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## **FIRST PACIFIC COMPANY LIMITED**

### **第一太平洋有限公司**

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

Website: <http://www.firstpacific.com>

**(Stock Code: 00142)**

## **ANNOUNCEMENT MADE BY PHILEX MINING CORPORATION IN RELATION TO ITS UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014**

This Announcement is made by First Pacific Company Limited (“First Pacific” or the “Company”) to provide shareholders of First Pacific and the public with the unaudited consolidated financial results of Philex Mining Corporation (“Philex”), a major operating associate of the Company, for the nine months ended 30 September 2014.

### **Summary**

On 29 October 2014, the board of directors of Philex approved the release of the unaudited consolidated financial results for the nine months ended 30 September 2014. Philex’s unaudited consolidated financial results have been submitted to the Philippine Stock Exchange, Inc. (“PSE”) on 29 October 2014, and have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of The Stock Exchange of Hong Kong Limited (“HKEX”) and the Company.

Philex, a major operating associate of First Pacific, is a company incorporated in the Philippines whose shares are listed on the PSE. First Pacific holds a 31.2% economic interest in Philex (Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic interest in Philex). On 29 October 2014, the board of directors of Philex approved the release of the unaudited consolidated financial results for the nine months ended 30 September 2014. Philex’s unaudited consolidated financial results have been submitted to the PSE on 29 October 2014, which have also been disclosed as the Company’s Overseas Regulatory Announcement on the websites of HKEX and the Company. The unaudited consolidated financial statements have been prepared in conformity with the Philippine Financial Reporting Standards and are presented in Philippine Peso. Philex’s unaudited Consolidated Statements of Income for the nine months ended 30 September 2014 and 30 September 2013 and the unaudited Consolidated Statement of Financial Position as at 30 September 2014 and the audited Consolidated Statement of Financial Position as at 31 December 2013 are provided below:

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014 AND 2013**  
*(Amounts in Peso Thousands, except Earnings Per Share which are in Peso)*

	2014	2013
<b>REVENUE</b>		
Gold	4,492,915	4,178,891
Copper	3,548,821	3,329,540
Silver	60,511	63,050
	<u>8,102,247</u>	<u>7,571,481</u>
Less: Marketing charges	636,225	467,857
	<u>7,466,022</u>	<u>7,103,624</u>
Petroleum	272,331	153,590
Coal	3,197	2,831
Others	–	2,531
	<u>7,741,550</u>	<u>7,262,576</u>
<b>COSTS AND EXPENSES</b>		
Mining and milling costs (including depletion and depreciation)	5,099,531	3,382,155
General and administrative expenses	737,637	999,158
Mine products taxes and royalties	398,346	409,923
Petroleum production costs	122,240	94,968
Handling, hauling and storage	68,587	51,389
Cost of coal sales	3,282	3,369
	<u>6,429,623</u>	<u>4,940,962</u>
<b>INCOME FROM OPERATIONS</b>	<u>1,311,927</u>	<u>2,321,614</u>
<b>OTHER INCOME (CHARGES)</b>		
Gain on sale of assets	764,685	–
Interest income	12,543	28,872
Insurance proceeds	–	1,017,125
Foreign exchange losses	(73,207)	(85,345)
Interest expense	(260,629)	(330,803)
Gain on sale of AFS financial assets	–	239,945
Impairment loss on deferred exploration costs and others	(413,197)	(366,779)
Padcal maintenance costs	–	(439,590)
Others – net	24,449	(111,031)
	<u>54,644</u>	<u>(47,606)</u>
<b>INCOME BEFORE INCOME TAX</b>	<u>1,366,571</u>	<u>2,274,008</u>
<b>PROVISION FOR INCOME TAX</b>	<u>(415,989)</u>	<u>(827,667)</u>
<b>NET INCOME</b>	<u>950,582</u>	<u>1,446,341</u>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO:</b>		
Equity holders of the Parent Company	1,204,804	1,504,396
Non-controlling interests	(254,222)	(58,055)
	<u>950,582</u>	<u>1,446,341</u>
<b>BASIC EARNINGS PER SHARE</b>	<u>0.2440</u>	<u>0.3050</u>
<b>DILUTED EARNINGS PER SHARE</b>	<u>0.2440</u>	<u>0.3050</u>

**PHILEX MINING CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

*(Amounts in Peso Thousands, except Par Value Per Share which is in Peso)*

	<b>30 September 2014 (UNAUDITED)</b>	31 December 2013 (AUDITED)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	2,340,098	4,080,512
Accounts receivable	670,692	295,451
Inventories	2,281,209	2,668,274
Derivative asset	5,259	—
Other current assets	1,381,523	1,343,245
<b>Total Current Assets</b>	<b>6,678,781</b>	<b>8,387,482</b>
<b>Noncurrent Assets</b>		
Property, plant and equipment – net	7,250,523	6,880,096
Available-for-sale (AFS) financial assets	1,200,540	975,380
Deferred income tax assets	11,002	11,818
Goodwill	1,208,020	1,208,020
Deferred exploration costs and other noncurrent assets	24,953,495	22,427,186
<b>Total Noncurrent Assets</b>	<b>34,623,580</b>	<b>31,502,500</b>
<b>TOTAL ASSETS</b>	<b>41,302,361</b>	<b>39,889,982</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable – current	7,530,000	6,176,369
Accounts payable and accrued liabilities	1,785,822	2,321,301
Income tax payable	293,880	11,519
Dividends payable	471,487	460,650
Provisions and subscriptions payables	500,976	805,108
<b>Total Current Liabilities</b>	<b>10,582,165</b>	<b>9,774,947</b>
<b>Noncurrent Liabilities</b>		
Deferred income tax liabilities – net	3,865,911	3,916,378
Loans payable – net of current portion	—	55,014
Pension obligation	23,967	21,598
Provision for losses and mine rehabilitation costs	205,038	204,791
<b>Total Noncurrent Liabilities</b>	<b>4,094,916</b>	<b>4,197,781</b>
<b>TOTAL LIABILITIES</b>	<b>14,677,081</b>	<b>13,972,728</b>
<b>Equity Attributable to Equity Holders of the Parent Company</b>		
Capital Stock – 1 Peso par value	4,940,399	4,936,996
Additional paid-in capital	1,119,329	1,058,497
Retained earnings		
Unappropriated	4,830,384	4,128,826
Appropriated	10,000,000	10,000,000
Net unrealized gain on AFS financial assets	229,848	4,689
Cumulative translation adjustments	53,275	25,116
Net revaluation surplus	1,611,397	1,611,397
Effect of transaction with non-controlling interests	46,610	45,099
	<b>22,831,242</b>	<b>21,810,620</b>
Non-controlling Interests	3,794,038	4,106,634
<b>Total Equity</b>	<b>26,625,280</b>	<b>25,917,254</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>41,302,361</b>	<b>39,889,982</b>

## **GENERAL**

Shareholders should note that the above unaudited and audited consolidated financial results pertain only to Philex and not to First Pacific itself.

The above information only refers to certain sections of Philex's disclosure and shareholders should refer to Philex's original filing submitted to the PSE (<http://www.pse.com.ph>), as well as disclosed as the Company's Overseas Regulatory Announcement on the websites of the HKEX and the Company on 29 October 2014.

By Order of the Board  
**First Pacific Company Limited**  
**Manuel V. Pangilinan**  
*Managing Director and CEO*

Hong Kong, 29 October 2014

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

***Executive Directors:***

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

***Non-executive Directors:***

Anthoni Salim, *Chairman*  
Benny S. Santoso  
Tedy Djuhar  
Napoleon L. Nazareno

***Independent Non-executive Directors:***

Graham L. Pickles  
Prof. Edward K.Y. Chen, *GBS, CBE, JP*  
Margaret Leung Ko May Yee, *SBS, JP*  
Philip Fan Yan Hok