group, for a consideration of approximately Pesos 22.4 billion (US$464.7 million or HK$3,624.7 million), which was subsequently adjusted to Pesos 21.2 billion (US$439.2 million or HK$3,425.8 million) to reflect the dividend of Pesos 1.2 billion (US$25.5 million or HK$198.9 million) received from GBPC by Beacon PowerGen in May 2021.

Accordingly, GBPC was classified as a disposal group held for sale as at 31 December 2020 and a discontinued operation in the Company's 2020 annual consolidated financial statements and 2021 condensed interim consolidated financial statements. Prior to the classification as a discontinued operation, the power generation business of GBPC was reported under the Group's infrastructure business segment and the Philippines geographical segment.

The transaction was approved by the Company's shareholders on 2 March 2021 and completed on 31 March 2021. 60% of the adjusted consideration was paid by MGen in cash upon the completion of the transaction. The balance of 40% of the adjusted consideration will be payable in cash in two equal instalments by MGen after six months and 18 months following the completion of the transaction. The financial results of GBPC was deconsolidated and had been equity accounted for in the Group's consolidated financial statements through the Group's investment in Meralco after the closing of the transaction. A gain on deconsolidation of US$28.7 million (HK$223.9 million) attributable to owners of the parent was also recognized for the six months ended 30 June 2021.

6. Profit attributable to owners of the parent

The profit attributable to owners of the parent includes net foreign exchange and derivative losses of US$22.5 million (HK$175.5 million) (2020: gains of US$4.5 million or HK$35.1 million), which represent the foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities/assets and the changes in the fair values of derivatives, loss on changes in fair value of biological assets of US$0.6 million (HK$4.7 million) (2020: US$2.2 million or HK$17.2 million) and net non-recurring losses of US$5.4 million (HK$42.1 million) (2020: US$53.4 million or HK$416.5 million).

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

For the six months ended 30 June	2021 US$m	2020 US$m	2021 HK$m*	2020 HK$m*
Foreign exchange and derivative (losses)/gains, net				
- Subsidiary companies	**(50.9)**	12.6	**(397.0)**	98.3
- Associated companies and joint ventures	**(7.6)**	0.1	**(59.3)**	0.8
Subtotal	**(58.5)**	12.7	**(456.3)**	99.1
Attributable to taxation and non-controlling interests	**36.0**	(8.2)	**280.8**	(64.0)
Total	**(22.5)**	4.5	**(175.5)**	35.1

The non-recurring losses represent certain items, through occurrence or size, which are not considered as usual operating items. 1H21's non-recurring losses of US$5.4 million (HK$42.1 million) mainly represent the Group's provisions for impairments of investments and network assets, and claims (US$40.2 million or HK$313.6 million), partly offset by MPIC's gains on deconsolidation of GBPC (US$28.7 million or HK$223.9 million) and disposal of Don Muang Tollway Public Company Limited ("DMT") (US$9.6 million or HK$74.9 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, and the weighted average number of ordinary shares of 4,340.4 million (2020: 4,344.9 million) in issue less the weighted average number of ordinary shares held for a share award scheme of 8.3 million (2020: 7.2 million) during the period.

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

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

For the six months ended 30 June	**2021**	2020 (Restated)	**2021**	2020 (Restated)
	US$m	US$m	**HK$m***	HK$m*
Earnings				
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation				
- Continuing operations	**147.7**	93.4	**1,152.1**	728.5
- A discontinued operation	**33.3**	7.2	**259.7**	56.2
	181.0	100.6	**1,411.8**	784.7

For the six months ended 30 June	**Number of shares**	
	2021	2020
	Millions	Millions
Shares		
Weighted average number of ordinary shares issued during the period	**4,340.4**	4,344.9
Less: Weighted average number of ordinary shares held for a share award scheme	**(8.3)**	(7.2)
Weighted average number of ordinary shares used in the basic earnings per share calculation	**4,332.1**	4,337.7
Add: Dilutive impact of awarded shares on the weighted average number of ordinary shares	**4.2**	3.2
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**4,336.3**	4,340.9

For the six months ended 30 June 2021 and 2020, the effect of share options of the Company on the weighted average number of ordinary shares was anti-dilutive and therefore not included in the above calculation of diluted earnings per share.

8. Ordinary share interim distribution

At a meeting held on 25 August 2021, the Directors declared an interim cash distribution of HK9.00 cents (U.S. 1.15 cents) (2020: HK7.00 cents or U.S. 0.90 cent) per ordinary share, equivalent to a total amount of US$49.8 million (HK$388.6 million) (2020: US$39.2 million or HK$305.8 million).

9. Accounts receivable, other receivables and prepayments

Included in accounts receivable, other receivables and prepayments are accounts receivable of US$699.3 million (HK$5,454.5 million) (31 December 2020: US$679.7 million or HK$5,301.7 million) with an aging profile based on the invoice date, net of loss allowance, as follows:

	At 30 June 2021 US$m	At 31 December 2020 US$m	**At 30 June 2021 HK$m***	At 31 December 2020 HK$m*
0 to 30 days	**501.6**	431.8	**3,912.5**	3,368.0
31 to 60 days	**95.4**	113.1	**744.1**	882.2
61 to 90 days	**30.3**	38.7	**236.3**	301.9
Over 90 days	**72.0**	96.1	**561.6**	749.6
Total	**699.3**	679.7	**5,454.5**	5,301.7

Indofood generally allows customers 30 to 60 days of credit. MPIC generally allows seven to 60 days of credit for its water and sewerage service customers and 45 to 60 days of credit for its bulk water supply customers. PLP generally allows customers 30 days of credit.

10. Accounts payable, other payables and accruals

Included in accounts payable, other payables and accruals are accounts payable of US$487.3 million (HK$3,800.9 million) (31 December 2020: US$420.6 million or HK$3,280.7 million) with an aging profile based on the invoice date as follows:

	At 30 June 2021 US$m	At 31 December 2020 US$m	**At 30 June 2021 HK$m***	At 31 December 2020 HK$m*
0 to 30 days	**418.0**	347.2	**3,260.4**	2,708.2
31 to 60 days	**12.7**	12.4	**99.0**	96.7
61 to 90 days	**11.6**	13.1	**90.5**	102.2
Over 90 days	**45.0**	47.9	**351.0**	373.6
Total	**487.3**	420.6	**3,800.9**	3,280.7

11. Other comprehensive loss attributable to owners of the parent

	Exchange reserve US$m	Fair value reserve of financial assets at FVOCI US$m	Unrealized (losses)/ gains on cash flow hedges US$m	Income tax related to cash flow hedges US$m	Actuarial (losses)/ gains on defined benefit pension plans US$m	Share of other comprehensive loss of associated companies and joint ventures US$m	Total US$m	Total HK$m*
At 1 January 2020	(643.2)	110.1	(0.2)	(0.5)	(16.6)	(165.7)	(716.1)	(5,585.6)
Other comprehensive income/(loss) for the period	5.5	4.1	(24.9)	0.5	(0.5)	(19.7)	(35.0)	(273.0)
Acquisition of an interest in a subsidiary company	(1.1)	-	-	-	-	-	(1.1)	(8.5)
At 30 June 2020	(638.8)	114.2	(25.1)	-	(17.1)	(185.4)	(752.2)	(5,867.1)
At 1 January 2021	(537.6)	124.0	(8.6)	-	(9.4)	(220.2)	**(651.8)**	**(5,084.0)**
Other comprehensive (loss)/income for the period	(75.4)	16.2	19.2	(1.9)	2.3	(26.6)	**(66.2)**	**(516.4)**
At 30 June 2021	**(613.0)**	**140.2**	**10.6**	**(1.9)**	**(7.1)**	**(246.8)**	**(718.0)**	**(5,600.4)**

12. Contingent liabilities

At 30 June 2021, except for guarantees of US$24.9 million (HK$194.2 million) (31 December 2020: US$30.8 million or HK$240.2 million) given by Indofood for loan facilities obtained by certain plantation farmers in relation to arrangements for those farmers' production and sale of fresh fruit bunches to Indofood, the Group had no significant contingent liabilities (31 December 2020: Nil).

13. Employee information

For the six months ended 30 June	**2021** US$m	2020 (Restated) US$m	**2021** HK$m*	2020 (Restated) HK$m*
Employee remuneration (including Directors' remuneration)				
- Continuing operations	**434.5**	399.9	**3,389.1**	3,119.2
- A discontinued operation	**7.7**	13.1	**60.1**	102.2
	442.2	413.0	**3,449.2**	3,221.4

Number of employees	**2021**	2020 (Restated)
At 30 June		
- Continuing operations	**100,333**	98,658
- A discontinued operation	**-**	964
	100,333	99,622
Average for the period		
- Continuing operations	**101,294**	99,870
- A discontinued operation	**961**(i)	964
	102,255	100,834

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

14. Comparative amounts

The comparative interim condensed consolidated income statement and statement of cash flows, and certain notes have been re-presented as if the operation of GBPC discontinued in December 2020 had been discontinued at the beginning of 2020 (Note 5).

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 25 August 2021.

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

REVIEW OF OPERATIONS

FIRST PACIFIC

Below is an analysis of results by individual company.

Contribution and profit summary

For the six months ended 30 June US$ millions	Turnover **2021**	 2020 (Restated)[ii]	Contribution to Group profit[i] **2021**	 2020
Indofood	**3,293.4**	2,671.4	**122.9**	93.8
PLDT[iii]	**-**	-	**71.2**	62.5
MPIC	**448.5**	394.5	**49.9**	44.4
Philex[iii]	**-**	-	**6.9**	2.2
FPM Power	**412.9**	253.9	**2.8**	(1.8)
FP Natural Resources	**71.2**	117.9	**(4.5)**	(3.7)
Contribution from operations[iv]	**4,226.0**	3,437.7	**249.2**	197.4
Head Office items:				
– Corporate overhead			**(9.8)**	(9.4)
– Net interest expense			**(25.8)**	(31.5)
– Other expenses			**(4.1)**	(4.8)
Recurring profit[v]			**209.5**	151.7
Foreign exchange and derivative (losses)/gains, net[vi]			**(22.5)**	4.5
Loss on changes in fair value of biological assets			**(0.6)**	(2.2)
Non-recurring items[vii]			**(5.4)**	(53.4)
Profit attributable to owners of the parent			**181.0**	100.6

(i) After taxation and non-controlling interests, where appropriate.
(ii) The Group has restated its 1H20 turnover to US$3,437.7 million from US$3,650.7 million following the classification of GBPC as a disposal group held for sale and as a discontinued operation in December 2020.
(iii) Associated companies.
(iv) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.
(v) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative (losses)/gains, loss on changes in fair value of biological assets and non-recurring items.
(vi) Foreign exchange and derivative (losses)/gains, net represent the net (losses)/gains on foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities/assets and the changes in the fair values of derivatives.
(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H21's non-recurring losses of US$5.4 million mainly represent the Group's provisions for impairments of investments and network assets, and claims (US$40.2 million), partly offset by MPIC's gains on deconsolidation of GBPC (US$28.7 million) and disposal of DMT (US$9.6 million). 1H20's non-recurring losses of US$53.4 million mainly represent impairment provisions for the Group's investment in RHI (US$32.0 million) and PLDT's investment in iflix Limited (US$3.0 million), and PLP's provisions for take-or-pay obligation and onerous contracts (US$5.3 million).

In the first half of 2021, First Pacific recorded a strong performance with contribution from operations rising 26% to US$249.2 million driven by higher contributions from most of the operating companies in particular Indofood, PLDT and MPIC. Growth momentum of the Group's well managed core businesses continues despite the ongoing challenges of the COVID-19 pandemic.

Turnover up 23% to US$4.2 billion from US$3.4 billion (restated)
- reflecting higher revenues across the four business groups at Indofood and six months of turnover from Pinehill Company Limited ("Pinehill") acquired on 27 August 2020
- higher revenues at MPIC and FPM Power due to gradual economic recovery and relaxation of quarantine measures

Recurring profit up 38% to US$209.5 million from US$151.7 million
- reflecting higher profit contributions from Indofood, PLDT, MPIC and Philex
- a turnaround of FPM Power with a profit contribution versus a loss in the first six months of 2020
- lower Head Office net interest expenses

Non-recurring losses down 90% to US$5.4 million from US$53.4 million
- reflecting gains on the deconsolidation of GBPC in the Philippines and the disposal of DMT in Thailand

Reported profit up 80% to US$181.0 million from US$100.6 million
- higher recurring profit
- lower non-recurring losses

The Group's operating results are denominated in local currencies, principally the rupiah, the peso and the Singapore dollar (S$), which are translated and consolidated to provide the Group's results in U.S. dollars. The changes of these currencies against the U.S. dollar are summarized below.

Closing exchange rates against the U.S. dollar	**At 30 June 2021**	At 31December 2020	Six months change
Rupiah	**14,496**	14,105	-2.7%
Peso	**48.80**	48.02	-1.6%
S$	**1.345**	1.322	-1.7%

Average exchange rates against the U.S. dollar	**Six months ended 30 June 2021**	Six months ended 30 June 2020	One year change
Rupiah	**14,360**	14,743	+2.7%
Peso	**48.30**	50.55	+4.7%
S$	**1.334**	1.400	+4.9%

During the period, the Group recorded net foreign exchange and derivative losses of US$22.5 million (1H20: gains of US$4.5 million), which can be further analyzed as follows:

For the six months ended 30 June US$ millions	**2021**	2020
Head Office	**(2.9)**	1.0
Indofood	**(14.9)**	5.7
PLDT	**(2.0)**	1.6
MPIC	**(2.2)**	(1.0)
Philex	**(0.1)**	0.2
FPM Power	**(0.4)**	(3.0)
Total	**(22.5)**	4.5

Capital Management

Interim Distribution

First Pacific's Board of Directors declared an interim distribution of HK9.00 cents (U.S. 1.15 cents) (1H20: HK7.00 cents (U.S. 0.90 cent)) per share, representing a pay-out ratio of approximately 24% (1H20: 26%) of recurring profit.

Capital allocation will remain a combination of distributions and share repurchases taking into consideration economic conditions in the markets of the Group's operating companies and Head Office finances. The full-year distribution will be approximately 25% of recurring profit, following a policy introduced in 2010 and continuing in every year since.

Share Repurchase Program

On 30 March 2021, the Board approved a share repurchase program to buy back US$100 million of First Pacific shares from the open market over three years. The program reflects management's commitment to enhancing shareholder returns. From April to July 2021, First Pacific repurchased approximately 27.5 million shares at an average price of HK$2.68 (US$0.34) per share with a total cost of approximately HK$73.8 million (US$9.5 million). The repurchased shares have subsequently been cancelled.

Debt Profile

At 30 June 2021, Head Office gross debt stood at approximately US$1.4 billion with an average maturity of 3.4 years. Net debt was at approximately US$1.3 billion. Approximately 74% of the Head Office borrowings were at fixed rates while floating rate bank loans comprised the remainder. The blended interest rate was approximately 3.5% per annum. All Head Office borrowings are unsecured.

As at 24 August 2021, the principal amounts of the following bonds remained outstanding:
- US$357.8 million 10-year at 4.5% coupon with maturity on 16 April 2023
- US$120.5 million 7-year at 5.75% coupon with maturity on 30 May 2025
- US$350.0 million 7-year at 4.375% coupon with maturity on 11 September 2027

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

Operating Cashflow and Interest Expenses

For the first half of 2021, Head Office operating cash inflow before interest expense and tax increased 12% to US$61.6 million from US$54.9 million for the first half of 2020, principally due to an increase in PLDT final dividends received.

Net cash interest expense declined 14% to US$24.6 million from US$28.6 million, reflecting lower blended interest costs on borrowings arising from the refinancing of loans and the redemption of a bond in 2020.

Interest Rate Hedging

To manage floating interest rate risk, First Pacific entered into an interest rate swap in 2020 to fix the interest rate on a US$130 million tranche of a US$200 million syndicated loan until its maturity in May 2024.

Foreign Currency Hedging

The Company actively reviews the potential benefits of hedging based on forecast dividend income and enters into hedging arrangements for managing its foreign currency exposures in dividend income and payments in foreign currencies.

Outlook

First Pacific cautiously expects continuing strong performance from its operating companies notwithstanding the uncertain prospects for putting the COVID-19 pandemic into the past. Indofood and PLDT continue to benefit from the competitiveness of the products and services they offer while MPIC expects continuing growth in its power, toll road, and water operations. Strong metal prices are expected to underpin earnings growth at Philex. PLP in Singapore is expected to continue benefiting from strong economic recovery.

INDOFOOD

Indofood's resilient business model, extensive national distribution network, and the consolidated contribution from Pinehill contributed to its strong performance in the first half of 2021.

Indofood's contribution to the Group increased 31% to US$122.9 million (1H20: US$93.8 million) principally reflecting higher core profit and an approximately 3% appreciation of the average rupiah exchange rate against the U.S. dollar.

Core profit up 37% to 3.9 trillion rupiah (US$272.8 million) from 2.9 trillion rupiah (US$194.5 million)	▪ reflecting improved performance across all business groups ▪ strong performance of the Consumer Branded Products ("CBP") group mainly driven by the six-month contribution from Pinehill following its acquisition by PT Indofood CBP Sukses Makmur Tbk ("ICBP") at the end of August 2020 ▪ partly offset by higher selling and distribution expenses and net finance costs
Net income up 21% to 3.4 trillion rupiah (US$239.1 million) from 2.8 trillion rupiah (US$192.8 million)	▪ reflecting higher core profit ▪ partly offset by a net foreign exchange loss versus a gain in the first half of 2020
Consolidated net sales up 20% to 47.3 trillion rupiah (US$3.3 billion) from 39.4 trillion rupiah (US$2.7 billion)	▪ driven by the consolidation of Pinehill ▪ higher sales of all business groups
Gross profit margin to 33.6% from 31.7%	▪ mainly driven by higher average selling prices of most products at the CBP, Bogasari and Agribusiness groups
Consolidated operating expenses up 8% to 7.4 trillion rupiah (US$516.2 million) from 6.9 trillion rupiah (US$464.6 million)	▪ reflecting higher selling expenses, driven by higher sales
EBIT margin to 17.9% from 14.3%	▪ reflecting higher gross profit margin

Debt Profile

On 9 June 2021, Indofood issued two Global Bonds for a total amount of US$1.75 billion for the partial refinancing of bank loans associated with the acquisition of Pinehill which was completed on 27 August 2020. US$1.15 billion of the bond issuance is a 10-year bond with a coupon of 3.398% and the remaining US$600 million is a 30-year bond with a coupon of 4.745%.

As at 30 June 2021, Indofood's gross debt increased 1% to 54.0 trillion rupiah (US$3.7 billion) from 53.3 trillion rupiah (US$3.8 billion) as at 31 December 2020. Of this total, 32% matures within one year and the remainder matures between July 2022 and June 2051, while 35% was denominated in rupiah and the remaining 65% was denominated in foreign currencies.

Additional Investments

On 31 December 2020, Indofood's subsidiary PT Salim Ivomas Pratama Tbk ("SIMP") announced an increase in its effective economic interest in PT Mentari Subur Abadi to approximately 80% from approximately 60% for a consideration of 807 billion rupiah (US$57.2 million). The transaction was completed in January 2021.

On 17 February 2021, ICBP completed the acquisition of 49% interest in PT Indofood Fritolay Makmur ("IFM") for a consideration of approximately 494 billion rupiah (US$34.4 million) from Fritolay Netherlands Holding B.V. to increase ICBP's interest in IFM to approximately 100% from 51%.

From 1 January 2021 to 30 June 2021, Indofood acquired a total of approximately 1.8 million shares of Indofood Agri Resources Ltd. ("IndoAgri") from the open market for a total consideration of approximately S$0.5 million (US$0.4 million), increasing Indofood's effective interest in IndoAgri to approximately 71.8%.

Consumer Branded Products

The CBP group produces and markets a wide range of consumer branded products, offering everyday solutions to consumers of all ages across different market segments. This business group comprises the Noodles, Dairy, Snack Foods, Food Seasonings, Nutrition & Special Foods, and Beverages divisions. Its business operations are supported by more than 60 plants located in the key areas across Indonesia, and through its wholly-owned subsidiary, Pinehill, CBP group also owns more than 20 manufacturing facilities in eight countries in Africa, the Middle East and South-eastern Europe. CBP products are available in more than 100 countries around the world.

Indofood's Noodles division is one of the world's largest producers of instant noodles and is the market leader in Indonesia, Saudi Arabia, Egypt, Kenya, Serbia, Morocco, Turkey, Nigeria, and Ghana. Its annual production capacity is around 30 billion packs, across a broad range of instant noodle varieties.

The Dairy division has an annual production capacity of more than 800,000 tonnes and is one of the largest dairy manufacturers in Indonesia. It produces and markets UHT milk, sterilized bottled milk, sweetened condensed creamer, evaporated milk, pasteurized liquid milk, multi-cereal milk, milk flavored drinks, powdered milk, ice cream and butter.

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

The Food Seasonings division has an annual production capacity of more than 150,000 tonnes, manufacturing and marketing a wide range of culinary products, including soy sauces, chili sauces, tomato sauces, recipe mixes, and soup stock as well as syrups.

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

The Beverages division offers a wide range of ready-to-drink teas, packaged water and fruit-flavored drinks with a combined annual production capacity of approximately three billion liters.

In the first half of 2021, CBP group sales rose 22% to 27.8 trillion rupiah (US$1.9 billion), supported by almost all business divisions, and the EBIT margin improved to 21.9% from 18.5%. The strong performance was contributed by both domestic and overseas sales, mainly driven by Pinehill.

Even though global conditions have been improving, the pace of the recovery remains uncertain due to the continuation of the pandemic. As a consumer goods producer, CBP group provides daily foods solutions to consumers and continues to focus on ensuring the high availability of products online and offline, increasing consumer mindshare for its brands, improving the competitiveness of its products and providing a safe working environment for its employees. CBP group aims to deliver improved performance by maintaining a balance between volume growth and profitability.

Bogasari

Bogasari is the largest integrated flour miller in Indonesia, operating four flour mills with total combined annual production capacity of approximately 4.1 million tonnes. Bogasari produces a wide range of wheat flour products and pasta for domestic and international markets.

Its sales rose 8% to 12.0 trillion rupiah (US$836.6 million), reflecting higher average selling prices. The EBIT margin declined slightly to 6.6% from 6.9%.

Indofood expects to see a recovery in the macroeconomic environment, as well as growth in the flour industry bolstered by Indonesia's expanding middle class to drive demand growth for flour-based foods.

Agribusiness

The diversified and vertically integrated Agribusiness group is one of Indonesia's largest producers of palm oil with a leading market share in branded edible oils and fats. It consists of two divisions: Plantations and Edible Oils & Fats ("EOF"), which operate through IndoAgri and its main operating subsidiaries, SIMP and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk ("Lonsum") in Indonesia. In Brazil, IndoAgri has equity investments in sugar and ethanol operations in Companhia Mineira de Açúcar e Álcool Participações ("CMAA") and land assets in Bússola Empreendimentos e Participações S.A. ("Bússola"). It is also invested in Roxas Holdings, Inc. in the Philippines.

Sales rose 29% to 8.9 trillion rupiah (US$616.8 million), reflecting higher prices of palm products (crude palm oil ("CPO") and palm kernel ("PK")) and EOF products, and higher sales volume of EOF products. Sales volume of CPO declined 1% to 343,000 tonnes, whilst PK related products sales volume declined 3% to 84,000 tonnes.

Plantations

In Indonesia, the total planted area remained relatively flat at 302,497 hectares from year-end 2020, of which oil palm accounted for 84% while rubber, sugar cane, timber, cocoa and tea accounted for the remainder. IndoAgri's oil palms have an average age of approximately 17 years, while around 18% of its oil palms are younger than seven years. This division has a total annual processing capacity of 7.3 million tonnes of fresh fruit bunch ("FFB").

In the first half of 2021, the Plantations division recorded a 29% increase in sales to 4.6 trillion rupiah (US$321.9 million) as a result of higher prices for palm products, partly offset by lower sales volume of CPO and PK related products.

FFB nucleus production declined 3% to 1.4 million tonnes, mainly reflecting lower production arising from replanting activities in Riau and North Sumatra, as well as heavy rainfall that affected the palm operations in Kalimantan. The decline in FFB nucleus was more than offset by higher FFB purchases from external parties. CPO production declined 1% to 345,000 tonnes mainly due to the CPO extraction rate declining slightly to 21.0% from 21.4%.

In Brazil, the total planted area for sugar cane rose 16% to 123,797 hectares from year-end 2020, of which 44% was owned by CMAA, while contracted third party farmers accounted for the remainder.

Edible Oils & Fats

This division manufactures cooking oils, margarines and shortenings. It has an annual CPO refinery capacity of 1.7 million tonnes. Approximately 74% of this division's CPO requirements were sourced from the Plantations division in the first half of 2021, increasing from approximately 71% in the first half of 2020.

In the first half of 2021, despite higher CPO purchase costs and challenges due to the pandemic, the EOF division continued to deliver growth, with higher sales and maintaining its profitability. This division recorded a 33% increase in sales to 7.4 trillion rupiah (US$512.8 million) driven by higher average selling prices and sales volume of EOF products.

Amidst the volatile commodity price environment, the Agribusiness group's key focus in 2021 is to prioritise its capital investment in growth areas, particularly replanting older oil palms in Riau and North Sumatra. Other initiatives include improvement of FFB yields through active crop management, cost controls and implementing innovations that raise plantation productivity.

The EOF division's marketing strategy continues through digital platforms and e-commerce channels, and to further strengthen Bimoli's leading market position through competitive pricing as well as increasing production capacity to meet increasing demand growth.

Distribution

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

The Distribution group's sales improved 10% to 2.5 trillion rupiah (US$177.5 million) mainly supported by the growth in demand for the products of Indofood and those of other consumer goods companies this group provides services to. The EBIT margin improved to 5.8% from 3.7%.

The Distribution group continues to fullfill its role as a critical part of Indofood's chain of operations by ensuring distribution remains uninterrupted and products are continually available to consumers during the pandemic. The Distribution group will continue to focus on improving operational excellence and competitiveness. With its 1,300 stock points across Indonesia, the Distribution group has unrivaled flexibility in accessing traditional and modern grocery outlets, and reacts quickly to evolving consumer purchasing patterns.

Outlook

Amidst the current uncertain and challenging situation, Indofood has been able to maintain a positive performance in the first half of 2021. For the remainder of the year, Indofood remains cautiously optimistic on the outlook for demand for its products in domestic and overseas markets, and continues to remain vigilant in safeguarding our employees whilst growing its business and enhancing its competitiveness.

PLDT

PLDT's network capacity and quality built up over years of consistent and significant capital expenditure continued to underpin the growth of its fixed-line, mobile, and information and communications technology ("ICT") businesses, as customers increased their consumption of the company's broad-ranging data and broadband service offerings in the first half of 2021. Complementing superior network quality is a keen focus on customer experience, which together allowed PLDT to serve its customers' needs despite the challenges of the pandemic and related lockdowns.

PLDT has identified three areas of focus for growth: customer experience, digitalization and operating efficiencies, with sustainability embedded in the implementation strategies to ensure they are closely aligned with the business. Included among several of PLDT's sustainability initiatives are those focused on the environmental aspect: greenhouse gas and carbon footprint reduction, solid and hazardous waste reduction and management, and promoting biodiversity; those addressing the social pillar mainly providing connectivity and creating a safe online environment for its customers addressing data privacy and cybersecurity, workforce protection and diversity, and child protection. On governance, PLDT continues to foster the diversity and quality of its directors and officers, transparency and reporting standards, and the adoption of a code of business ethics and values.

PLDT's contribution to the Group increased 14% to US$71.2 million (1H20: US$62.5 million) reflecting higher consolidated core net income.

Telco core net income up 10% to 15.2 billion pesos (US$314.9 million) from 13.9 billion pesos (US$274.3 million)	▪ reflecting higher EBITDA driven by strong growth in service revenues ▪ lower provision for income tax due to lower tax rates under the CREATE law ▪ partly offset by higher depreciation and amortization, and higher net financing costs in connection with PLDT's capital expenditure program
Consolidated core net income up 18% to 15.3 billion pesos (US$317.2 million) from 13.0 billion pesos (US$256.8 million)	▪ reflecting higher telco core net income ▪ a gain on dilution of Voyager

Reported net income up 5% to 12.9 billion pesos (US$267.5 million) from 12.3 billion pesos (US$242.9 million)	▪ reflecting higher core net income ▪ partly offset by the amortization of the Sun trademark, accelerated depreciation related to network transformation, higher manpower rightsizing program expenses and foreign exchanges losses versus gains in the first half of 2020
Consolidated service revenues (net of interconnection costs) up 9% to 89.9 billion pesos (US$1.9 billion) from 82.8 billion pesos (US$1.6 billion)	▪ reached an all-time high, reflecting sustained period-on-period increases in the Individual, Home and Enterprise business segments ▪ led by strong growth in home broadband and mobile data revenues ▪ partly offset by lower revenues from the International and Carrier business ▪ Individual, Home and Enterprise service revenues grew 7%, 23% and 2%, respectively, and accounted for 49%, 25% and 23% of consolidated service revenues, respectively ▪ data and broadband remained main growth drivers, with combined revenues up 16% and representing 76% (1H20: 71%) of consolidated service revenues
EBITDA up 8% to 46.6 billion pesos (US$964.8 million) from 43.2 billion pesos (US$854.6 million)	▪ reached an all-time high, reflecting higher service revenues ▪ partly offset by higher cash operating expenses
EBITDA margin to 51% from 52%	▪ wireless EBITDA margin to 60% and from 61%, while fixed line EBITDA margin was unchanged at 38%

Capital Expenditures

Over the last 10 years up to 2020, PLDT invested approximately 460.8 billion pesos (US$9.5 billion) in capital expenditures to expand the coverage, capacity, and quality of its network infrastructure and IT platforms. Continuous investment in capital expenditures delivered strong and stable connectivity empowering digital lives and Philippine enterprises. PLDT offers superior customer experience across all of its business segments leveraging on the Philippines' largest and highest-quality fully integrated fixed and wireless networks.

The quality of Smart's 5G and 4G/LTE networks and its services continues to win third party recognition. A consumer-initiated tests conducted by Ookla's Speedtest in the first half of this year recognized Smart's mobile networks as the fastest in the Philippines for the fourth consecutive year and its 5G network is also the fastest in the country.

In the first half of 2021, capital expenditure amounted to 41.3 billion pesos (US$855.1 million) focused mainly on network upgrades and technology-related expansions including 4G/LTE and 5G base stations, expansion of its transport network, as well as fiber ports to support demand for home broadband, all in service of continuing exponential growth in data traffic and superior customer experience.

Despite the challenges of the pandemic, total homes passed by PLDT's fixed-line fiber optic network rose 25% to 11.3 million, port capacity rose 18% to 4.8 million, and the fiber footprint expanded by 22% to 524.2 thousand cable kilometers from end-2020 levels. On the wireless network, the number of Smart 5G base stations increased 877% to 4.8 thousand, LTE base stations increased 15% to over 34.7 thousand, while the number of 3G base stations increased 3% to 16.7 thousand from 2020 year-end levels. This increased the total base station count by 16% to 68.5 thousand, including 2G base stations. PLDT's 4G and 3G network coverage expanded to reach over 96% of the Philippines' population.

The capital expenditures guidance for 2021 remains in the range of 88 billion pesos (US$1.8 billion) to 92 billion pesos (US$1.9 billion), which is demand-driven, covering network capacity expansion and IT platform advancement for supporting growth in data traffic, as well as the last mile and customer premises equipment to serve the growing home broadband business. For 2021 incremental targets, as at the end of first half 2021, PLDT's increased its 5G and 4G base stations by 4,287 and 4,524, well over its full year targets of over 3,800 and over 4,000, respectively; port capacity target of 1.7 million was 43% achieved, and the laying of an additional 125,000 kilometers of fiber optic network was 76% completed.

Debt Profile

As at 30 June 2021, PLDT's consolidated net debt was US$4.3 billion while net debt to EBITDA was at 2.28 times. Total gross debt stood at US$4.9 billion, of which 17% was denominated in U.S. dollars. Only 5% of the total debt was unhedged after taking into account available U.S. dollar cash and currency hedges allocated for debt. The issuance of a 30-year U.S. dollar bond extended PLDT's debt maturity profile, with 64% of total debts due to mature after 2025. Post interest rate swaps, 78% of the total debt is fixed-rate borrowings. The average pre-tax interest cost for the period declined further to 4.41% from 4.66% for the full year 2020.

As at the end of June 2021, PLDT's credit ratings remained at investment grade at S&P Global and Moody's, the international credit rating agencies.

Interim Dividend

PLDT's dividend policy is to pay 60% of its telco core net income to shareholders. On 5 August 2021, the PLDT Board of Directors approved an interim dividend of 42 pesos (US$0.86) (1H20: 38 pesos (US$0.76)) per share payable on 3 September 2021 to shareholders on record as of 19 August 2021.

Service Revenues by Business Segment

High demand for data and broadband services continued to drive revenue growth by 16% to a record high of 68.3 billion pesos (US$1.4 billion), led by 12% and 32% revenue increases in mobile data and home broadband to 35.0 billion pesos (US$724.6 million) and 20.3

billion pesos (US$420.3 million), respectively. The corporate data and ICT businesses recorded 4% and 8% revenue growth to 10.7 billion pesos (US$221.5 million) and 2.3 billion pesos (US$47.6 million), respectively.

Individual business sustained its growth trend despite business closures, increased unemployment and restricted mobility of Individual customers caused by the pandemic. In responding to the adverse impact of the pandemic, some wireless subscribers shifted to home broadband or wi-fi services.

Demand for wireless data remained strong. Individual service revenues for the first half of 2021 rose 7% to 43.8 billion pesos (US$906.8 million) of which 79% (1H20: 73%) were data revenues. Mobile data traffic volume rose 17% to 1,579 petabytes from the first half of 2020.

The PLDT group's combined wireless subscriber base declined 2% from year-end 2020 to 71.7 million as at the end of June 2021.

Recently, Smart partnered with PayMaya to launch *GigaPay* on *GigaLife* app, which had 5 million monthly active users at the end of June 2021. Linking their PayMaya e-wallet with the *GigaPay* app enables users to conveniently top up, buy data, and access exclusive promotions. Available on the *GigaLife* app is Smart's groundbreaking Unli 5G offer that helped drive up 5G data traffic by 178% from the first quarter to the second quarter this year.

As at the end of June 2021, PayMaya recorded 38 million registered users who can pay bills online and cash in at over 66,000 touchpoints in the country. PayMaya is offering digital financial services to businesses of all sizes and natures, such as PayMaya Protect offering health coverage services and Claim Anywhere making domestic and international remittance claiming more convenient. In June 2021, PayMaya's parent company Voyager Innovations raised US$167 million to expand PayMaya's existing payments business and to introduce new and inclusive products, such as credit, insurance, savings, and investments, through a soon-to-be-established digital bank.

Smart launched a wide range of data offerings to suit the needs of its customers in the period, such as *Double GIGA* and *Magic Data*, as well as the *Live Smarter, Live with Purpose* campaign to increase brand awareness and strengthen the brand among the youths. It also partnered with the Philippines' largest toll road developer and operator Metro Pacific Tollways Corporation, to allow its toll road users to top up their toll passes via mobile load services.

Growth momentum for the Home broadband services remained high, driven by work-from-home arrangements, e-learning and e-entertainment, improved installation capabilities, the upgrading of copper networks to fiber, and subscriber retention initiatives. As a result, Home service revenues rose 23% to 22.7 billion pesos (US$470.0 million) of which 82% (1H20: 79%) was from data and broadband services. Benefitting from an accelerated pace of new installations of fiber-to-the-home ("FTTH") and upgrading copper networks to fiber which averaged 90 thousand and 21 thousand per month, respectively, Home's fiber-only revenues rose 74% to 14.1 billion pesos (US$291.9 million) from 478 thousand net adds in the first half of this year.

Compared to the end of 2020, the number of PLDT's total broadband and fixed line subscribers rose 12% and 7% respectively to 3.5 million and 3.2 million. Among the net additions of 361,150 broadband subscribers during the first half of 2021, 265,263 were fixed broadband and 95,887 were fixed wireless broadband customers.

PLDT's Home business continues to accelerate the rollout of its fiber network, increase fiber port capacity, and deliver innovative product offerings and segment-specific marketing initiatives, putting it on track to add one million new customers to its fiber subscriber base to 2.4 million by year-end 2021, and to grow its total fixed broadband subscriber base to 2.9 million this year from 2.3 million at year-end 2020. With its ongoing network and capability expansion, the Home business expects to reach approximately 66% network coverage in the Philippines by year-end 2021.

Enterprise service revenues rose 2% to 20.4 billion pesos (US$422.4 million) in the first half of 2021, reflecting steady demand for digital services from corporates and small and medium-sized enterprises as more companies implemented work-from-home arrangements and accelerated their digital transformation. Data and broadband accounted for 72% (1H20: 69%) of Enterprise service revenues. Corporate data and ICT revenues rose 7% to 18.1 billion pesos (US$374.7 million).

The challenges of the pandemic accelerated the pace of digital adoption among customers. PLDT Enterprise has been actively helping businesses to maintain and improve their operational capability and efficiency through digital transformation and cloud services, as well as offering additional support to small and medium businesses. PLDT owns a 70% capacity market share of data centers in the Philippines, with a world-class fiber network and technologies supporting this business's growth momentum.

Outlook

PLDT is on course to achieve telco core profit of 30.0 billion pesos in full-year 2021 on the strength of a continuing strong capital expenditure program of 88 billion to 92 billion pesos as all of its three main businesses – Individual, Home and Enterprise – continue delivering stronger revenues and earnings, with Home leading the way on the strength of its ability to meet continuing strong demand for domestic home broadband services by a nation still making its way out of the COVID-19 pandemic to a new normal. The strength of PLDT's earnings and balance sheet have led its Board of Directors to consider an additional 5% to its dividend payment policy of returning 60% of telco core net profit to shareholders.

MPIC

The financial and operational performance of MPIC's core businesses in the period benefited from gradual economic recovery in the Philippines. The easing of quarantine measures stimulated growth in toll road traffic volume and power demand, while billed water volume declined slightly and ridership on MPIC's light rail services remained low due to a 30% capacity ceiling. Continuous investment in upgrading and expanding its infrastructure networks has prepared MPIC to capture opportunities presented by the economic recovery.

MPIC's contribution to the Group increased 12% to US$49.9 million (1H20: US$44.4 million), reflecting higher core net income.

Consolidated core net income up 13% to 6.0 billion pesos (US$124.6 million) from 5.3 billion pesos (US$105.6 million)	▪ reflecting an 11% growth in contribution from its operations to 8.5 billion pesos (US$176.6 million) ▪ power, toll roads and water businesses accounting for 63%, 22% and 17%, respectively, of the consolidated profit contribution to MPIC, while a negative contribution of 2% was recorded from other businesses ▪ a 3% rise in contribution from the power business to 5.4 billion pesos (US$111.3 million) driven by higher volume sold ▪ a 104% increase in contribution from the toll roads business to 1.9 billion pesos (US$38.6 million) reflecting improved traffic volume under relaxed quarantine measures and lower taxes resulting from Optional Standard Deduction ▪ a 20% decline in contribution from the water business to 1.4 billion pesos (US$29.8 million) reflecting lower demand from residential and commercial customers, partly offset by higher demand from industrial customers ▪ a higher contribution from the healthcare business was offset by higher losses at the light rail and logistics businesses due to the adverse impact of the COVID-19 pandemic. As a result, net loss from light rail and other businesses narrowed by 36% to 152 million pesos (US$3.1 million) ▪ lower provision for income tax due to lower tax rates under the CREATE law
Consolidated reported net income up 243% to 10.4 billion pesos (US$215.1 million) from 3.0 billion pesos (US$59.9 million)	▪ reflecting higher core net income ▪ a non-recurring gain of 4.4 billion pesos (US$90.5 million) mainly due to the transfer of GBPC in the Philippines to MGen and the sale of DMT in Thailand
Consolidated revenues up 9% to 21.7 billion pesos (US$448.5 million) from 19.9 billion pesos (US$394.5 million) (restated)	▪ reflecting higher revenue at the toll road business ▪ partly offset by lower revenue at the rail business

Sustainability

During the period, MPIC launched six GABAY advocacies for a sustainable Philippines with specific focus on environmental stewardship, livelihood, health and sports, youth, education, and community empowerment. These advocacies also encapsulate MPIC's efforts towards the attainment of the United Nations' Sustainable Development Goals.

Ongoing environmental protection initiatives include the Laguna de Bay Welfare Awareness program that aims to ensure that Laguna Lake is sustained as a vital water source for irrigation, hydroelectric power generation, a transport route, livelihood, and domestic water supply.

Huawei Philippines also pledged a US$100,000 grant to support MPIC's Gabay Kalikasan initiatives such as helping to mitigate illegal logging in protected watershed and forest areas. Maynilad Water Services, Inc. ("Maynilad") received a "Utility of the Future" citation from the World Bank in recognition of its commitment to become "a future-focused utility which provides reliable, safe, inclusive, transparent, and responsive water supply and sanitation services through best-fit practices that allow it to operate in an efficient, resilient, and sustainable manner."

Metro Pacific Tollways Corporation ("MPTC") completed the installation of a solar photovoltaic system on the roof of the parking and amenities building of its MPT South Hub. This will deliver 515 kilowatts at peak capacity or 35% of the total power requirement in that facility and can potentially reduce power cost by over 200 million pesos (US$4.1 million).

Debt Profile

As at 30 June 2021, MPIC's consolidated debt rose 5% to 242.9 billion pesos (US$5.0 billion) from 231.4 billion pesos (US$4.8 billion) as at 31 December 2020, mainly reflecting additional bank borrowing for the acquisition of Philippine Tank Storage International Holdings Inc. ("PTSI"). Of the total, 90% was denominated in pesos. Fixed-rate borrowings accounted for 76% of the total, the average interest rate was reduced to approximately 5.49% from 6.14% at year-end 2020, and debt maturities ranged from 2022 to 2037.

Capital Management

Interim Dividend

Dividend per share has been stable since 2017 despite the adverse impacts of the pandemic from 2020. MPIC's Board of Directors declared an interim dividend of 0.0345 peso (U.S. 0.07 cent) per share payable on 2 September 2021 to shareholders on record as of 18 August 2021. It represented a dividend payout ratio of 18% (1H20: 20%) of core net income per share.

Share Buyback Program

To enhance shareholder value and strengthen shareholder confidence in MPIC's prospects, on 1 October 2020 MPIC's Board of Directors approved a share buyback program budgeted at up to 5.0 billion pesos (US$102.5 million). During the period from 2 October 2020 to 24 August 2021, MPIC bought back a total of 922.3 million shares from the open market under this program at a total cost of 3.6 billion pesos (US$74.4 million).

Additional Investment/Divestments

On 29 January 2021, KM Infrastructure Holdings, Inc. ("KMIH"), a 50:50 joint venture between Keppel Infrastructure Fund Management Pte. Ltd. ("KIT") and MPIC, completed the acquisition of a 100% interest in PTSI from Philippine Investment Alliance for Infrastructure for a consideration of approximately US$333.8 million which was subsequently adjusted to US$337.9 million. PTSI wholly-owned Philippine Coastal Storage and Pipeline Corporation ("PCSPC") , the largest independent petroleum product storage facility and import terminal in the Philippines, located in the Subic Bay Freeport Zone. The equity investment of MPIC in a 50% interest in KMIH amounted to approximately US$145 million. KIT, MPIC and KMIH also entered into a shareholders' agreement for the purpose of regulating the management of the business of PTSI and the relationship between shareholders. KIT and MPIC shall enjoy equal voting rights and bear equal obligations in respect of PTSI's business. The shareholders' agreement includes a non-competition provision under which each shareholder of KMIH must refer any new business opportunity within PTSI group's agreed scope of business (owning, operating and maintaining petroleum, oil products or liquid chemicals storage facilities in the Philippines) to KMIH, and may only pursue such opportunity independently if the board of KMIH does not approve such new opportunity within a specified period and the referring shareholder's nominated directors on KMIH board have voted in favor of KMIH pursuing such new opportunity.

On 19 February 2021, MPTC completed the sale of its entire approximately 29.45% indirect interest in DMT to a group of investors in Thailand for a consideration of approximately US$149.3 million.

On 31 March 2021, MPIC's wholly-owned indirect subsidiary, Beacon PowerGen completed the transfer of approximately 56% interest in GBPC to MGen, an associated company of First Pacific for a consideration of 22.4 billion pesos (US$464.7 million), which was subsequently adjusted to 21.2 billion pesos (US$439.2 million) to reflect the dividend of 1.2 billion pesos (US$25.5 million) received by Beacon PowerGen from GBPC in May 2021. Beacon PowerGen received 60% of the adjusted consideration on the completion day, with the remaining 40% to be received in two equal instalments on the dates falling six months and eighteen months following the completion date, respectively. This disposal transaction was approved by First Pacific's shareholders on 2 March 2021.

During the period, MPIC further expanded its healthcare services through mWell under its wholly-owned subsidiary, Metro Pacific Health Tech Corporation. mWell is an integrated healthcare platform providing online professional medical consultations, wellness programs, and health-related products and delivery services.

Power

Meralco continues to strengthen the reliability and stability of the electricity supply in its franchise area, supporting the community and the government's fight against the pandemic while prioritizing serving its customers and keeping its workforce safe and healthy. Through four major pillars of its long-term sustainability strategy – power, planet, people and prosperity – Meralco's power supply is not only keeping lights on for millions of its customers, but also helping them overcome challenging times.

The volume of electricity sold rose 7% to 22,663 gigawatt hours. Residential, commercial and industrial sectors accounted for 37%, 33% and 30%, respectively, of the total sales volume in the period. A 3% growth in residential volumes reflected the continuation of work-from-home and online learning arrangements. A 23% increase in industrial sales volume reflecting higher production of electronic products and increased construction activities under the new normal while demand from commercial customers was flat.

Revenues from Meralco increased 8% to 149.1 billion pesos (US$3.1 billion), reflecting higher energy sales volume, higher generation and transmission pass-through revenues, and the consolidation of GBPC from April 2021. The number of billed customers rose 4% to 7.3 million in the first half of 2021.

Capital expenditure rose 91% to 13.1 billion pesos (US$271.2 million) primarily reflecting a catching-up in adding new connections, capacity expansion and asset renewals following the easing of the community quarantine.

Renewable Energy

Meralco's first solar power plant, BulacanSol commenced commercial operation on 12 May 2021, marking a significant milestone in its long-term sustainable energy commitment. BulacanSol is a new 50-megawatt power plant providing clean and renewable power to the Luzon grid. Another 115-megawatt solar power plant under development by GBPC aims for commercial operation in 2022.

Meralco plans to build at least 1,500 megawatt of renewable energy in the next five to seven years.

Toll Roads

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

Despite the pandemic challenges during the period, in the Philippines, the Subic Freeport Expressway Expansion commenced commercial operations; a formal blessing and lighting of crosses was conducted on the Cebu Cordova Link Expressway ("CCLEX") with its construction work expected to be substantially completed in the first half of 2022; and the construction of CALAX Subsection 5 was completed in June and formally opened in August. Elsewhere in the region, Pettarani toll road in Indonesia and the Hanoi highway in Vietnam commenced commercial operations in March and April, respectively.

In May 2021, MPTC partnered with Smart Communications, Inc., a wholly-owned subsidiary of PLDT to offer the Philippines' first toll pass top-up via mobile load platform in a significant step towards the full implementation of cashless payment systems on its toll roads.

In the first half of 2021, MPTC's revenues improved 36% to 8.3 billion pesos (US$171.8 million), reflecting recovery of traffic volumes with the easing of mobility restrictions. Average daily vehicle entries on MPTC's toll roads rose 30% to 744,395, reflecting an increase of 38% to 470,844 in the Philippines and an 18% improvement to 273,551 for regional toll roads.

Capital expenditure was down 27% to 10.0 billion pesos (US$207.0 million), mainly reflecting completion of certain projects, and delay in road projects owing to the pandemic.

In the Philippines, MPTC plans to spend approximately 92.9 billion pesos (US$1.9 billion) on projects for the NLEX-SLEX Connector Road ("Connector Road"), CCLEX, CALAX, additional segments of CAVITEX, CAVITEX-C5 South Link and NLEX-C5 North Link, with a total length of 72 kilometers and expected completion between 2022 and 2023.

Water

Maynilad is the biggest water utility in terms of customer base in the Philippines, operating a concession for water distribution and sewerage and sanitation services for the West Zone of Metro Manila.

On 18 May 2021, Maynilad signed a revised Concession Agreement with the Metropolitan Waterworks and Sewerage System ("MWSS") which confirmed its concession period until 31 July 2037 and certain amendments to the Concession Agreement were made. Key amendments include: (a) the imposition of a tariff freeze until 31 December 2022; (b) the exclusion of corporate income tax from the expenditures that could be recovered by Maynilad over the term of the concession; (c) no adjustment to the rates as may be prescribed by the MWSS Regulatory Office for the supply of water and sewerage services ("Standard Rates") due to foreign currency differential adjustment; (d) capping of the annual inflation factor to two-thirds of the consumer price index; (e) imposition of rate caps for water and sewerage services to 1.3x and 1.5x, respectively, of the applicable Standard Rates in prior periods; and (f) replacing the tariff rate-setting mechanism's market-driven appropriate discount rate with a 12% fixed nominal discount rate.

In the first half of 2021, Maynilad's average non-revenue water measured at the District Metered Area increased to 31.1% from 26.1% at year-end 2020 due to delay in leakage repairs and maintenance works owing to the pandemic.

Revenues decreased 2% to 11.2 billion pesos (US$231.9 million), reflecting lower billed volumes partly offset by higher average tariff. Residential and commercial consumption remained low while industrial demand shown a 5% improvement as factory operations gradually expanded towards pre-pandemic levels.

Maynilad's 24-hour water coverage stabled at 95% in the first half of 2021 following improvement in the water supply. Capital expenditure declined 46% to 2.8 billion pesos (US$58.0 million), mainly owing to completion of certain projects and delay in leakage repairs and maintenance works owing to the pandemic. The capital expenditure was largely employed in the development of new water treatment plants.

Light Rail

Light Rail Manila Corporation ("LRMC") operates a 20-station light rail line LRT-1. Revenues fell 34% to 543 million pesos (US$11.2 million) as average daily ridership fell 63% to 121,683 passengers due to a compulsory capacity ceiling of 30% and overall lower demand.

During the period, LRMC's capital expenditure rose 8% to 2.9 billion pesos (US$60.6 million), and was spent mainly on the construction of LRT1's Cavite Extension with phase 1 reaching 60% completion at the end of June 2021.

Healthcare

Metro Pacific Hospital Holdings Inc. ("MPHHI") is the largest operator of private healthcare networks in the Philippines, comprising 18 hospitals, six provincial cancer radiotherapy centres, two healthcare colleges, and one central laboratory. MPHHI currently has approximately 3,500 beds of which approximately 1,000 beds are dedicated to COVID-19 patients.

Revenues rose 45% to 9.7 billion pesos (US$201.3 million), reflecting longer average length of stay of inpatients, price increases, better case mix, and a substantial growth in COVID-19 related admissions and testing.

Inpatient admissions fell 23% to 47,087 while outpatient visits rose 14% to 1,499,293.

MPHHI's capital expenditure rose 25% to 1.4 billion pesos (US$29.4 million) to catch up on expansion as the group focused on cash conservation in 2020.

Fuel Storage

During the period, MPIC expanded its business portfolio through investing in PTSI. The fuel storage business is expected to offer stable earnings and cash flow as shutdowns of local refineries would stimulate demand for fuel products in the short-to medium-term.

In the first six months of 2021, PCSPC recorded revenues of 838 million pesos (US$17.3 million) while capital expenditure was 49 million pesos (US$1.0 million). Its average capacity was at 5.8 million barrels with an average utilization rate of 67%.

Outlook

MPIC is confident of reaching full-year core profit of 12.0 billion pesos as expanded vaccination rates push back the deleterious effects of the COVID-19 pandemic. Contribution growth is expected to be led by toll roads and followed by power.

PHILEX

Padcal mine operations continued throughout the period with implementation of strict measures against the COVID-19 pandemic in compliance with the government's quarantine guidelines, which proved effective in containing the spread of the virus despite a small number of COVID-19 cases in the Padcal mine.

To address the disruption of the flow of critical materials and supplies caused by community quarantines, Philex has adjusted its supply chain model to secure reliable supplies for the operation of the Padcal mine and its mill facilities.

In the first half of 2021, Philex's contribution to the Group rose 217% to US$6.9 million (1H20: US$2.2 million), reflecting higher metal prices with the average realized copper price increasing 71% to US$4.21 per pound while gold rose 8% to US$1,807 per ounce, partly offset by a slightly lower metal output owing to lower ore grades.

Total ore milled was flat at 4.0 million tonnes. The average gold grade declined 1% to 0.279 grams per tonne (1H20: 0.283 grams per tonne) and the average copper grade also declined 1% to 0.187% (1H20: 0.189%) as expected based on the mining plan as the Padcal mine approaches the fringes of its orebody. In addition, gold and copper recoveries declined by 3% and 1%, respectively, while gold production was down 5% to 27,025 ounces (1H20: 28,332 ounces) and copper production declined 2% to 13.2 million pounds (1H20: 13.5 million pounds).

Core net income up 186% to 1.1 billion pesos (US$23.8 million) from 402 million pesos (US$8.0 million)	▪ reflecting higher EBITDA
Net income up 173% to 1.2 billion pesos (US$24.0 million) from 425 million pesos (US$8.4 million)	▪ reflecting the substantial improvement of core net income
Revenue (net of smelting charges) up 29% to 4.7 billion pesos (US$98.3 million) from 3.7 billion pesos (US$72.8 million)	▪ reflecting higher copper and gold prices ▪ partly offset by slightly lower metal output from decline in ore grades ▪ revenues from gold, copper and silver contributed 46%, 53% and 1% of the total, respectively
EBITDA up 80% to 2.0 billion pesos (US$42.0 million) from 1.1 billion pesos (US$22.3 million)	▪ reflecting the surge in revenue ▪ partly offset by higher cash production costs
Operating cost per tonne of ore milled up 6% to 870 pesos (US$18.0) from 824 pesos (US$16.3)	▪ reflecting higher power cost ▪ higher excise tax and royalties due to higher revenue
Capital expenditure (including exploration costs) down 11% to 457 million pesos (US$9.5 million) from 515 million pesos (US$10.2 million)	▪ reflecting the timing of implementation of supply chain initiatives for new equipment, and projects for tailings storage facility expansion ▪ delayed arrivals of machinery and equipment due to the pandemic

The mine life of Philex's major operating mining asset, the Padcal mine, has been extended by two years to December 2024. As of end-March 2021, the mineable reserves estimate is 30.2 million tonnes with average gold grade of 0.23 grams per tonne and copper grade of 0.18%.

Debt Profile

As at 30 June 2021, Philex had 9.8 billion pesos (US$201.0 million) of borrowings, comprising bonds with a 1.5% coupon and short-term bank loans with an average interest cost of approximately 3.4%. Short-term bank loans fell 21% to 1.4 billion pesos (US$28.9 million) from year-end 2020.

Silangan Project

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

On 29 December 2020, Philex received the approval by the Department of Environment and Natural Resources ("DENR") for the renewal of the Mineral Production Sharing Agreement for Silangan Mindanao Mining Co., Inc. ("SMMCI", a wholly-owned subsidiary of Philex and the holding company for the Silangan Project) for an additional 25 years from December 2024 with terms and conditions unchanged.

On 29 July 2021, Philex's Board of Directors approved the In-Phase development plan for the Silangan Project with capital expenditure to be funded by internal resources, potential equity investors and creditors. The In-Phase development of the Silangan project is expected to commence in 2022 with a target of commercial operation in 2025.

PXP

In the first half of 2021, petroleum revenue increased 220% to 20 million pesos (US$0.4 million) (1H20: 6 million pesos (US$0.1 million)) reflecting a 250% surge in average crude oil sale prices, partly offset by a decline in lifted volume to 222,038 barrels (1H20: 234,148 barrels) from the Galoc oil field following a normal rate of decline in production.

Costs and expenses rose 38% to 54 million pesos (US$1.1 million) (1H20: 40 million pesos (US$0.8 million)), reflecting higher overhead, partly offset by lower oil production costs in Galoc.

PXP's core net loss declined 17% to 22 million pesos (US$0.5 million) from 27 million pesos (US$0.5 million), reflecting higher oil revenues, partly offset by higher cost and expenses.

SC 72

Forum Energy Limited ("FEL"), a subsidiary of PXP, holds a 70% interest in SC 72 Recto Bank, which covers an area of 8,800 square kilometers in the West Philippine Sea. Its second Sub-Phase ("SP") of exploration activities was suspended due to a Force Majeure since 15 December 2014, which was lifted by the Philippine Department of Energy ("DOE") on 14 October 2020. FEL is required to drill a minimum of two wells as part of its work commitment under SP 2 of SC 72 in a 20-month period from 14 October 2020 to 13 June 2022. On 10 February 2021, the DOE approved the work program and budget to be conducted from 2021 until the first half of 2022.

SC 75

At SC 75 Northwest Palawan Block, all exploration activities were suspended on 27 December 2015 due to the imposition of Force Majeure until its lifting by the DOE on 14 October 2020. The SC 75 consortium is required to undertake a 3D seismic survey as part of its work commitment under SP 2 of SC 75 in an 18-month period from 14 October 2020 to 13 April 2022. On 3 March 2021, the DOE approved the work program for 2021 and early 2022, which includes the acquisition of at least 1,100 square kilometers of 3D seismic data within the second quarter of 2022.

Peru Block Z-38

Peru Block Z-38 was a joint venture project among Pitkin Petroleum Limited ("Pitkin"), Karoon Energy Ltd ("Karoon", formerly Karoon Gas Australia Ltd) and Tullow Oil Plc. (UK) ("Tullow"). Following the withdrawal of Tullow from the joint venture project effective 31 December 2020, Karoon's economic interest in Peru Block Z-38 increased back to 75% from 40%. Pitkin is not required to share the drilling cost of the remaining well under a farm-in agreement signed with Karoon in 2009.

The Peruvian authorities extended the expiration of the third exploration period to 27 July 2021 from 27 November 2020 due to COVID-19. On 25 May 2021, Pitkin issued a notice of dispute to Karoon relating to the breach of its obligation to drill a second well for the project and claims for damages and other reliefs. Since Karoon did not take any action to proceed to the fourth exploration period, the Peru Block Z-38 license expired on 27 July 2021.

Outlook

Continuing strong metal prices are expected to contribute to robust earnings in the second half of 2021, strengthening Philex's balance sheet as it gears up to begin development of the Silangan Project in 2022 with the aim of making a smooth transition from Padcal to Silangan as Philex's key source of revenues for earnings growth over the medium to long term.

FPM POWER/PLP

In Singapore, electricity demand rose over 3% in the first half of 2021 as enhanced measures against the COVID-19 pandemic, including testing and contact tracing, new policies to deal with surges in cases, and the rollout of widespread vaccinations, enabled the easing of restrictions on gatherings. The gradual recovery of economic activities resulted in higher demand and hence sales volume of electricity.

Most employees apart from critical frontline officers continued to work-from-home. Business was not adversely affected by this arrangement as most of the workflow has been digitalized, while most business partners and customers have adopted e-transactions in their contract arrangements with PLP.

In the first half of 2021, PLP turned around its performance and made a profit contribution of US$2.8 million to First Pacific, reflecting a core net profit, compared with a loss of US$1.8 million for the same period of last year.

PLP remains one of the most efficient power plants in Singapore. In the first half of 2021, the plant's system availability was high at 100% (1H20: 94.0%) ahead of maintenance work scheduled for early 2022. The heat rate improved due to a higher volume of generation. The plant remained highly reliable with no forced outage during the period. Unit 20 has had no operational forced outage since March 2017.

During the period, the volume of electricity sold rose 16% to 2,682 gigawatt hours (1H20: 2,308 gigawatt hours), of which 95% (1H20: 91%) was for contracted sales and vesting contracts, and the remaining 5% (1H20: 9%) was for pool market sales. PLP's generation market share for the period was approximately 10% (1H20: 8%).

Core net profit of S$1.2 million (US$0.9 million) versus core net loss of S$19.4 million (US$13.9 million)	▪ ▪ ▪	reflecting higher non-fuel margin for electricity sales and higher sales volume lower interest and marketing expenses partly offset by a lower reversal of provision for onerous contracts
Net loss down 86% to S$6.0 million (US$4.5 million) from S$43.9 million (US$31.4 million)	▪ ▪ ▪	reflecting a turnaround to core net profit from core net loss a lower foreign exchange loss mainly on lower amount of U.S. dollar-denominated shareholders' loans a lower non-recurring loss due to lack of provisions for onerous contracts and take-or-pay obligations
Revenues up 55% to S$550.8 million (US$412.9 million) from S$355.5 million (US$253.9 million)	▪ ▪	reflecting a substantially higher volume of electricity sold associated with economic recovery higher average selling price per unit of electricity as a result of high oil prices
Operating expenses flat at S$11.1 million (US$8.3 million)	▪ ▪	reflecting lower marketing expenses and staff costs offset by lower other operating income
EBITDA up 808% to S$23.6 million (US$17.7 million) from S$2.6 million (US$1.9 million)	▪	reflecting improvement in non-fuel margin for electricity sales and higher sales volume

Debt Profile

As at 30 June 2021, FPM Power's net debt stood at US$438.5 million while gross debt stood at US$465.4 million with most of the total debts due to mature by December 2026. All of the borrowings were floating-rate bank loans.

Outlook

To reflect economic growth of 14.7% in the second quarter of this year, Singapore's government has revised its GDP growth forecast for 2021 to 6% to 7%, up from the previous forecast of 4% to 6%. The non-fuel margin is expected to increase as electricity demand recovers in tandem with economic growth, and the narrowing of the demand and supply gap would also result in further improvement in PLP's performance.

FP NATURAL RESOURCES/RHI

RHI's production plants involving essential food manufacturing and fuel supplies were exempted from the community quarantine imposed by the Philippine government in its response to the COVID-19 pandemic and remained staffed onsite. To maintain its operations while addressing the pandemic crisis, RHI has been implementing work-from-home arrangements for certain employees and strict disease prevention measures, including the wearing of face masks and face shields, and observance of social distancing by those present in the offices.

In the first half of 2021, FP Natural Resources' loss widened to US$4.5 million (1H20: US$3.7 million), reflecting a higher core loss at RHI caused by challenges of unfavourable weather condition resulting in lower sugar yield and delayed cane harvesting.

RHI's sugar production in the first half of 2021 accounted for approximately 3.9% of the Philippines' domestic sugar production. Its sugar mill in Batangas has a milling capacity of 12,000 tonnes of sugar cane per day and refinery capacity of 18,000 LKg per day (one LKg is equal to one 50-kilogram bag of sugar), and its ethanol plant in San Carlo City has a daily production capacity of approximately 100,000 liters.

Following the disposal of a sugar mill, ethanol plant and other investment properties in La Carlota, Negros Occidental ("La Carlota assets") on 30 September 2020, RHI's sugar milling and alcohol production in the first half of 2021 declined 56% and 55%, respectively. During the period, RHI milled 0.7 million tonnes of cane (1H20: 1.7 million tonnes) and sold 0.5 million LKg of refined sugar (1H20: 0.4 million LKg), while alcohol sales volume was down 28% to 15.6 million liters (1H20: 21.6 million liters).

Core net loss up 28% to 520 million pesos (US$10.8 million) from 405 million pesos (US$8.0 million)	▪	reflecting the severe impact of heavy rainfall caused by the La Niña weather phenomenon, which caused delays in cane harvesting and milling, deteriorated cane yield, and lower milling service margins
Reported net loss up 14% to 493 million pesos (US$10.2 million) from 433 million pesos (US$8.6 million)	▪	reflecting higher core net loss
Revenues down 42% to 3.4 billion pesos (US$71.2 million) from 6.0 billion pesos (US$117.9 million)	▪ ▪ ▪	reflecting the absence of sales generated by the La Carlota assets lower alcohol prices partly offset by higher sales volumes of refined sugar

Operating expenses down 37% to 277 million pesos (US$5.7 million) from 438 million pesos (US$8.7 million)	▪ reflecting the absence of operating expenses at the La Carlota assets
EBITDA at a loss of 83 million pesos (US$1.7 million) from a profit of 262 million pesos (US$5.2 million)	▪ reflecting undesirable gross margins due to unfavourable weather conditions ▪ partly offset by lower operating expenses
EBITDA margin to -2.4% from 4.4%	▪ reflecting the EBITDA at a loss and lower revenue

Debt Profile

As at 30 June 2021, long-term debt of RHI stood at 1.3 billion pesos (US$25.6 million) with maturities up until December 2027 at an annual interest rate of approximately 6.3%. Short-term debt stood at 3.7 billion pesos (US$76.4 million) with an average interest rate of approximately 6.6%.

Outlook

RHI has started to embark on strategic actions to address volatility causing factors and improving production efficiencies, while other mid- to long-term supply and capacity bridging initiatives are underway to recuperate RHI's profitability.

FINANCIAL REVIEW

LIQUIDITY AND FINANCIAL RESOURCES

NET DEBT AND GEARING

(A) Head Office net debt

The decrease in net debt mainly reflects an increase in net cash inflow from operating activities as a result of increased dividend income from PLDT, MPIC and Philex and reduction in interest expense, partly offset by the cost on repurchase of shares. The Head Office's borrowings at 30 June 2021 comprise bonds of US$825.2 million (with an aggregated face value of US$828.3 million) which are due for redemption between April 2023 and September 2027, and bank loans of US$607.0 million (with a principal amount of US$610.0 million) which are due for repayment between January 2022 and June 2029.

Changes in Head Office net debt

US$ millions	Borrowings	Cash and cash equivalents	Net debt
At 1 January 2021	1,430.9	(111.4)	1,319.5
Movement	1.3	(20.6)	(19.3)
At 30 June 2021	**1,432.2**	**(132.0)**	**1,300.2**

Head Office cash flow

For the six months ended 30 June US$ millions	**2021**	2020
Dividend and fee income	**68.0**	61.1
Head Office overhead expense	**(6.4)**	(6.2)
Net cash interest expense	**(24.6)**	(28.6)
Tax paid	-	(0.2)
Net cash inflow from operating activities	**37.0**	26.1
Net investments	**(5.1)**	(1.0)
Financing activities		
- Repurchase of shares	**(7.5)**	-
- Repayment of borrowings	-	(1.1)
- Others[(i)]	**(3.8)**	(1.2)
Net increase in cash and cash equivalents	**20.6**	22.8
Cash and cash equivalents at 1 January	**111.4**	325.0
Cash and cash equivalents at 30 June	**132.0**	347.8

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

(B) Group net debt and gearing

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

Consolidated

	At 30 June 2021			At 31 December 2020		
US$ millions	**Net debt[(i)]**	**Total equity**	**Gearing[(ii)] (times)**	Net debt[(i)]	Total equity	Gearing[(ii)] (times)
Head Office	**1,300.2**	**1,451.6**	**0.90x**	1,319.5	1,621.2	0.81x
Indofood	**2,466.3**	**5,731.6**	**0.43x**	2,548.1	5,598.2	0.46x
MPIC	**3,731.0**	**4,715.5**	**0.79x**	3,762.8	5,079.5	0.74x
FPM Power	**438.5**	**(37.4)**	**-**	468.4	(42.9)	-
FP Natural Resources	**97.4**	**38.0**	**2.56x**	106.8	55.3	1.93x
Group adjustments[(iii)]	**-**	**(1,462.4)**	**-**	-	(1,682.8)	-
Total	**8,033.4**	**10,436.9**	**0.77x**	8,205.6	10,628.5	0.77x
Associated companies						
PLDT	**4,356.8**	**2,473.4**	**1.76x**	3,801.1	2,492.0	1.53x
Philex	**175.4**	**519.7**	**0.34x**	182.6	504.5	0.36x

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

Head Office's gearing increased because of a decrease in its equity during the period reflecting the Company's 2020 final distribution approved and declared.

Indofood's gearing decreased because of a decrease in its net debt as a result of its operating cash inflow, despite its payments for capital expenditure, investments in mutual funds and a 49% interest in IFM, coupled with an increase in its equity reflecting its profit recorded during the period.

MPIC's gearing increased because of a decrease in its equity as a result of deconsolidation of GBPC, despite its profit recorded during the period, partly offset by a decrease in its net debt as a result of net proceeds from transfer of a 56% interest in GBPC and disposal of a 29.5% interest in DMT, operating cash inflow, and dividends received from Meralco, despite payments for capital expenditure and concession fees, its acquisition of a 50% interest in PTSI, and final instalment payment for its acquisition of a 25% interest in Beacon Electric Asset Holdings, Inc. from PLDT Communications and Energy Ventures, Inc.

FPM Power's net debt decreased because of PLP's operating cash inflow. The decrease in deficit mainly reflects partial capitalization of shareholder's loans into equity in March 2021.

FP Natural Resources' gearing increased because of a decrease in its equity reflecting RHI's loss recorded during the period.

The Group's gearing remains stable at 0.77 times on a lower net debt level mainly as a result of the Group's operating cash inflow and net proceeds from assets disposals, despite a decrease in the Group's equity reflecting the deconsolidation of GBPC, partly offset by the Group's profit recorded for the period.

PLDT's gearing increased mainly because of an increase in its net debt reflecting its payments for capital expenditure. Philex's gearing decreased mainly because of a decrease in its net debt reflecting its operating cash inflow.

MATURITY PROFILE

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

Consolidated

	Carrying amounts		Nominal values	
US$ millions	**At 30 June 2021**	At 31 December 2020	**At 30 June 2021**	At 31 December 2020
Within one year	**1,808.8**	1,659.7	**1,813.3**	1,662.5
One to two years	**736.3**	867.9	**743.1**	874.2
Two to five years	**2,112.4**	4,113.2	**2,127.4**	4,127.4
Over five years	**6,047.5**	3,992.8	**6,072.7**	4,016.3
Total	**10,705.0**	10,633.6	**10,756.5**	10,680.4

The change in the Group's debt maturity profile from 31 December 2020 to 30 June 2021 mainly reflects a shift in long-term borrowings among the different maturity periods for Head Office, Indofood and MPIC, in particular Indofood's issuance of 10-year and 30-year bonds with a total amount of US$1,750 million to prepay a portion of acquisition loans for Pinehill originally due in August 2025.

Associated companies

	PLDT				Philex			
	Carrying amounts		Nominal values		Carrying amounts		Nominal values	
US$ millions	**At 30 June 2021**	At 31 December 2020	**At 30 June 2021**	At 31 December 2020	**At 30 June 2021**	At 31 December 2020	**At 30 June 2021**	At 31 December 2020
Within one year	**150.2**	365.9	**153.3**	368.8	**28.9**	37.0	**28.9**	37.0
One to two years	**277.0**	312.4	**279.9**	315.1	**172.1**	170.4	**179.1**	179.3
Two to five years	**1,414.7**	1,366.1	**1,422.6**	1,373.3	**-**	-	**-**	-
Over five years	**2,989.7**	2,594.6	**3,004.1**	2,608.1	**-**	-	**-**	-
Total	**4,831.6**	4,639.0	**4,859.9**	4,665.3	**201.0**	207.4	**208.0**	216.3

The change in PLDT's debt maturity profile from 31 December 2020 to 30 June 2021 mainly reflects new borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs, and loan repayments. The decrease in Philex's debt mainly reflects debt repayments during the period.

CHARGES ON GROUP ASSETS

At 30 June 2021, certain bank and other borrowings were secured by the Group's property, plant and equipment, accounts and other receivables, cash and cash equivalents, and inventories amounting to net book values of US$756.6 million (31 December 2020: US$1,711.5 million) and the interests of the Group's 55% (31 December 2020: 55%) in LRMC, 100% (31 December 2020: 100%) in MPCALA Holdings, Inc., 100% (31 December 2020: 100%) in Cebu Cordova Link Expressway Corporation, 35% (31 December 2020: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (31 December 2020: 88.9%) in PT Bintaro Serpong Damai, 99.5% (31 December 2020: 99.5%) in PT Bosowa Marga Nusantara, 99.4% (31 December 2020: 99.4%) in PT Jalan Tol Seksi Empat, 61.2% in PT Inpola Meka Energi (31 December 2020: 61.2%), 70% (31 December 2020: 70%) in PLP, and nil (31 December 2020: 56%) in GBPC.

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.

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. 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 NAV mainly relate to investments denominated in the rupiah and peso. Accordingly, any change in these currencies, against their respective 30 June 2021 exchange rates, would have an effect on the Group's NAV in U.S. dollar terms.

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

Company	Basis	**Effect on adjusted NAV** US$ millions	**Effect on adjusted NAV per share** HK cents
Indofood	(i)	18.7	3.38
PLDT	(i)	14.6	2.64
MPIC	(i)	10.5	1.90
Philex	(i)	3.0	0.54
PXP	(i)	0.9	0.16
FP Natural Resources	(ii)	0.2	0.04
Head Office - Other assets	(iii)	1.0	0.19
Total		**48.9**	**8.85**

(i) Based on quoted share prices at 30 June 2021 applied to the Group's economic interests

(ii) Based on quoted share price of RHI at 30 June 2021 applied to the Group's effective economic interest

(iii) Represents the carrying amount of Silangan Mindanao Exploration Co., Inc.'s notes ("SMECI's notes")

(B) Group risk

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

NET DEBT BY CURRENCY

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

Consolidated

US$ millions	US$	Rupiah	Peso	S$	Others	**Total**
Total borrowings	4,003.4	1,465.6	4,581.2	490.8	164.0	**10,705.0**
Cash and cash equivalents[(i)]	(610.0)	(730.4)	(1,232.5)	(23.9)	(74.8)	**(2,671.6)**
Net debt	3,393.4	735.2	3,348.7	466.9	89.2	**8,033.4**
Representing:						
Head Office	1,363.8	-	(13.3)	-	(50.3)	**1,300.2**
Indofood	1,791.2	611.2	-	22.4	41.5	**2,466.3**
MPIC	245.4	124.0	3,263.6	-	98.0	**3,731.0**
FPM Power	(6.0)	-	-	444.5	-	**438.5**
FP Natural Resources	(1.0)	-	98.4	-	-	**97.4**
Net debt	3,393.4	735.2	3,348.7	466.9	89.2	**8,033.4**

Associated companies

US$ millions	US$	Peso	**Total**
Net debt			
PLDT	709.3	3,647.5	**4,356.8**
Philex	13.4	162.0	**175.4**

(i) Includes short-term deposits and restricted cash

As a result of unhedged U.S. dollar net debt, the Group's results are sensitive to fluctuations in U.S. dollar exchange rates. The following table illustrates the estimated effect on the Group's reported profitability for a one per cent change in the principal operating currencies of subsidiary and associated companies. This does not reflect the indirect effect of fluctuating exchange rates on revenues and input costs at 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)]	1,363.8	-	1,363.8	-	**-**
Indofood	1,791.2	-	1,791.2	17.9	**7.0**
MPIC	245.4	-	245.4	2.5	**0.8**
FPM Power	(6.0)	-	(6.0)	(0.1)	**(0.0)**
FP Natural Resources	(1.0)	-	(1.0)	(0.0)	**(0.0)**
PLDT	709.3	(299.7)	409.6	4.1	**0.8**
Philex	13.4	-	13.4	0.1	**0.0**
Total	**4,116.1**	**(299.7)**	**3,816.4**	**24.5**	**8.6**

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

EQUITY MARKET RISK

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

INTEREST RATE RISK

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

Consolidated

US$ millions	Fixed interest rate borrowings[(i)]	Variable interest rate borrowings[(i)]	Cash and cash equivalents[(ii)]	**Net debt**
Head Office	1,053.4	378.8	(132.0)	**1,300.2**
Indofood	1,873.1	1,854.2	(1,261.0)	**2,466.3**
MPIC	3,758.5	1,219.6	(1,247.1)	**3,731.0**
FPM Power	-	465.4	(26.9)	**438.5**
FP Natural Resources	76.4	25.6	(4.6)	**97.4**
Total	6,761.4	3,943.6	(2,671.6)	**8,033.4**
Associated companies				
PLDT	3,757.1	1,074.5	(474.8)	**4,356.8**
Philex	172.1	28.9	(25.6)	**175.4**

(i) Reflects certain interest rate swap agreements which effectively changed variable interest rate borrowings to fixed interest rate borrowings at Head Office and PLDT
(ii) Includes short-term deposits and restricted cash

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

US$ millions	Variable interest rate borrowings	Profit effect of 1% change in interest rates	**Group net profit effect**
Head Office	378.8	3.8	**3.8**
Indofood	1,854.2	18.5	**7.2**
MPIC	1,219.6	12.2	**3.9**
FPM Power	465.4	4.7	**1.6**
FP Natural Resources	25.6	0.3	**0.1**
PLDT	1,074.5	10.7	**2.1**
Philex	28.9	0.3	**0.1**
Total	**5,047.0**	**50.5**	**18.8**

ADJUSTED NAV PER SHARE

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

US$ millions	Basis	**At 30 June 2021**	At 31 December 2020
Indofood	(i)	**1,872.7**	2,134.9
PLDT	(i)	**1,463.8**	1,541.5
MPIC	(i)	**1,054.0**	1,178.5
Philex	(i)	**301.5**	235.2
PXP	(i)	**90.2**	127.3
FP Natural Resources	(ii)	**21.5**	27.1
Head Office – Other assets	(iii)	**103.3**	104.9
– Net debt		**(1,300.2)**	(1,319.5)
Total valuation		**3,606.8**	4,029.9
Number of ordinary shares in issue (millions)		**4,323.2**	4,344.9
Value per share – U.S. dollars		**0.83**	0.93
– HK dollars		**6.51**	7.23
Company's closing share price (HK$)		**2.65**	2.47
Share price discount to HK$ value per share (%)		**59.3**	65.8

(i) Based on quoted share prices applied to the Group's economic interests
(ii) Based on quoted share price of RHI applied to the Group's effective economic interest
(iii) Represents the carrying amount of SMECI's notes

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 30 March 2021, the Board approved a share repurchase program to repurchase up to US$100 million (equivalent to approximately HK$780 million) in value of the Company's shares from the open market, by way of "on market repurchases", over a period of approximately 3 years, commencing 31 March 2021 and ending 31 March 2024 (Share Repurchase Program). At HK$2.30 per share, being the closing price of the Company's shares on 29 March 2021, the Share Repurchase Program will enable the Company to repurchase approximately 7.81% of the existing issued share capital, or approximately 14.02% of all the shares not held by its major shareholders Salerni International Limited, First Pacific Investments Limited and First Pacific Investments (B.V.I.) Limited (such shares collectively represent approximately 55.68% of the issued share capital of the Company). It is anticipated that the Share Repurchase Program will be implemented for the purpose of enhancing the value of the Company's shares for all shareholders. The Share Repurchase Program is a key part of the Company's capital management program, which includes a commitment to set aside at least 25% of recurring profits for distribution payments to shareholders.

During the period ended 30 June 2021, the Company repurchased 21,736,000 (Six months ended 30 June 2020: nil) ordinary shares on SEHK at an aggregate consideration of HK$58.0 million (US$7.5 million) (Six months ended 30 June 2020: Nil). These shares have been subsequently cancelled. Details of the repurchases are summarized as follows:

		Purchase price paid per share			
	Number of ordinary shares	**Highest**	**Lowest**	**Aggregate consideration paid**	
Month of repurchases	**repurchased**	**HK$**	**HK$**	**HK$ millions**	**US$ millions**
April 2021	5,534,000	2.74	2.55	14.6	1.9
May 2021	6,292,000	2.68	2.58	16.7	2.2
June 2021	9,910,000	2.93	2.55	26.7	3.4
Total	**21,736,000**	**2.93**	**2.55**	**58.0**	**7.5**

During the six months ended 30 June 2021, the independent trustee managing the Company's share award scheme bought through the SEHK a total of 3,690,000 shares (Six months ended 30 June 2020: 1,060,000) of the Company at an aggregate consideration of approximately US$1.3 million (Six months ended 30 June 2020: US$0.2 million) at the cost of the Company.

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. The Company's Corporate Governance Committee, mainly comprising of Independent Non-executive Directors (INEDs), is delegated with the responsibility to supervise the Company's corporate governance functions.

At the Company's annual general meeting (AGM) held on 10 June 2021, Mr. Tedy Djuhar did not stand for re-election as a Non-executive Director of the Company and retired from office upon conclusion of the AGM to pursue his other personal interests. Accordingly, Mr. Djuhar ceased to be a Non-executive Director of the Company on 10 June 2021. In addition, pursuant to a special resolution passed by the shareholders at the AGM, the Company amended its Bye-laws to reflect principally certain changes in relation to the covering of hybrid annual general meetings.

The Corporate Governance Committee reviewed the Company's corporate governance practices in respect of the six months period ended 30 June 2021 to ensure its compliance with Listing Rules. This Committee is also tasked with the responsibility of overseeing Environmental, Social and Governance (ESG) reporting in compliance with Listing Rule requirements. As recommended by the Corporate Governance Committee, the Board approved the Company's 2020 ESG report for publication on the websites of the SEHK and the Company on 30 April 2021.

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

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

Code Provision B.1.5: Issuers should disclose details of any remuneration payable to members of senior management by band in their annual reports. 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 details of any remuneration payable to members of senior management, either by band or on an individual and named basis as a large number of the senior executives employed by the Group are employed in jurisdictions that do not require disclosure of such information. It would create inequality across the Group if only the remuneration of the senior executives at the head office were disclosed.

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 already issue quarterly reports. As such, we believe that the relevant information is already available in the public domain.

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

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

Compliance of the Model Code for Securities Transactions by Directors of Listed Issuers
The Company has adopted its own Model Code for Securities Transactions by Directors (the Model Code) on terms no less exacting than the required standards of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiries by the Company, that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2021.

Continuing Connected Transactions and Connected Transactions
During the six months ended 30 June 2021, the INEDs agreed with the Directors in relation to the following continuing connected transactions (CCTs) and connected transactions and approved the disclosure of those transactions in the form of published announcements and/or circular:

- 4 January 2021 announcement: the Company announced that pursuant to a resolution of the shareholders of PT Mentari Subur Abadi (MSA) passed on 31 December 2020, the shareholders of MSA have approved (i) the increase in the authorized share capital of MSA and (ii) the issuance and allotment by MSA and the subscription by PT Salim Ivomas Pratama Tbk (SIMP) of the 806,897 new shares in MSA to be issued and allotted by MSA to SIMP (MSA Subscription Shares), for the Subscription Price of Rp806,897 million (equivalent to approximately US$57.1 million or HK$445.4 million), to be satisfied by SIMP in cash (MSA Subscription).

  MSA is a joint venture plantation company between SIMP and the Salim Group. Prior to completion of the MSA Subscription, the Group has an economic interest of approximately 29.9% in SIMP and accordingly, an economic interest of approximately 17.9% in MSA. Following completion of the MSA Subscription, the issued share capital of MSA, as enlarged by the allotment and issuance of the MSA Subscription Shares, will be directly and indirectly owned as to approximately 80% by SIMP, and directly and indirectly owned as to approximately 20% by the Salim Group. Following completion of the MSA Subscription, the Company will have an indirect economic interest of approximately 23.9% in MSA and MSA will remain as an indirect non-wholly owned subsidiary of each of SIMP and the Company.

  As at the date of that announcement, the Group has an approximate 50.1% economic interest in Indofood, which has an approximate 71.7% effective economic interest in Indofood Agri Resources Ltd., which in turn owns 73.5% in SIMP. Together with the Indofood Group's 7.0% direct interest in SIMP, Indofood has an effective economic interest of approximately 59.6% in SIMP. Accordingly, SIMP is a subsidiary of Indofood (and, therefore, of the Company). MSA is a connected subsidiary of the Company as it is a non-wholly owned subsidiary of SIMP (and, therefore, of the Company) and Mr. Anthoni Salim and companies controlled by him control 10% or more of its voting power. Accordingly, the MSA Subscription by SIMP constitutes a connected transaction for the Company under the Listing Rules.

- 9 February 2021 circular (Circular): following the Company's announcement made on 23 December 2020 in relation to MPIC, through its subsidiary, Beacon PowerGen Holdings Inc. (Beacon PowerGen) (as seller) and Meralco PowerGen Corporation (MGen) (a wholly-owned subsidiary of Meralco and an associated company of the Group) (as buyer) entered into the share purchase agreement (SPA), pursuant to which Beacon PowerGen conditionally agreed to sell (or procure the sale of), and MGen conditionally agreed to purchase 1,077,451,739 common shares (Sale Shares) representing approximately 56% of the total issued and outstanding capital stock of Global Business Power Corporation (GBPC), for an aggregate purchase price of Pesos 22,443 million (equivalent to approximately US$466.6 million or HK$3.6 billion) (subject to adjustment), which will be paid by MGen to Beacon PowerGen in cash in three instalments (Proposed Disposal). The Company provided its Shareholders with a Circular which contained, among other things, (i) further information relating to the Proposed Disposal; (ii) financial information relating to the Group; (iii) other information required by the Listing Rules; and (iv) notice of the special general meeting relating to the Proposed Disposal.

  A special general meeting was convened on 2 March 2021 and the Shareholders approved the Proposed Disposal. Following the closing of the Proposed Disposal, the financial results of GBPC have been deconsolidated and equity accounted for in the financial statements of the Group.

- 19 February 2021 announcement: following the Company's announcement made on 12 March 2018 in relation to the renewal agreement dated 12 March 2018 entered into between D.M. Consunji, Inc. (DMCI) and Maynilad Water Services, Inc., (Maynilad) with regard to the framework agreement for the provision of Services by DMCI to Maynilad (Renewal Agreement), the Company announced that the Renewal Agreement expired in accordance with its terms on 31 December 2020. In order to continue performance of the Services under the Framework Agreement and to allow DMCI to continue to submit proposals for business put out to competitive tender by Maynilad, DMCI and Maynilad entered into the second renewal agreement (Second Renewal Agreement) on 19 February 2021, pursuant to which DMCI and Maynilad have agreed to further renew the Framework Agreement for a term of approximately three years. Save for the revised term and new annual caps set for the years ending 31 December 2021, 2022 and 2023, all other terms and conditions of the Framework Agreement remained in full force and effect.

  The Group has an approximately 51.3% interest in Maynilad Water Holdings Company, Inc. (MWHC), the holding company of Maynilad. DMCI Holdings, Inc. (DMCI Holdings), being the 27.2% shareholder of MWHC, is a connected person of the Company. DMCI is a subsidiary of DMCI Holdings and is, therefore, a connected person of the Company. Accordingly, the execution of the Second Renewal Agreement constitutes a continuing connected transaction for the Company under Chapter 14A of the Listing Rules. The Second Renewal Agreement is on normal commercial terms or better and DMCI is a connected person of the Company at the subsidiary level. Therefore, pursuant to Rule 14A.101 of the Listing Rules, the execution of the Second Renewal Agreement is exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Risk Management and Internal Control
As an investment management and holding company, the Company does not have a separate internal audit department but has a Risk Assessment Committee consisting of one Executive Director and six senior executives which oversees risk management at the Head Office. Also, each of the Group's major operating companies are required to have their own internal audit and risk management functions responsible for the implementation and monitoring of effective internal control systems for operational, financial and regulatory compliance, and risk management. Their effectiveness is continuously evaluated and enhanced by the respective operating companies' audit committees and/or risk committees, which are reviewed by the Company's Risk Assessment Committee and Audit and Risk Management Committee on a semi-annual basis.

As a decentralized organization in which local management have substantial autonomy to run and develop their respective company business, the Group views well developed reporting systems and internal controls as essential. The Board is responsible for maintaining an adequate system of risk management and internal controls in the Group and plays a key role in the implementation and monitoring of internal controls. Their responsibilities include:

- conducting regular board meetings to focus on business strategy, operational issues and financial performance;
- active participation on the boards of subsidiaries and associated companies;
- participating in the approval of annual budgets for each operating company covering strategy, financial and business performance, key risks and opportunities;
- monitoring the compliance with applicable laws and regulations, and also with the First Pacific Code;
- monitoring the quality, timeliness, and content of internal and external reporting; and
- monitoring risks and the effectiveness of internal controls.

In respect of the six months ended 30 June 2021, the Board confirmed that it has received confirmations from the operating companies' audit committees, risk committees and/or internal auditors/chief risk officers on the effectiveness of their risk management and internal control systems and that there was no significant area of concern to be disclosed.

During the six months ended 30 June 2021, the Audit and Risk Management Committee reviewed and advised that:

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

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

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

REVIEW STATEMENT BY THE AUDIT AND RISK MANAGEMENT COMMITTEE
The Audit and Risk Management Committee has reviewed the 2021 interim results, including the accounting policies and practices adopted by the Group. The Audit and Risk Management Committee has also discussed financial reporting, auditing, risk management and internal control matters with the Company's management and its independent auditor.

INTERIM DISTRIBUTION

The Board has declared an interim distribution of HK9.00 cents (US1.15 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 the People's Republic of China; Sterling pounds for shareholders with registered addresses in the United Kingdom and U.S. dollars for shareholders with registered addresses in all other countries. It is expected that the warrants will be dispatched to shareholders on or about Tuesday, 28 September 2021.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Monday, 13 September 2021 to Thursday, 16 September 2021, both days inclusive, during which period no transfer of shares will be registered. The ex-entitlement date will be Thursday, 9 September 2021. 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, 10 September 2021. The interim distribution will be paid to shareholders whose names appear on the Register of Members on Thursday, 16 September 2021 and the payment date will be on or about Tuesday, 28 September 2021.

INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of the Company (www.firstpacific.com) and the website of SEHK (www.hkexnews.hk). The 2021 interim report containing all the information required by the Listing Rules will be uploaded to the above websites and be despatched to those shareholders requiring printed copies before the end of September 2021.

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

Hong Kong, 25 August 2021

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

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

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

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