FIRST PACIFIC

First Pacific Company Limited

Stock Code: 00142

INTERIM REPORT 2021

Creating Long-term Value in Asia

Corporate Profile

FIRST PACIFIC is a Hong Kong-based investment management and holding company with operations located in Asia-Pacific. Our principal businesses relate to consumer food products, telecommunications, infrastructure and natural resources.

Our mission is to unlock value in our operating companies by:

- Delivering dividend/distribution returns to shareholders
- Delivering share price/value appreciation of First Pacific and its operating companies
- Making further investments in value-enhancing businesses, taking into consideration all relevant criteria, including Environmental, Social and Governance ("ESG") factors to better manage risk and generate sustainable long-term returns

Our investment criteria are clear:

- Investments must be located in or trading with the fast-growing economies of emerging Asia
- They must be related to our four industry sectors (consumer food products, telecommunications, infrastructure and natural resources)
- Companies invested in must have a strong or dominant market position in their respective sectors
- They must possess the potential for substantial cash flows
- First Pacific must obtain management control or significant influence to ensure our goals can be met

Our strategies are threefold:

- Identify undervalued or underperforming assets with strong growth potential and possible synergies
- Manage businesses by setting strategic direction, developing business plans and defining targets
- Raise reporting and ESG standards to world-class levels at First Pacific and its operating companies

First Pacific's business represents a balance of assets in our core industries and markets in PT Indofood Sukses Makmur Tbk ("Indofood"), PLDT Inc. ("PLDT") and Metro Pacific Investments Corporation ("MPIC"). Indofood is the largest vertically integrated food company in Indonesia and PLDT is the dominant integrated telecommunications and digital services provider in the Philippines with the largest fixed broadband network and the largest, most modern, and most sophisticated wireless network in the country. MPIC is a leading infrastructure investment management and holding company in the Philippines, with holdings in the country's largest electricity distributor, toll road operator, water distributor, and hospital group. MPIC also holds assets in the storage of petroleum products.

First Pacific is also invested in Philex Mining Corporation ("Philex"), PXP Energy Corporation ("PXP"), PacificLight Power Pte. Ltd. ("PLP") and Roxas Holdings, Inc. ("RHI"). Philex is one of the largest metal mining companies in the Philippines, producing gold, copper and silver. PXP is an upstream oil and gas company with a number of service contracts in the Philippines. PLP is the operator of one of Singapore's most efficient gas-fired power plants and RHI runs a sugar and ethanol business in the Philippines.

Listed in Hong Kong, First Pacific's shares are also available for trading in the United States through American Depositary Receipts.

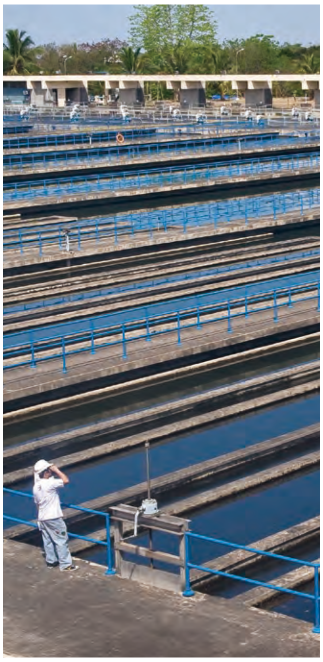
As at 24 August 2021, First Pacific's economic interest in Indofood is 50.1%, in PLDT 25.6%, in MPIC 43.4%, in Philex 31.2%[(1)], in PXP 35.7%[(1)(2)], in FPM Power Holdings Limited ("FPM Power") 67.8%[(3)] and in FP Natural Resources Limited ("FP Natural Resources") 80.8%[(4)].

(1) Two Rivers Pacific Holdings Corporation ("Two Rivers"), a Philippine affiliate of First Pacific, holds additional 15.0% and 6.7% economic interests in Philex and PXP, respectively.

(2) Includes a 14.0% effective economic interest in PXP held through First Pacific's interest in Philex.

(3) Includes a 7.8% effective economic interest in FPM Power held through First Pacific's indirect interests in Manila Electric Company ("Meralco").

(4) Includes a 10.8% effective economic interest in FP Natural Resources held through First Pacific's indirect interests in Indofood Agri Resources Ltd. ("IndoAgri"). FP Natural Resources holds 32.7% in RHI, and its Philippine affiliate First Agri Holdings Corporation ("FAHC") holds an additional 30.2% economic interest in RHI.



Contents

Half-year Financial Highlights

US$209.5m
Recurring profit ▲ 38%

US$181.0m
Reported profit ▲ 80%

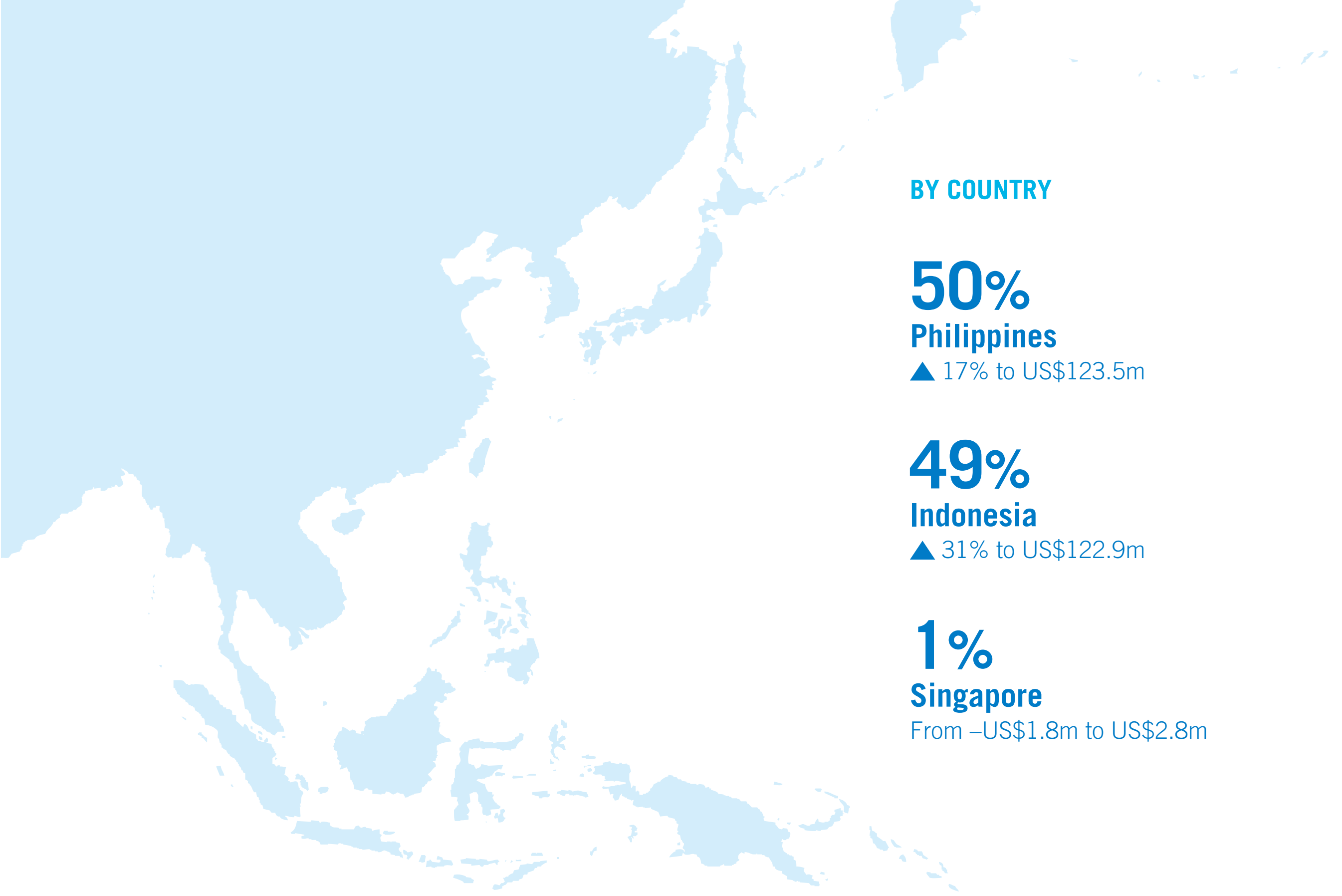
US$4.2b
Turnover ▲ 23%

US$3.2b
Equity attributable to owners of the parent ▲ 1%

US$26.1b
Total assets ▼ 3%

US$1.5b
Market capitalization ▲ 7%

Profit Contribution from Operations ▲ 26% to US$249.2m



BY COUNTRY

50%
Philippines
▲ 17% to US$123.5m

49%
Indonesia
▲ 31% to US$122.9m

1%
Singapore
From –US$1.8m to US$2.8m

BY SECTOR

47%
Consumer food products
▲ 31% to US$118.4m

29%
Telecommunications
▲ 14% to US$71.2m

21%
Infrastructure
▲ 24% to US$52.7m

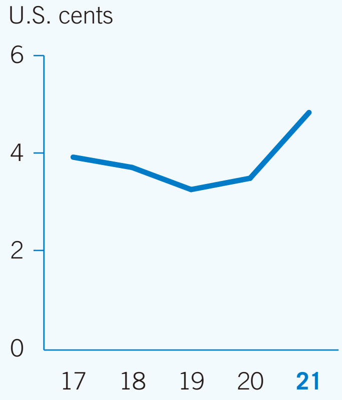
3%
Natural resources
▲ 214% to US$6.9m

- Interim distribution at U.S. 1.15 cents per share
- Interim distribution payout at 24% of recurring profit
- Bought back and cancelled 21.7 million shares at US$7.5 million
- Head Office dividend and fee income from operating companies at US$68.0 million
- Head Office net interest expense at US$25.8 million
- Head Office net debt at approximately US$1.3 billion

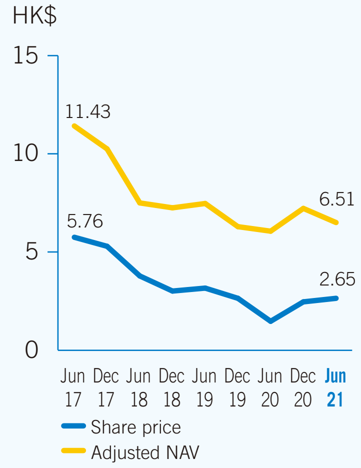
Five-year Data

(Per share)

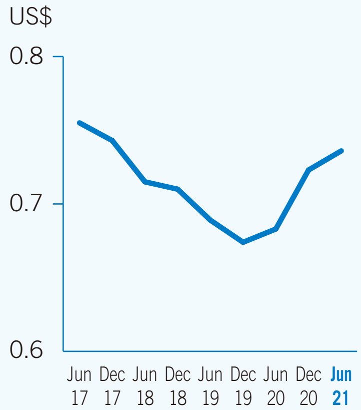
Half-year Basic Recurring Earnings



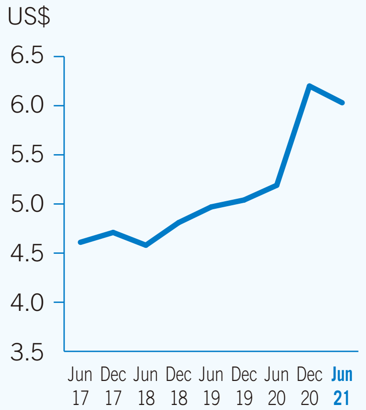
Share Price vs Adjusted NAV



Equity attributable to owners of the parent



Total Assets



Review of Operations

Below is an analysis of results by individual company.

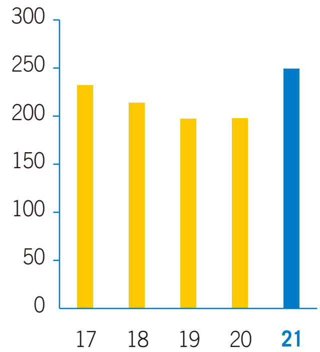
Contribution and Profit Summary

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 Global Business Power Corporation ("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 Don Muang Tollway Public Company Limited ("DMT") (US$9.6 million). 1H20's non-recurring losses of US$53.4 million mainly includes 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).

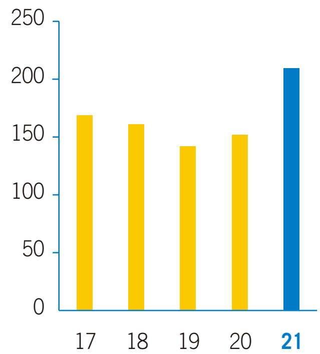
Contribution from Operations

US$ millions



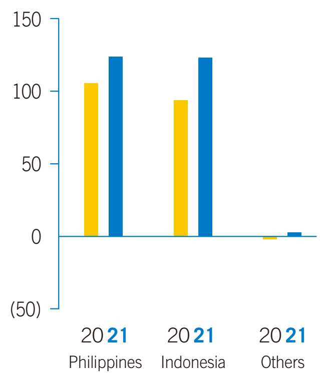
Recurring Profit

US$ millions



Contribution by Country

US$ millions



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 31 December 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
THE SYMBOL OF QUALITY FOODS

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 fulfill 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 WiFi 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.

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 Meralco PowerGen Corporation ("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 Holdings Inc. ("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.

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 / PacificLight

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

ROXAS HOLDINGS, INC.

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.

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

US$ millions	At 30 June 2021 Net debt(i)	Total equity	Gearing(ii) (times)	At 31 December 2020 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

US$ millions	At 30 June 2021 Net debt(i)	Total equity	Gearing(ii) (times)	At 31 December 2020 Net debt(i)	Total equity	Gearing(ii) (times)
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

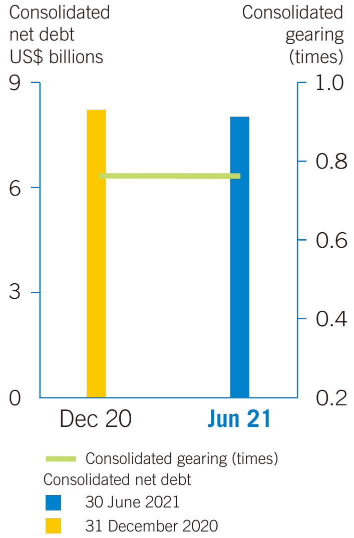
(i) Includes short-term deposits and restricted cash
(ii) Calculated as net debt divided by total equity
(iii) Group adjustments mainly represents elimination of goodwill arising from acquisitions prior to 1 January 2001 against the Group's retained earnings and other standard consolidation adjustments 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 dividend 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. ("Beacon Electric") from PLDT Communications and Energy Ventures, Inc. ("PCEV").

Consolidated Net Debt and Gearing



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

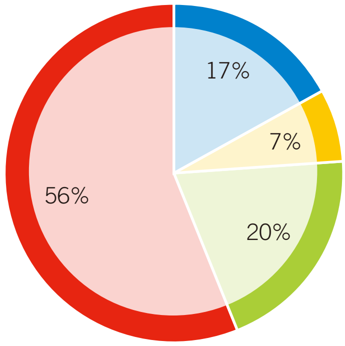
The maturity profile of debts of consolidated and associated companies follows.

Consolidated

US$ millions	Carrying amounts At 30 June 2021	Carrying amounts At 31 December 2020	Nominal values At 30 June 2021	Nominal values 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

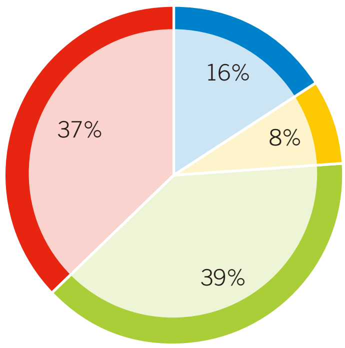
The change in the Group's debt maturity profile from 31 December 2020 to 30 June 2021 mainly reflects a shift in long-term borrowings among the different maturity periods for Head Office, Indofood and MPIC, in particular Indofood's issuance of 10-year and 30-year bonds with a total amount of US$1,750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

Maturity Profile of Consolidated Debt 30 June 2021



	US$ millions
Within one year	1,808.8
One to two years	736.3
Two to five years	2,112.4
Over five years	6,047.5
Total	**10,705.0**

Maturity Profile of Consolidated Debt 31 December 2020



	US$ millions
Within one year	1,659.7
One to two years	867.9
Two to five years	4,113.2
Over five years	3,992.8
Total	**10,633.6**

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. ("MPCALA"), 100% (31 December 2020: 100%) in Cebu Cordova Link Expressway Corporation ("CCLEC"), 35% (31 December 2020: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (31 December 2020: 88.9%) in PT Bintaro Serpong Damai ("PT BSD"), 99.5% (31 December 2020: 99.5%) in PT Bosowa Marga Nusantara ("PT BMN"), 99.4% (31 December 2020: 99.4%) in PT Jalan Tol Seksi Empat ("PT JTSE"), 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

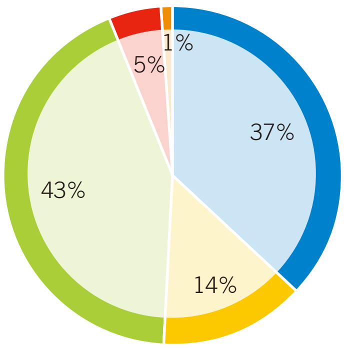
US$ millions	US$	Rupiah	Peso	S$	Others	Total
Total borrowings	4,003.4	1,465.6	4,581.2	490.8	164.0	**10,705.0**
Cash and cash equivalents[(i)]	(610.0)	(730.4)	(1,232.5)	(23.9)	(74.8)	**(2,671.6)**
Net Debt	3,393.4	735.2	3,348.7	466.9	89.2	**8,033.4**
Representing:						
Head Office	1,363.8	–	(13.3)	–	(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

Analysis of Total Borrowings by Currency



	US$ millions
US$	4,003.4
Rupiah	1,465.6
Peso	4,581.2
S$	490.8
Others	164.0
Total	**10,705.0**

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.

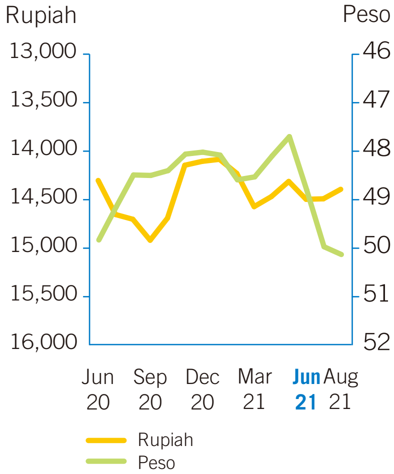
Equity Market Risk

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.

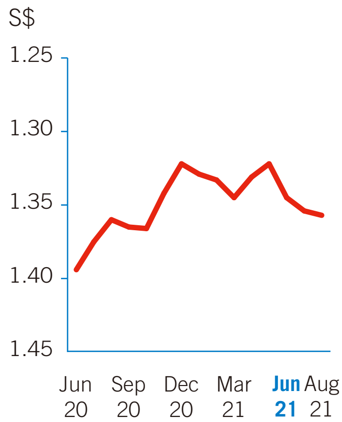
First Pacific's listed investments are located in Indonesia, the Philippines and Singapore. Accordingly, in addition to operating factors within the Company's control, the Company also has an equity market risk in respect of general investor sentiment towards these countries. Changes in the stock market indices of Indonesia, the Philippines and Singapore are summarized as follows:

	Jakarta Composite Index	**Philippine Composite Index**	**Singapore Straits Times Index**
At 31 December 2020	5,979	7,140	2,844
At 30 June 2021	**5,985**	**6,902**	**3,134**
Change during the first half of 2021	+0.1%	–3.3%	+10.2%

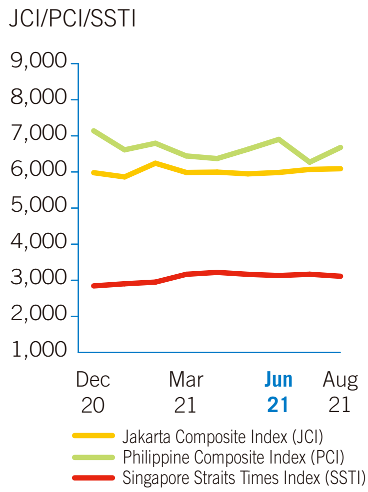
Rupiah and Peso Closing Rates against the U.S. Dollars



Singapore Dollars Closing Rates against the U.S. Dollars



Stock Market Indices



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

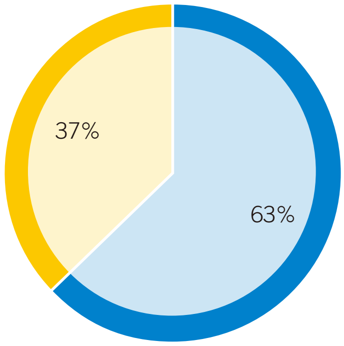
US$ millions	Fixed interest rate borrowings(i)	Variable interest rate borrowings(i)	Cash and cash equivalents(ii)	Net debt
PLDT	3,757.1	1,074.5	(474.8)	**4,356.8**
Philex	172.1	28.9	(25.6)	**175.4**

(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**

Interest Rate Profile



	US$ millions
Fixed	6,761.4
Variable	3,943.6
Total	**10,705.0**

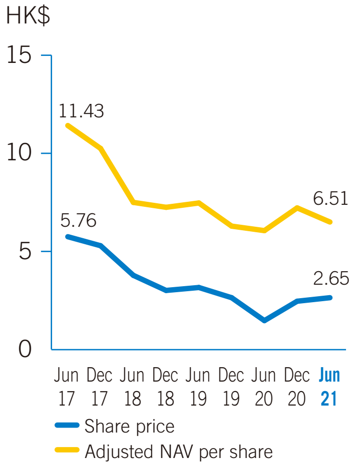
Adjusted NAV Per Share

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

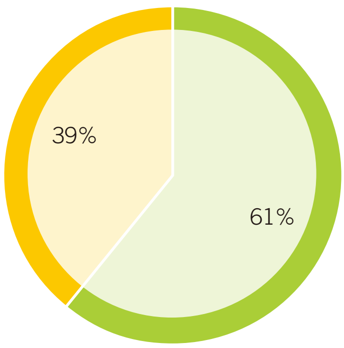
US$ millions	Basis	At 30 June 2021	At 31 December 2020
Indofood	(i)	**1,872.7**	2,134.9
PLDT	(i)	**1,463.8**	1,541.5
MPIC	(i)	**1,054.0**	1,178.5
Philex	(i)	**301.5**	235.2
PXP	(i)	**90.2**	127.3
FP Natural Resources	(ii)	**21.5**	27.1
Head Office – Other assets	(iii)	**103.3**	104.9
– Net debt		**(1,300.2)**	(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

Share Price vs Adjusted NAV Per Share



Adjusted NAV by Country 30 June 2021



	US$ millions
Philippines	2,931.0
Indonesia	1,872.7
Total	**4,803.7**

Employee Information

The following information relates to the Head Office and its subsidiary companies.

For the six months ended 30 June US$ millions	2021	2020 (Restated)[i]
Employee Remuneration (including Directors' Remuneration)		
Basic salaries	**261.0**	236.2
Bonuses	**106.0**	99.1
Benefits in kind	**51.3**	53.7
Pension contributions	**20.9**	21.6
Retirement and severance allowances	**2.0**	0.7
Share-based compensation benefit expenses	**1.0**	1.7
Total	**442.2**	413.0
Arising from:		
Continuing operations	**434.5**	399.9
A discontinued operation	**7.7**	13.1
	442.2	413.0

Number of Employees	2021	2020 (Restated)[i]
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**[ii]	964
	102,255	100,834

(i) The comparative figures have been restated as if the operation of GBPC discontinued in December 2020 had been discontinued at the beginning of 2020
(ii) Relates to the period from 1 January 2021 to 31 March 2021 (the date of deconsolidation of GBPC)

For details regarding the Group's remuneration policies for Directors and senior executives, please refer to page 88 of the Company's 2020 Annual Report.

Condensed Interim Consolidated Financial Statements

Condensed Consolidated Income Statement

For the six months ended 30 June US$ millions	Notes	(Unaudited) **2021**	 2020 (Restated)[i]
Turnover	2	**4,226.0**	3,437.7
Cost of sales		**(2,855.7)**	(2,365.3)
Gross Profit		**1,370.3**	1,072.4
Selling and distribution expenses		**(354.9)**	(304.0)
Administrative expenses		**(354.8)**	(289.1)
Other operating expenses, net	3(A)	**(66.2)**	(47.4)
Interest income		**19.8**	38.1
Finance costs	3(B)	**(233.9)**	(205.4)
Share of profits less losses of associated companies and joint ventures		**167.3**	148.3
Profit Before Taxation from Continuing Operations	3	**547.6**	412.9
Taxation	4	**(140.7)**	(151.9)
Profit for the Period from Continuing Operations		**406.9**	261.0
Profit for the period from a discontinued operation	5(B)	**90.7**	37.9
Profit for the Period		**497.6**	298.9
Profit Attributable to:			
Owners of the parent	6	**181.0**	100.6
Non-controlling interests		**316.6**	198.3
		497.6	298.9
Profit Attributable to Owners of the Parent arising from:			
Continuing operations		**147.7**	93.4
A discontinued operation		**33.3**	7.2
		181.0	100.6
Earnings Per Share Attributable to Owners of the Parent (U.S. cents)	7		
Basic			
Continuing operations		**3.41**	2.15
A discontinued operation		**0.77**	0.17
		4.18	2.32
Diluted			
Continuing operations		**3.40**	2.15
A discontinued operation		**0.77**	0.17
		4.17	2.32

(i) Refer to Note 23

Details of the interim distribution declared for the period are disclosed in Note 8 to the Condensed Interim Consolidated Financial Statements.

The notes on pages 39 to 69 form an integral part of the Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June US$ millions	(Unaudited) **2021**	2020
Profit for the Period	**497.6**	298.9
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
Unrealized gains/(losses) on cash flow hedges	**58.1**	(66.8)
Realized (gains)/losses on cash flow hedges	**(14.6)**	18.3
Income tax related to cash flow hedges	**(4.0)**	0.7
Share of other comprehensive loss of associated companies and joint ventures	**(11.1)**	(41.8)
Reclassification adjustment for foreign operations disposed of during the period	**(22.2)**	–
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
Actuarial losses on defined benefit pension plans	**(0.1)**	(1.4)
Share of other comprehensive loss of associated companies and joint ventures	**(14.6)**	(3.3)
Other Comprehensive Loss for the Period, Net of Tax	**(222.2)**	(72.6)
Total Comprehensive Income for the Period	**275.4**	226.3
Income Attributable to:		
Owners of the parent	**112.4**	65.6
Non-controlling interests	**163.0**	160.7
	275.4	226.3

Condensed Consolidated Statement of Financial Position

US$ millions	Notes	At 30 June 2021 (Unaudited)	At 31 December 2020 (Audited)
Non-current Assets			
Property, plant and equipment	9	**3,986.4**	4,038.1
Biological assets		**21.8**	22.2
Associated companies and joint ventures	10	**5,264.1**	5,314.4
Goodwill		**4,251.1**	4,366.3
Other intangible assets	11	**6,121.7**	5,927.3
Investment properties		**9.2**	9.3
Accounts receivable, other receivables and prepayments		**149.4**	63.9
Financial assets at fair value through other comprehensive income		**455.8**	426.0
Deferred tax assets		**88.3**	110.1
Other non-current assets		**655.8**	687.5
		21,003.6	20,965.1
Current Assets			
Cash and cash equivalents and short-term deposits		**2,638.0**	2,377.8
Restricted cash	12	**33.6**	50.2
Financial assets at fair value through other comprehensive income		**107.6**	3.3
Accounts receivable, other receivables and prepayments	13	**1,296.5**	1,073.9
Inventories		**930.6**	835.6
Biological assets		**49.8**	55.7
		5,056.1	4,396.5
Assets classified as held for sale		**–**	1,582.0
		5,056.1	5,978.5
Current Liabilities			
Accounts payable, other payables and accruals	14	**1,722.9**	1,552.8
Short-term borrowings		**1,808.8**	1,659.7
Provision for taxation		**119.0**	180.6
Current portion of deferred liabilities, provisions and payables	15	**1,172.0**	593.9
		4,822.7	3,987.0
Liabilities directly associated with the assets classified as held for sale		**–**	843.8
		4,822.7	4,830.8
Net Current Assets		**233.4**	1,147.7
Total Assets Less Current Liabilities		**21,237.0**	22,112.8
Equity			
Issued share capital		**43.2**	43.4
Shares held for share award scheme	16	**(2.0)**	(2.4)
Retained earnings		**1,784.1**	1,604.4
Other components of equity		**1,358.3**	1,494.6
Equity attributable to owners of the parent		**3,183.6**	3,140.0
Non-controlling interests		**7,253.3**	7,488.5
Total Equity		**10,436.9**	10,628.5
Non-current Liabilities			
Long-term borrowings		**8,896.2**	8,973.9
Deferred liabilities, provisions and payables	15	**1,525.9**	2,111.3
Deferred tax liabilities		**378.0**	399.1
		10,800.1	11,484.3
		21,237.0	22,112.8

The notes on pages 39 to 69 form an integral part of the Condensed Interim Consolidated Financial Statements.

On behalf of the Board of Directors

CHRISTOPHER H. YOUNG
Executive Director and Chief Financial Officer
25 August 2021

Condensed Consolidated Statement of Changes in Equity

		Equity attributable to owners of the parent												
US$ millions	Note	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive loss (Note 17)	Differences arising from changes in equities of subsidiary companies	Reserves for assets classified as held for sale	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	**(Unaudited) Total equity**
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	5(A)	–	–	–	–	–	–	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**

The notes on pages 39 to 69 form an integral part of the Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June US$ millions	Notes	(Unaudited) **2021**	 2020 (Restated)[i]
Profit Before Taxation			
From continuing operations		**547.6**	412.9
From a discontinued operation	5(B)	**86.4**	45.3
Adjustments for:			
Finance costs		**243.3**	221.4
Depreciation		**175.1**	199.7
Amortization of other intangible assets		**71.2**	58.9
Provision for impairment losses		**39.9**	66.5
Write-down of inventories to net realizable value	3(C)	**7.3**	11.4
Loss on changes in fair value of biological assets	3(A)	**2.4**	10.0
Employee share-based compensation benefit expenses		**1.0**	1.7
Share of profits less losses of associated companies and joint ventures		**(170.4)**	(159.3)
Gain on deconsolidation of a discontinued operation	5(A)	**(66.6)**	–
Gain on disposal of an associated company	3(A)	**(22.2)**	–
Interest income		**(19.9)**	(40.2)
Reversal of provision for onerous contracts, net	3(C)	**(4.4)**	(4.4)
(Gain)/loss on disposal of property, plant and equipment, net	3(A)	**(0.6)**	0.5
Others		**(1.1)**	5.3
		889.0	829.7
Decrease/(increase) in working capital		**77.0**	(124.2)
Net cash generated from operations		**966.0**	705.5
Interest received		**18.9**	40.9
Interest paid		**(223.0)**	(202.3)
Taxes paid		**(213.1)**	(167.7)
Net Cash Flows From Operating Activities		**548.8**	376.4
Disposal of an associated company	18(A)	**148.4**	–
Dividends received from associated companies		**131.8**	148.0
Deconsolidation of a discontinued operation	18(B)	**126.9**	–
Decrease in restricted cash		**24.0**	3.6
Dividends received from financial assets at fair value through other comprehensive income		**10.7**	5.0
Decrease in short-term deposits with original maturity of more than three months		**2.0**	157.8
Disposal of property, plant and equipment		**1.1**	1.0
Investments in other intangible assets		**(355.0)**	(380.9)
Payments for purchase of property, plant and equipment		**(212.8)**	(128.8)
Investment in a joint venture	18(C)	**(147.5)**	–
Acquisition of financial assets at fair value through other comprehensive income		**(105.1)**	(349.0)
Instalment payment for acquisition of a subsidiary company	18(D)	**(50.7)**	(48.5)
Advances to joint ventures		**(15.4)**	–
Investments in biological assets		**(5.1)**	(4.5)
Increased investments in associated companies		**(2.0)**	(1.2)
Increased investments in joint ventures	18(E)	**(0.4)**	(64.5)
Proceeds from an instalment payment for disposal of a subsidiary company		**–**	31.7
Disposal of financial assets at fair value through other comprehensive income		**–**	1.1
Disposal of investment properties		**–**	1.0
Net Cash Flows Used in Investing Activities		**(449.1)**	(628.2)

(i) Refer to Note 23

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June US$ millions	Notes	(Unaudited) **2021**	 2020 (Restated)[i]
Proceeds from new bank borrowings and other loans		**3,175.9**	1,329.3
Capital contributions from non-controlling shareholders		**19.9**	6.6
Repayment of bank borrowings and other loans		**(2,989.2)**	(956.8)
Dividends paid to non-controlling shareholders by subsidiary companies		**(69.6)**	(61.2)
Increased investments in subsidiary companies	18(F)	**(34.8)**	(4.1)
Principal portion of lease payments		**(14.4)**	(16.8)
Payments for concession fees payable		**(11.9)**	(14.9)
Repurchase of shares		**(7.5)**	–
Payments for purchase of shares under a long-term incentive plan		**(1.6)**	(0.2)
Divestments of interests in subsidiary companies	18(G)	**–**	92.1
Repurchase of shares by a subsidiary company		**–**	(13.9)
Net Cash Flows From Financing Activities		**66.8**	360.1
Net Increase in Cash and Cash Equivalents		**166.5**	108.3
Cash and cash equivalents at 1 January		**2,363.2**	2,650.8
Exchange translation		**(51.0)**	6.0
Cash and Cash Equivalents at 30 June		**2,478.7**	2,765.1
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
Less: short-term deposits with original maturity of more than three months		**(159.3)**	(36.5)
Cash and Cash Equivalents at 30 June		**2,478.7**	2,765.1

(i) Refer to Note 23

The notes on pages 39 to 69 form an integral part of the Condensed Interim Consolidated Financial Statements.

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 the 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.

The carrying amounts of the Group's non-derivative liabilities and derivative liabilities at 30 June 2021 that have yet to transition to an alternative RFR are summarized as follows:

US$ millions	At 30 June 2021
Non-derivative liabilities	
Bank loans – US$ LIBOR	**1,343.9**
– S$ Swap Offer Rate	**490.8**
– Japanese Yen LIBOR	**66.0**
	1,900.7
Loans from a non-controlling shareholder – US$ LIBOR	**18.1**
	1,918.8
Derivative liabilities	
Interest rate swaps – US$ LIBOR	**1.4**
Total	**1,920.2**

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 US$ millions	**2021**	2020 (Restated)
Turnover		
Sale of goods		
– Consumer Food Products	**3,295.9**	2,722.0
Sale of electricity		
– Infrastructure	**418.2**	256.9
Rendering of services		
– Consumer Food Products	**68.7**	67.3
– Infrastructure	**443.2**	391.5
Total	**4,226.0**	3,437.7

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. Details of the Group's principal investments are provided on pages 79 and 80.

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 US$ millions	Consumer Food Products	Telecom-munications	Infrastructure	Natural Resources	Head Office	**2021 Total**
Revenue						
Turnover						
– Point in time	3,295.9	–	–	–	–	**3,295.9**
– Over time	68.7	–	861.4	–	–	**930.1**
Total	3,364.6	–	861.4	–	–	**4,226.0**
Results						
Recurring profit	118.4	71.2	52.7	6.9	(39.7)	**209.5**
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**
– Others	7,854.7	–	7,088.2	–	7.5	**14,950.4**
	8,417.4	1,196.6	10,431.7	161.3	7.5	**20,214.5**
Other assets	3,549.9	–	2,031.5	–	263.8	**5,845.2**
Total assets	11,967.3	1,196.6	12,463.2	161.3	271.3	**26,059.7**
Borrowings	3,829.3	–	5,443.5	–	1,432.2	**10,705.0**
Other liabilities	2,299.1	–	2,436.6	–	182.1	**4,917.8**
Total liabilities	6,128.4	–	7,880.1	–	1,614.3	**15,622.8**
Other Information						
Depreciation and amortization	(154.0)	–	(91.2)	–	(2.1)	**(247.3)**
Loss on changes in fair value of biological assets	(2.4)	–	–	–	–	**(2.4)**
Impairment losses	(25.3)	–	(21.9)	–	–	**(47.2)**
Interest income	11.3	–	5.5	–	3.0	**19.8**
Finance costs	(96.1)	–	(110.9)	–	(26.9)	**(233.9)**
Share of profits less losses of associated companies and joint ventures	4.4	71.9	89.5	1.5	–	**167.3**
Taxation	(114.2)	–	(23.7)	–	(2.8)	**(140.7)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	192.8	–	534.1	–	0.1	**727.0**

By Geographical Market – 2021

For the six months ended/at 30 June US$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	**2021 Total**
Revenue					
Turnover					
– Consumer Food Products	2,587.3	82.2	106.8	588.3	**3,364.6**
– Infrastructure	21.4	426.9	412.9	0.2	**861.4**
Total	2,608.7	509.1	519.7	588.5	**4,226.0**
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**

By Principal Business Activity – 2020

For the six months ended 30 June/at 31 December US$ millions	Consumer Food Products	Telecom-munications	Infrastructure	Natural Resources	Head Office	2020 Total
Revenue (Restated)						
Turnover						
– Point in time	2,722.0	–	–	–	–	2,722.0
– Over time	67.3	–	648.4	–	–	715.7
Total	2,789.3	–	648.4	–	–	3,437.7
Results						
Recurring profit	90.1	62.5	42.6	2.2	(45.7)	151.7
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
– Others	8,043.0	–	6,896.6	–	10.1	14,949.7
	8,621.5	1,201.5	10,270.1	160.9	10.1	20,264.1
Other assets	3,253.1	–	1,600.4	–	244.0	5,097.5
Segment assets	11,874.6	1,201.5	11,870.5	160.9	254.1	25,361.6
Assets classified as held for sale	–	–	1,582.0	–	–	1,582.0
Total assets	11,874.6	1,201.5	13,452.5	160.9	254.1	26,943.6
Borrowings	3,887.6	–	5,315.1	–	1,430.9	10,633.6
Other liabilities	2,270.4	–	2,430.5	–	136.8	4,837.7
Segment liabilities	6,158.0	–	7,745.6	–	1,567.7	15,471.3
Liabilities directly associated with the assets classified as held for sale	–	–	843.8	–	–	843.8
Total liabilities	6,158.0	–	8,589.4	–	1,567.7	16,315.1
Other Information (Restated)						
Depreciation and amortization	(143.3)	–	(78.0)	–	(3.0)	(224.3)
Loss on changes in fair value of biological assets	(10.0)	–	–	–	–	(10.0)
Impairment losses	(65.1)	–	(0.5)	–	–	(65.6)
Interest income	15.9	–	16.5	–	5.7	38.1
Finance costs	(56.8)	–	(113.1)	–	(35.5)	(205.4)
Share of profits less losses of associated companies and joint ventures	(0.2)	64.0	83.5	1.0	–	148.3
Taxation	(97.6)	–	(46.6)	–	(7.7)	(151.9)
Additions to non-current assets (other than financial instruments and deferred tax assets)	122.5	–	457.4	–	–	579.9

By Geographical Market – 2020

For the six months ended 30 June/at 31 December US$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	2020 Total
Revenue (Restated)					
Turnover					
– Consumer Food Products	2,362.5	126.0	22.3	278.5	2,789.3
– Infrastructure	15.7	378.8	253.9	–	648.4
Total	2,378.2	504.8	276.2	278.5	3,437.7
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

A reconciliation between profit before taxation as shown in the condensed consolidated income statement and recurring profit is as follows:

For the six months ended 30 June US$ millions	2021	2020 (Restated)
Profit before taxation		
– Continuing operations	**547.6**	412.9
– A discontinued operation (Note 5(B))	**86.4**	45.3
Exclusion of:		
– Foreign exchange and derivative losses/(gains), net (Note 6)	**58.5**	(12.7)
– Loss on changes in fair value of biological assets (Note 3(A))	**2.4**	10.0
– Non-recurring items	**58.5**	106.6
Deduction of attributable taxation and non-controlling interests	**(543.9)**	(410.4)
Recurring Profit	**209.5**	151.7

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 US$ millions	2021	2020 (Restated)
Foreign exchange and derivative losses/(gains), net	**51.0**	(12.6)
Impairment losses		
– An associated company and a joint venture	**15.7**	–
– Property, plant and equipment (Note 9)	**15.4**	31.5
– Other receivables	**7.3**	0.9
– Goodwill	**–**	21.4
Loss on changes in fair value of biological assets (Note 2)	**2.4**	10.0
Gain on disposal of an associated company	**(22.2)**	–
Dividend income from financial assets at fair value through other comprehensive income (“FVOCI”)	**(10.7)**	(5.0)
(Gain)/loss on disposal of property, plant and equipment, net	**(0.6)**	0.5
Other expenses	**7.9**	0.7
Total	**66.2**	47.4

(B) Finance Costs

For the six months ended 30 June US$ millions	2021	2020 (Restated)
Finance costs on		
– Bank borrowings and other loans	**308.1**	269.1
– Lease liabilities	**2.1**	2.3
Less: Finance costs capitalized in		
– Other intangible assets	**(71.8)**	(62.9)
– Property, plant and equipment	**(4.5)**	(3.1)
Total	**233.9**	205.4

(C) Other items

For the six months ended 30 June US$ millions	2021	2020 (Restated)
Cost of inventories sold	**1,640.7**	1,370.8
Cost of services rendered	**616.4**	443.2
Employees' remuneration	**434.5**	399.9
Depreciation	**175.1**	165.2
Amortization of other intangible assets	**71.2**	57.4
Write-down of inventories to net realizable value	**7.3**	11.4
Impairment losses on accounts receivable	**1.5**	0.4
Reversal of provision for onerous contracts, net	**(4.4)**	(4.4)

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 US$ millions	2021	2020 (Restated)
Subsidiary Companies – Overseas		
Current taxation	**139.1**	150.4
Deferred taxation	**1.6**	1.5
Total	**140.7**	151.9

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

For the six months ended 30 June US$ millions	2021	2020 (Restated)
Associated Companies and Joint Ventures – Overseas		
Current taxation	**50.8**	60.8
Deferred taxation	**35.6**	(22.9)
Total	**86.4**	37.9

On 26 March 2021, the CREATE Act was signed into law by the President of the Philippines. The CREATE law reduces the corporate income tax rate for the Group's operating companies in the Philippines to 25% from 30% with retroactive effect from 1 July 2020. The impacts of the CREATE law on the Group's taxation and share of taxation of associated companies and joint ventures are summarized as follows:

For the six months ended 30 June US$ millions	2021
Subsidiary Companies – Overseas	
Current taxation	**(6.4)**
Deferred taxation	**(12.3)**
Total	**(18.7)**

For the six months ended 30 June US$ millions	2021
Associated Companies and Joint Ventures – Overseas	
Current taxation	**(10.6)**
Deferred taxation	**40.0**
Total	**29.4**

In March 2020, the corporate income tax rates in Indonesia have been reduced from 25% to 22% for fiscal years 2020 and 2021, and further to 20% starting 2022. As a result, the Group recognized a net deferred tax charge of US$10.5 million upon the remeasurement of net deferred tax assets during the six-month period ended 30 June 2020.

5. A Discontinued Operation

On 23 December 2020, Beacon PowerGen, a wholly-owned subsidiary company of MPIC, entered into a sale and purchase agreement to sell its 56% interest in GBPC to MGen, a wholly-owned subsidiary company of Meralco and an associated company of the Group, for a consideration of approximately Pesos 22.4 billion (US$464.7 million), which was subsequently adjusted to Pesos 21.2 billion (US$439.2 million) to reflect the dividend of Pesos 1.2 billion (US$25.5 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 Group'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) Details of the Deconsolidation of GBPC are Summarized as Follows:

US$ millions	2021
Consideration, Net of Transaction Costs	
Cash and cash equivalents[(i)]	**286.8**
Accounts receivable, other receivables and prepayments (Current)[(ii)]	**87.4**
Accounts receivable, other receivables and prepayments (Non-current)[(ii)]	**85.8**
Total	**460.0**
Net Assets Deconsolidated	
Property, plant and equipment	**985.1**
Investments in associated companies and joint ventures	**91.0**
Other intangible assets	**48.0**
Deferred tax assets	**18.3**
Other non-current assets	**11.7**
Cash and cash equivalents	**159.9**
Short-term deposits with original maturity of more than three months	**6.1**
Restricted cash	**35.5**
Accounts receivable, other receivables and prepayments (Current)	**136.4**
Inventories	**45.5**
Accounts payable, other payables and accruals	**(125.8)**
Short-term borrowings	**(163.5)**
Provision for taxation	**(9.6)**
Long-term borrowings	**(403.1)**
Deferred liabilities, provisions and payables	**(44.5)**
Deferred tax liabilities	**(41.4)**
Total Net Assets Deconsolidated	**749.6**
Non-controlling interests in net assets deconsolidated	**(356.2)**
Total Share of Net Assets Deconsolidated	**393.4**
Gain on Deconsolidation	**66.6**
Net Cash Inflow per the Condensed Interim Consolidated Statement of Cash Flows	**126.9**

(i) Represents cash consideration of US$289.0 million including the dividend of US$25.5 million subsequently received in May 2021, net of transaction costs paid of US$2.2 million

(ii) Represents the present value of instalment receivables to be received by MPIC in September 2021 and September 2022

(B) The Results of GBPC for the Periods are as Follows:

US$ millions	For the period from 1 January 2021 to 31 March 2021 (the date of deconsolidation)	For the six months ended 30 June 2020
Turnover	**103.8**	213.0
Cost of sales and services	**(70.2)**	(138.7)
Gross Profit	**33.6**	74.3
Administrative expenses	**(7.2)**	(25.9)
Other operating expenses, net	**(0.4)**	(0.2)
Interest income	**0.1**	2.1
Finance costs	**(9.4)**	(16.0)
Share of profits less losses of associated companies and joint ventures	**3.1**	11.0
Profit from a Discontinued Operation	**19.8**	45.3
Gain on deconsolidation of a discontinued operation	**66.6**	–
Profit before Taxation from a Discontinued Operation (Note 2)	**86.4**	45.3
Taxation	**4.3**	(7.4)
Profit for the Period from a Discontinued Operation	**90.7**	37.9

(C) The Net Cash Flows of GBPC for the Periods are as Follows:

US$ millions	For the period from 1 January 2021 to 31 March 2021 (the date of deconsolidation)	For the six months ended 30 June 2020
Operating activities	**48.3**	47.2
Investing activities	**(3.4)**	19.9
Financing activities	**(22.7)**	(72.2)
Net Cash Inflow/(Outflow)	**22.2**	(5.1)

(D) The Major Class of Assets, Liabilities and Reserves of GBPC Classified as Held for Sale as at 31 December 2020 are as Follows:

US$ millions	2020
Assets	
Property, plant and equipment	1,010.7
Investments in associated companies and joint ventures	105.0
Other intangible assets	49.2
Deferred tax assets	19.8
Other non-current assets	9.4
Cash and cash equivalents	138.6
Short-term deposits with original maturity of more than three months	14.8
Restricted cash	42.7
Accounts receivable, other receivables and prepayments (Current)	141.3
Inventories	50.5
Assets of a Disposal Group Classified as Held for Sale	1,582.0
Liabilities	
Accounts payable, other payables and accruals	129.0
Short-term borrowings	156.6
Provision for taxation	7.9
Long-term borrowings	437.2
Deferred liabilities, provisions and payables	64.2
Deferred tax liabilities	48.9
Liabilities Directly Associated with the Assets Classified as Held for Sale	843.8
Net Assets Directly Associated with the Disposal Group	738.2
Reserves	
Actuarial gains on defined benefit pension plans	1.1
Reserves Directly Associated with the Disposal Group	1.1

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 (2020: gains of US$4.5 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 (2020: US$2.2 million) and net non-recurring losses of US$5.4 million (2020: US$53.4 million).

Analysis of Foreign Exchange and Derivative (Losses)/Gains, Net

For the six months ended 30 June US$ millions	**2021**	2020
Foreign exchange and derivative (losses)/gains, net		
– Subsidiary companies	**(50.9)**	12.6
– Associated companies and joint ventures	**(7.6)**	0.1
Subtotal (Note 2)	**(58.5)**	12.7
Attributable to taxation and non-controlling interests	**36.0**	(8.2)
Total	**(22.5)**	4.5

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 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).

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 US$ millions	2021	2020 (Restated)
Earnings		
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation		
– Continuing operations	**147.7**	93.4
– A discontinued operation	**33.3**	7.2
	181.0	100.6

For the six months ended 30 June Millions	Number of shares 2021	 2020
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 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 (2020: US$39.2 million).

9. Property, Plant and Equipment

The movements in property, plant and equipment are set out below:

US$ millions	2021	2020
At 1 January	**4,038.1**	4,938.7
Exchange translation	**(83.1)**	(100.1)
Additions	**223.1**	123.1
Depreciation	**(175.1)**	(199.7)
Impairment (Note 3(A))	**(15.4)**	(31.5)
Disposals	**(5.0)**	(1.7)
Reclassification(i)	**3.8**	139.3
At 30 June	**3,986.4**	4,868.1

(i) Principally reclassification from other non-current assets

10. Associated Companies and Joint Ventures

US$ millions	At 30 June 2021	At 31 December 2020
MPIC[i]	**3,343.5**	3,373.5
PLDT	**1,196.6**	1,201.5
Indofood[ii]	**562.7**	578.5
Philex	**161.3**	160.9
Total	**5,264.1**	5,314.4

(i) Principally represents MPIC's investment in Meralco
(ii) Principally represents Indofood's investments in Dufil Prima Foods PLC and CMAA

11. Other Intangible Assets

US$ millions	At 30 June 2021	At 31 December 2020
Concession assets – Water distribution	**2,275.2**	2,265.0
Concession assets – Toll roads	**2,957.9**	2,837.9
Concession assets – Rail	**715.6**	639.7
Brands – Dairy	**96.6**	106.4
Brands, networks and licenses – Packaged drinking water	**57.4**	58.9
Customer list and licenses – Wastewater and sewage treatment	**8.5**	9.0
Vesting contract – Power	**4.2**	5.1
Software and others	**6.3**	5.3
Total	**6,121.7**	5,927.3

Concession assets – Water distribution represents the exclusive rights granted to Maynilad, BOO Phu Ninh Water Treatment Plant Joint Stock Company, Metro Pacific Iloilo Water Inc. ("MPIWI"), Philippine Hydro, Inc., Metro Iloilo Bulk Water Supply Corporation, PT Sarana Catur Tirta Kelola and Metro Pacific Dumaguete Water Services Inc. ("MPDW") to provide water distribution, sewerage services and water production in the Philippines, Vietnam and Indonesia, and charge users for these services during their concession periods.

Concession assets – Toll roads represents the concession comprising the rights, interests and privileges to finance, design, construct, operate and maintain toll roads, toll facilities and other facilities generating toll-related and non-toll related income held by (a) NLEX Corporation in respect of NLEX, SCTEX and the Connector Road, (b) Cavitex Infrastructure Corporation ("CIC") in respect of CAVITEX, (c) MPCALA in respect of CALAX, (d) CCLEC in respect of CCLEX, (e) PT JTSE in respect of Makassar Section IV Toll Road, (f) PT BMN in respect of Ujung Pandang Section I and II Toll Road, and (g) PT BSD in respect of Pondok Aren – Serpong Toll Road during their concession periods.

Concession assets – Rail represents concession comprising the exclusive right during the concession period to operate and maintain the current LRT1 system, collect farebox revenue and construct the LRT1 Extension.

Brands – Dairy represents the brands of various milk-related products held by PT Indolakto with a useful life of 20 years, which include Indomilk, Cap Enaak, Tiga Sapi, Kremer, Indoeskrim and Milkuat.

Brands, networks and licenses – Packaged drinking water represents (i) the registered brand name, CLUB, (ii) the distribution and customer networks, and (iii) the water licenses of Indofood's packaged drinking water business.

Customer list and licenses – Wastewater and sewage treatment represents Eco-System Technologies International, Inc.'s customer relationship, contracts and licenses for intellectual property rights over patents and utility models.

Vesting contract – Power represents an agreement entered between PLP and a Singapore government agency, which requires PLP to sell electricity at a specified volume and a specific price to the agency over a period of 10 years from 1 July 2013 to 30 June 2023.

12. Restricted Cash

At 30 June 2021, the Group had cash of US$33.6 million (31 December 2020: US$41.4 million) set aside mainly to cover principal and interest payments of certain borrowings in compliance with loan agreements, and nil (31 December 2020: US$8.8 million) held under margin accounts by brokers against open futures contracts for hedging purpose.

13. Accounts Receivable, Other Receivables and Prepayments

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

US$ millions	**At 30 June 2021**	At 31 December 2020
0 to 30 days	**501.6**	431.8
31 to 60 days	**95.4**	113.1
61 to 90 days	**30.3**	38.7
Over 90 days	**72.0**	96.1
Total	**699.3**	679.7

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.

14. Accounts Payable, Other Payables and Accruals

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

US$ millions	**At 30 June 2021**	At 31 December 2020
0 to 30 days	**418.0**	347.2
31 to 60 days	**12.7**	12.4
61 to 90 days	**11.6**	13.1
Over 90 days	**45.0**	47.9
Total	**487.3**	420.6

15. Deferred Liabilities, Provisions and Payables

US$ millions	Lease liabilities	Long-term liabilities	Pension	Loans from non-controlling shareholders	Others	**2021**	2020
At 1 January	74.9	1,346.8	513.5	230.0	540.0	**2,705.2**	2,077.8
Exchange translation	(1.2)	(5.9)	(13.5)	(1.7)	(9.0)	**(31.3)**	9.8
Additions	11.4	47.3	5.8	5.0	119.6	**189.1**	236.6
Payment and utilization	(21.0)	(65.6)	(10.1)	(50.1)	(18.3)	**(165.1)**	(191.6)
At 30 June	64.1	1,322.6	495.7	183.2	632.3	**2,697.9**	2,132.6
Presented as:							
Non-current Portion	43.3	635.4	495.7	57.6	293.9	**1,525.9**	1,550.9
Current Portion	20.8	687.2	–	125.6	338.4	**1,172.0**	581.7
Total	64.1	1,322.6	495.7	183.2	632.3	**2,697.9**	2,132.6

The lease liabilities represent the present value of future lease payments in relation to the Group's right-of-use assets.

The long-term liabilities mainly relate to (a) ICBP's retention amount payable for its acquisition of 100% interest in Pinehill in August 2020, which is subject to a profit guarantee adjustment and due in April 2022, (b) MPCALA's concession fees payable to the Philippine government in respect of CALAX, (c) NLEX Corporation's concession fees payable to the Philippine government in respect of Connector Road, (d) Maynilad's concession fees payable to MWSS, including a provision for certain additional concession fees payable and related interest amounts in dispute between Maynilad and MWSS, recognized by the Group upon its acquisition of Maynilad, (e) LRMC's concession fees payable to the Philippine government in respect of LRT1, (f) MPIWI's concession fees payable to the Philippine government in respect of Metro Iloilo Water District and (g) MPDW's concession fees payable to the Philippine government in respect of Dumaguete City Water District.

In respect of ICBP's retention amount payable, under the shares sale and purchase agreement, the sellers have undertaken a profit guarantee that if the actual average audited consolidated net profit after tax of Pinehill for the years ended and ending 31 December 2020 and 2021, respectively, is less than 95% of the guaranteed profit, i.e. US$128.5 million, a price adjustment will be triggered to reduce the retention amount and the adjustment is based on the whole shortfall, multiplied by the price earnings multiple of 23 times. The retention amount payable was initially recognized at fair value at the acquisition date and subsequently measured at fair value through profit or loss ("FVPL"). In respect of the disputed amounts between Maynilad and MWSS, no final resolution has been reached at 30 June 2021.

The pension relates to accrued liabilities in relation to defined benefit retirement schemes and long service payments.

The loans from non-controlling shareholders represent unsecured loans provided by non-controlling shareholders of FPM Power, PLP and subsidiary companies of IndoAgri and Pinehill.

The others mainly represent (a) Maynilad's real property tax payables on certain common purpose facilities, (b) a financial liability recognized by MPIC in relation to a put option held by Sumitomo Corporation ("Sumitomo"), (c) provisions for various claims and potential claims against the Group, (d) estimated tax warranties and indemnities in relation to the sale of a 40.1% interest and a 56.0% interest in MPHHI and GBPC in December 2019 and March 2021, respectively, (e) contract liabilities arising from receipt in advance from customers relating to export sales of CPO, upfront payments for water connection and installation fees and the unused portion of toll fees received in advance through the electric toll collection media, (f) contractual obligations of NLEX Corporation and CIC to restore their service concession assets to a specified level of serviceability during their service concession periods and to maintain those assets in good conditions prior to the handover of those assets to the Philippine government at the end of their concession periods, (g) the Group's payables on long-term incentive plans, and (h) derivative liabilities arising from fuel swaps, interest rate swaps, electricity futures and foreign exchange forward contracts.

On 28 May 2020, MPIC entered into an agreement with Sumitomo to divest its 34.9% interest in Metro Pacific Light Rail Corporation ("MPLRC"), which held a 55% interest in LRMC, to Sumitomo. The agreement also contains a call option of MPIC that allows MPIC to purchase all of Sumitomo's MPLRC shares, and a put option of Sumitomo that allows Sumitomo to sell all of its MPLRC shares to MPIC, in the event of a deadlock (following unsuccessful mediation procedures) and in the event of MPIC's or Sumitomo's default on its obligations under the agreement. As a result, MPIC recognized a financial liability at the present value of the amount payable on exercise of the put option by Sumitomo, which is determined based on the fair value of MPLRC shares. At 30 June 2021, the financial liability amounting to US$80.6 million (31 December 2020: US$74.3 million) was recognized in relation to the put option and included in the current portion of deferred liabilities, provisions and payables, and the carrying amount of Sumitomo's non-controlling interests was derecognized with the resulting differences recorded in equity.

At the end of the reporting period, certain subsidiary companies are parties to other cases and claims arising from the ordinary course of business filed by third parties, which are either pending decisions by the courts or are subject to settlement agreements. The outcome of these claims cannot be presently determined. In the opinion of the Directors and/or legal counsels, the eventual liability from these lawsuits or claims, if any, will not have a material adverse effect on the Condensed Interim Consolidated Financial Statements.

16. Shares Held for Share Award Scheme

The Company and its subsidiary company operate share award schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Particulars of the share award schemes are set out below:

(A) Particulars of the Company's Share Award Scheme

	Number of allocated shares held for		Shares held for Share Award Scheme
	Purchase Awards	Subscription Awards	US$ millions
At 1 January 2020	5,420,522	3,167,096	(3.2)
Purchased	1,060,000	–	(0.2)
Vested and transferred	(3,708,843)	(1,055,697)	1.8
At 30 June 2020	2,771,679	2,111,399	(1.6)
At 1 January 2021	4,939,679	2,111,399	**(2.4)**
Purchased	3,690,000	–	**(1.3)**
Vested and transferred	(3,708,843)	(1,055,697)	**1.7**
At 30 June 2021	**4,920,836**	**1,055,702**	**(2.0)**

For the Purchase Awards, during the six months ended 30 June 2021, the independent trustee managing the Company's share award scheme purchased 3,690,000 shares (2020: 1,060,000) of the Company at an aggregate consideration of HK$9.9 million (US$1.3 million) (2020: HK$1.5 million (US$0.2 million)) from the open market at the cost of the Company.

For the Subscription Awards, during the six months ended 30 June 2021 and 30 June 2020, there were no subscription of new shares by the independent trustee managing the Company's share award scheme.

Particulars of the share awards of the Company granted to the Directors and senior executives of the Company at 30 June 2021 and 2020 are set out below:

(a) The Company's Purchase Awards

	Shares granted and unvested shares held at 1 January 2021	Shares vested and transferred during the period	**Shares granted and unvested shares held at 30 June 2021**	Grant date	Vesting period[i]
Executive Director					
Christopher H. Young, *Chief Financial Officer*	3,220,566	(1,610,283)	**1,610,283**	8 April 2019	April 2020 to April 2022
Independent Non-executive Directors					
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	638,000	(319,000)	**319,000**	8 April 2019	April 2020 to April 2022
Margaret Leung Ko May Yee, *SBS, JP*	638,000	(319,000)	**319,000**	8 April 2019	April 2020 to April 2022
Philip Fan Yan Hok	638,000	(319,000)	**319,000**	8 April 2019	April 2020 to April 2022
Blair Chilton Pickerell	957,000	–	**957,000**	25 March 2020	March 2022 to March 2023
Senior Executives	2,283,123	(1,141,560)	**1,141,563**	8 April 2019	April 2020 to April 2022
Total	8,374,689	(3,708,843)	**4,665,846**		

(i) The vesting periods of the awarded shares are as follows:
(a) For the 2019 grant, the shares would be vested in three equal tranches from the first to the third year after the shares are granted.
(b) For the 2020 grant, the shares would be vested in two equal tranches in the second and the third year after the shares are granted.

	Shares granted and unvested shares held at 1 January 2020	Shares granted during the period	Shares vested and transferred during the period	Shares granted and unvested shares held at 30 June 2020	Grant date	Vesting period[i]
Executive Director						
Christopher H. Young, *Chief Financial Officer*	4,830,849	–	(1,610,283)	3,220,566	8 April 2019	April 2020 to April 2022
Independent Non-executive Directors						
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	957,000	–	(319,000)	638,000	8 April 2019	April 2020 to April 2022
Margaret Leung Ko May Yee, *SBS, JP*	957,000	–	(319,000)	638,000	8 April 2019	April 2020 to April 2022
Philip Fan Yan Hok	957,000	–	(319,000)	638,000	8 April 2019	April 2020 to April 2022
Blair Chilton Pickerell[ii]	–	957,000	–	957,000	25 March 2020	March 2022 to March 2023
Senior Executives	3,424,683	–	(1,141,560)	2,283,123	8 April 2019	April 2020 to April 2022
Total	11,126,532	957,000	(3,708,843)	8,374,689		

(i) The vesting periods of the awarded shares are as follows:
(a) For the 2019 grant, the shares would be vested in three equal tranches from the first to the third year after the shares are granted.
(b) For the 2020 grant, the shares would be vested in two equal tranches in the second and the third year after the shares are granted.

(ii) Mr. Blair Chilton Pickerell was appointed as an Independent Non-executive Director with effect from 25 March 2020.

(b) The Company's Subscription Awards

	Shares granted and unvested shares held at 1 January 2021	Shares vested and transferred during the period	**Shares granted and unvested shares held at 30 June 2021**	Grant date	Vesting period[i]
Senior Executives	2,111,399	(1,055,697)	**1,055,702**	8 April 2019	April 2020 to April 2022

(i) The awarded shares would be vested in three equal tranches from the first to the third year after the shares are granted.

	Shares granted and unvested shares held at 1 January 2020	Shares vested and transferred during the period	Shares granted and unvested shares held at 30 June 2020	Grant date	Vesting period[ii]
Senior Executives	3,167,096	(1,055,697)	2,111,399	8 April 2019	April 2020 to April 2022

(ii) The awarded shares would be vested in three equal tranches from the first to the third year after the shares are granted.

Further information regarding the Company's share award scheme has been set out on pages 188 to 191 of the Company's 2020 Annual Report.

(B) MPIC's Restricted Stock Unit Plan

On 31 January 2020, the Compensation Committee of MPIC approved a restricted stock unit plan ("RSUP") covering cycle 2019 to 2021 as part of MPIC's long-term incentive plan ("LTIP") and a total of 31.8 million shares were granted to senior executives of the Group. One third of the awarded shares would be vested at the end of each year and transferred at no cost to the eligible participants on the full vesting date.

On 4 August 2021, in view of the impact of COVID-19 pandemic on the 2020 performance of MPIC, MPIC's Board approved the extension of the performance cycle of its LTIP by one year from 2021 to 2022 and the treatment of 2020 as a non-performance year. Hence, the remaining unvested shares as of 30 June 2021 would be vested on 31 December 2022 instead of 31 December 2021 and all vested awarded shares would then be transferred to the eligible participants on the same day.

Further information regarding MPIC's RSUP has been set out on page 211 of the Company's 2020 Annual Report.

17. Other Comprehensive Loss Attributable to Owners of the Parent

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

18. Notes to the Condensed Consolidated Statement of Cash Flows

(A) Disposal of an Associated Company

2021's cash inflow of US$148.4 million relates to net proceeds from MPIC's disposal of its 29.5% interest in DMT in February 2021.

(B) Deconsolidation of a Discontinued Operation

2021's cash inflow of US$126.9 million relates to the upfront proceeds from MPIC's transfer of its 56% interest in GBPC to MGen in March 2021 and the dividend received from GBPC in May 2021, net of transaction costs and cash of GBPC deconsolidated. For details, please refer to Note 5 to the Condensed Interim Consolidated Financial Statements.

(C) Investment in a Joint Venture

2021's cash outflow of US$147.5 million relates to MPIC's acquisition of a 50% effective interest in PCSPC in January 2021.

(D) Instalment Payment for Acquisition of a Subsidiary Company

2021's cash outflow of US$50.7 million (2020: US$48.5 million) relates to MPIC's last instalment payment to PCEV for its acquisition of the remaining 25% interest in Beacon Electric in June 2017.

(E) Increased Investments in Joint Ventures

2020's cash outflow of US$64.5 million mainly related to MPIC's last instalment payment to PCEV for its acquisition of a 25% interest in Beacon Electric in May 2016.

(F) Increased Investments in Subsidiary Companies

2021's cash outflow of US$34.8 million mainly relates to ICBP's acquisition of a 49% interest in IFM in February 2021.

(G) Divestments for Interests in Subsidiary Companies

2020's cash inflow of US$92.1 million related to proceeds from MPIC's divestments of a 19.2% effective interest in LRMC and a 10.3% interest in PT Margautama Nusantara in May 2020.

(H) Major Non-cash Transactions

During the six months ended 30 June 2021, the Group had non-cash additions to (i) service concession assets and service concession fees payable of US$13.1 million and US$13.1 million (2020: US$14.4 million and US$14.4 million), respectively, in respect of capitalization of interest accretion on service concession fees payable into service concession assets, and (ii) right-of-use assets and lease liabilities of US$9.3 million and US$9.3 million (2020: US$29.3 million and US$29.3 million), respectively, in respect of lease arrangements for buildings, and machinery and equipment.

In March 2021, Petronas Power Sdn. Bhd. ("Petronas"), the 30% shareholder of PLP, partially capitalized its outstanding shareholder's loans of US$50.1 million into equity of PLP.

19. Commitments and Contingent Liabilities

(A) Capital Expenditure

US$ millions	**At 30 June 2021**	At 31 December 2020
Commitments in respect of subsidiary companies:		
– Authorized, but not contracted for	**811.1**	1,401.6
– Contracted, but not provided for	**498.1**	533.6
Total	**1,309.2**	1,935.2

The Group's capital expenditure commitments principally relate to Indofood's, MPIC's, PLP's and RHI's purchase of property, plant and equipment, and construction of infrastructures for Maynilad's and MPW's water and sewerage businesses, MPTC's toll road business and LRMC's rail business.

(B) Contingent Liabilities

At 30 June 2021, except for guarantees of US$24.9 million (31 December 2020: US$30.8 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).

20. Share Options

Particulars of the share options of the Company granted to the Directors and senior executives of the Company at 30 June 2021 and 2020 are set out below:

Particulars of the Company's Share Option Scheme

	Share options held at 1 January and 30 June 2021	Share option exercise price per share (HK$)	Market price per share immediately before the date of grant (HK$)	Grant date	Vesting period[ii]	Exercisable period
Non-Executive Director						
Benny S. Santoso	**1,339,600**	4.972	4.950	15 April 2016	April 2017 to April 2019	April 2017 to April 2022
	3,828,000	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Independent Non-Executive Director						
Madeleine Lee Suh Shin	**3,828,000**	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Senior Executives	**1,184,750**	4.972	4.950	15 April 2016	April 2017 to April 2019	April 2017 to April 2022
	403,025	6.092	5.98	7 June 2017	June 2018 to June 2019	June 2018 to April 2022
	7,699,459	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Total	**18,282,834**[i]					

(i) The number of outstanding share options vested and exercisable at 30 June 2021 was 13,164,345. These share options had a weighted average exercise price of HK$3.37.

(ii) The vesting periods of the share options are as follows:

(a) For the 2016 and 2019 grants, the share options would be vested in three equal tranches from the first to the third year after the share options are granted.

(b) For the 2017 grant, the share options would be vested in two equal tranches in the first and the second year after the share options are granted.

	Share options held at 1 January 2020	Share options lapsed during the period	Share options held at 30 June 2020	Share option exercise price per share (HK$)	Market price per share immediately before the date of grant (HK$)	Grant date	Vesting period[iii]	Exercisable period
Non-Executive Director								
Benny S. Santoso	1,339,600	–	1,339,600	4.972	4.950	15 April 2016	April 2017 to April 2019	April 2017 to April 2022
	3,828,000	–	3,828,000	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Independent Non-Executive Director								
Madeleine Lee Suh Shin	3,828,000	–	3,828,000	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Senior Executives	3,242,137	(3,242,137)	–	5.1932[i]	5.2127[i]	–	–	–
	1,184,750	–	1,184,750	4.972	4.950	15 April 2016	April 2017 to April 2019	April 2017 to April 2022
	403,025	–	403,025	6.092	5.98	7 June 2017	June 2018 to June 2019	June 2018 to April 2022
	7,699,459	–	7,699,459	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Total	21,524,971	(3,242,137)	18,282,834[ii]					

(i) Adjusted for the effect of the Company's rights issue completed in July 2013 for the prices prior to the trading of the Company's shares on an ex-rights basis on 6 June 2013.

(ii) The number of outstanding share options vested and exercisable at 30 June 2020 was 8,045,860. These share options had a weighted average exercise price of HK$3.69.

(iii) The vesting periods of the share options are as follows:

(a) For the 2016 and 2019 grants, the share options would be vested in three equal tranches from the first to the third year after the share options are granted.

(b) For the 2017 grant, the share options would be vested in two equal tranches in the first and the second year after the share options are granted.

Further information regarding the Company's share option scheme has been set out on pages 207 to 211 of the Company's 2020 Annual Report.

21. Related Party Transactions

Significant related party transactions entered into by the Group during the periods ended 30 June 2021 and 2020 are disclosed as follows:

(A) On 22 May 2020, ICBP entered into a conditional shares sale and purchase agreement with Pinehill Corpora Limited ("Pinehill Corpora") and Steele Lake Limited in relation to the acquisition of the entire issued share capital of Pinehill for a total consideration of US$2,998 million, of which US$650.0 million shall be retained by ICBP until 30 April 2022. Pinehill Corpora, which is the seller of 51% interest in Pinehill, is a consortium indirectly owned as to 49% by Mr. Anthoni Salim, the Chairman and a substantial shareholder of the Company. The transaction was approved by the Company's independent shareholders on 17 July 2020 and completed on 27 August 2020.

At 30 June 2021, a retention amount payable due to Pinehill Corpora of US$331.5 million (31 December 2020: US$331.5 million) was included in the current portion (31 December 2020: non-current portion) of deferred liabilities, provisions and payables (Note 15).

(B) On 23 December 2020, Beacon PowerGen, a wholly-owned subsidiary company of MPIC, entered into a sale and purchase agreement to sell its 56% interest in GBPC to MGen, a wholly-owned subsidiary company of Meralco and associated company of the Group, for a consideration of approximately Pesos 22.4 billion (US$464.7 million), which was subsequently adjusted to Pesos 21.2 billion (US$439.2 million) to reflect the dividend of Pesos 1.2 billion (US$25.5 million) received from GBPC by Beacon PowerGen in May 2021. The transaction was approved by the Company's shareholders on 2 March 2021 and completed on 31 March 2021, and 60% of the adjusted consideration, i.e. Pesos 12.7 billion (US$263.5 million) was settled in cash upfront. The unpaid instalment balances shall earn interest at the rate of 2.0% per annum from the completion date until payment.

At 30 June 2021, the present value of the outstanding consideration receivable due in September 2021 of Pesos 4.25 billion amounting to Pesos 4.3 billion (US$87.6 million) (including accrued interest of Pesos 21 million (US$0.4 million)) was included in the current portion of accounts receivable, other receivables and prepayments, and the present value of the remaining consideration receivable due in September 2022 of Pesos 4.25 billion amounting to Pesos 4.2 billion (US$85.3 million) (including accrued interest of Pesos 21 million (US$0.4 million)) was included in the non-current portion of accounts receivable, other receivables and prepayments. For details, please refer to Note 5 to the Condensed Interim Consolidated Financial Statements.

(C) At 30 June 2021, FPM Power had outstanding loans of US$113.5 million (31 December 2020: US$113.5 million) due to MPG Asia Limited, a wholly-owned subsidiary company of MGen. The loans are unsecured, interest-free and repayable on demand, and were included in the current portion of deferred liabilities, provisions and payables (Note 15).

(D) In March 2021, Petronas partially capitalized its outstanding loans of US$50.1 million into equity of PLP. There was no change in shareholdings in PLP following the pro-rata capitalization.

At 30 June 2021, Petronas had outstanding loans due from PLP of approximately US$18.1 million (31 December 2020: US$67.2 million), which were included in the non-current portion of deferred liabilities, provisions and payables (Note 15). The loans are unsecured, subject to a variable LIBOR and are payable semi-annually. The tenor for each loan shall be 10 years. For the six months ended 30 June 2021, PLP accrued interest expenses of US$1.3 million (2020: US$2.5 million) to Petronas, which were capitalized as part of the outstanding loans from Petronas. At 30 June 2021, PLP had outstanding interest payable of approximately US$3 thousand (31 December 2020: US$12 thousand) due to Petronas, which is included in accounts payable, other payables and accruals.

(E) FPM Power has a support service agreement with MGen with effect from 1 January 2015. Under the agreement, FPM Power shall pay MGen for its support services rendered under the agreement until terminated in writing by MGen and FPM Power.

For the six months ended 30 June 2021, the fees under the above arrangement amounted to US$0.5 million (2020: US$0.5 million). At 30 June 2021, FPM Power had outstanding service fees payable of US$0.4 million (31 December 2020: US$0.4 million) to MGen, which was included in accounts payable, other payables and accruals.

(F) On 1 March 2018, First Pacific Investment Management Limited ("FPIML"), a wholly-owned subsidiary company of the Company, entered into an advisory services agreement with Smart. The agreement is for a period of one year subject to a 12-month automatic renewal unless either party notifies the other party of its intent not to renew the agreement. FPIML provides advisory and related services in connection with the operation of Smart's business of providing mobile communications services, high-speed internet connectivity, and access to digital services and content. The agreement provides that Smart shall pay a monthly service fee of US$0.25 million and any additional fee shall be mutually agreed upon by both parties on a monthly basis. On 26 March 2020, Smart and FPIML mutually agreed to reduce the monthly service fee to US$0.1 million from US$0.25 million in consideration of the services provided under this agreement, effective 1 April 2020. Starting from 1 April 2021, the monthly service fee was increased from US$0.1 million to US$0.22 million to commensurate with the services provided. The fees under this agreement amounted to approximately US$1.0 million for the six months ended 30 June 2021 (2020: US$1.1 million). At 30 June 2021, Smart prepaid for the fees of US$0.9 million (31 December 2020: FPIML had outstanding receivable of US$0.2 million from Smart) under this agreement.

(G) In December 2014, Asia Link B.V. ("ALBV"), a wholly-owned subsidiary company of the Company, entered into a subscription agreement with SMECI, a wholly-owned subsidiary company of Philex, in respect of the subscription for the SMECI's notes with a principal amount of Pesos 5.04 billion (US$103.3 million) (out of the total Pesos 7.2 billion (US$147.5 million) SMECI's notes), principally for financing capital expenditure of the Silangan project and repaying the advances from Philex. The SMECI's notes bear interest at a coupon rate of 1.5%, payable semi-annually every 18 June and 18 December and has a maturity of 8 years. A redemption premium, payable at a rate of 3% per annum, retroactively from the issue date and compounded semi-annually, will apply upon the maturity of the SMECI's notes. During the six months ended 30 June 2021, ALBV accrued interest income of US$2.7 million (2020: US$2.5 million) on these notes. At 30 June 2021, ALBV had outstanding interest receivable of approximately US$52 thousand (31 December 2020: US$57 thousand) due from SMECI.

(H) On 27 June 2017, MPIC acquired from PCEV, a subsidiary company of PLDT, the remaining 25% interest in Beacon Electric's common and preferred shares at a consideration of Pesos 21.8 billion (US$435.6 million), of which Pesos 12.0 billion (US$239.8 million) was settled in cash upfront and the remaining Pesos 9.8 billion (US$195.8 million) would be settled by instalments until June 2021. The outstanding payable of Pesos 2.45 billion (US$51.0 million) (with a present value of US$49.7 million), which was included in the current portion of deferred liabilities, provisions and payables (Note 15) at 31 December 2020, was fully settled in June 2021.

On 30 May 2016, MPIC acquired from PCEV, a 25% interest in Beacon Electric's common shares and preferred shares at a total consideration of Pesos 26.2 billion (US$549.6 million), of which Pesos 17.0 billion (US$356.6 million) was settled in cash upfront and the remaining Pesos 9.2 billion (US$193.0 million) was fully settled in June 2020.

(I) At 30 June 2021, Mr. Pangilinan owned US$1.0 million (31 December 2020: US$1.0 million) of bonds due 2027 issued in September 2020 by FPC Resources Limited, a wholly-owned subsidiary company of the Company, and earned interest income of US$21,875 (2020: Nil) from these bonds for the six months ended 30 June 2021.

(J) Key Management Personnel Compensation

Nature of Transactions

For the six months ended 30 June US$ millions	**2021**	2020
Non-performance based		
– Salaries and benefits	**39.0**	37.7
– Pension contributions	**2.5**	2.7
Performance based		
– Bonuses and long-term monetary incentive awards	**33.9**	41.6
Share-based compensation benefit expenses	**1.0**	1.7
Fees	**0.3**	0.4
Total	**76.7**	84.1

(K) Under certain framework agreements, Indofood has engaged in trade transactions in the ordinary course of business with certain of its associated companies, joint ventures and affiliated companies which are related to the Salim Family either through its control or joint control. Mr. Anthoni Salim is the Chairman and a substantial shareholder of the Company and is the President Director and Chief Executive Officer of Indofood.

All significant transactions with related parties, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2021**	2020
Income Statement Items		
Sales of finished goods		
– to affiliated companies	**252.0**	313.9
– to an associated company	**13.6**	–
Purchases of raw materials and finished goods		
– from a joint venture	**1.4**	8.8
– from affiliated companies	**0.7**	1.3
Outsourcing expenses		
– to affiliated companies	**14.8**	14.1
Insurance expenses		
– to affiliated companies	**4.2**	5.5
Pump services expenses		
– to affiliated companies	**0.2**	0.2
Royalty and technical income		
– from an associated company	**4.8**	–
– from affiliated companies	**0.8**	11.6
Rental income		
– from affiliated companies	**0.8**	0.7

For the six months ended 30 June 2021, Indofood made lease payments of US$0.5 million (2020: US$0.4 million) to affiliated companies for the settlement of lease liabilities recognized.

Approximately 8% (2020: 12%) of Indofood's sales and 0.1% (2020: 0.6%) of its purchases were transacted with these related parties.

Nature of Balances

US$ millions	**At 30 June 2021**	At 31 December 2020
Statement of Financial Position Items		
Accounts receivable – trade		
– from affiliated companies	**66.1**	78.9
– from an associated company	**4.1**	–
Accounts receivable – non-trade		
– from an associated company	**32.4**	27.6
– from affiliated companies	**13.4**	15.1
Accounts payable – trade		
– to affiliated companies	**4.8**	5.2
– to an associated company	**–**	0.4
Accounts payable – non-trade		
– to affiliated companies	**39.4**	36.6

(L) In March 2018, Maynilad, a subsidiary company of MPIC, renewed the framework agreement with D.M. Consunji, Inc. ("Consunji"), a subsidiary company of DMCI Holdings, Inc. (a 27.2% shareholder of Maynilad Water Holding Company, Inc., Maynilad's parent company) for the period from 1 January 2018 to 31 December 2020 on substantially the same terms as the previous framework agreement in relation to the provision of engineering, procurement and/or construction services by Consunji to Maynilad. In October 2019, the estimated annual caps for years 2019 and 2020 under the aforesaid framework agreement were revised to accommodate acceleration of water and wastewater infrastructure projects in the Philippines. In February 2021, the framework agreement was further renewed for the period from 19 February 2021 to 31 December 2023 with new annual caps.

All significant transactions with Consunji, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2021**	2020
Capital Expenditure Item		
Construction services for water infrastructure	**0.3**	112.3

(M) In January 2020, NLEX Corporation, a subsidiary company of MPIC, entered into a construction contract with Consunji pursuant to which Consunji has agreed to construct and complete the civil works for Section 1 of the Connector Road in the Philippines, which covers the construction of a 4-lane carriageway and two interchanges located at C3 Road/5th Avenue, Caloocan City and España in Manila.

All significant transactions with Consunji, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2021**	2020
Capital Expenditure Item		
Construction services	**–**	155.0

(N) MPIC, RHI and their subsidiary companies were charged for electricity expenses by Meralco, an associated company of the Group.

All significant transactions with Meralco, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2021**	2020
Income Statement Item		
Electricity expenses	**13.7**	8.7

Nature of Balances

US$ millions	**At 30 June 2021**	At 31 December 2020
Statement of Financial Position Item		
Accounts payable – trade	**0.1**	2.5

(O) MPIC, RHI and their subsidiary companies were charged for voice and data services provided by PLDT, an associated company of the Group.

All significant transactions with PLDT, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2021**	2020
Income Statement Item		
Voice and data service expenses	**2.4**	1.5

Nature of Balances

US$ millions	**At 30 June 2021**	At 31 December 2020
Statement of Financial Position Item		
Accounts payable – trade	**0.2**	1.9

(P) MPIC and its subsidiary companies were charged for information technology management and consultancy services provided by Indra Philippines Inc. ("Indra"), an associated company of the Group.

All significant transactions with Indra, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2021**	2020
Income Statement Item		
Information technology management and consultancy expenses	**3.4**	2.3

Nature of Balances

US$ millions	**At 30 June 2021**	At 31 December 2020
Statement of Financial Position Item		
Accounts payable – trade	**0.6**	–

(Q) MPIC had the following transactions with Landco Pacific Corporation ("Landco"), a joint venture of the Group.

All significant transactions with Landco, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Balances

US$ millions	**At 30 June 2021**	At 31 December 2020
Statement of Financial Position Item		
Amounts due from associated companies and joint ventures	**67.0**	53.6
Less: Impairment provisions	**(67.0)**	(53.6)
	–	–

During the six months ended 30 June 2021, an additional impairment loss of US$14.5 million (2020: Nil) was made to write down the same amount of advances made to Landco during the period.

(R) At 31 December 2020, MPIC and its subsidiary companies had an amount of US$39.1 million due from Alsons Thermal Energy Corporation, an associated company of the Group until the deconsolidation of GBPC on 31 March 2021.

(S) GBPC, a subsidiary company of the Group up to 31 March 2021 (the date of deconsolidation of GBPC), sold electricity to Meralco, an associated company of the Group.

All significant transactions with Meralco, whether or not conducted under normal terms and conditions similar to those with non-related parties, are disclosed as follows:

Nature of Transactions

For the six months ended 30 June US$ millions	**2021**	2020
Income Statement Item		
Sale of electricity	**7.8**[i]	17.1

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

At 31 December 2020, GBPC had accounts receivable of US$8.9 million due from Meralco.

22. Financial Instruments

(A) Financial Instruments by Category

(a) Financial assets

The following table summarizes the Group's financial assets at the end of the reporting period:

US$ millions	At 30 June 2021 Financial assets at amortized cost	Financial assets at FVOCI	Derivative instruments[i]	Total	At 31 December 2020 Financial assets at amortized cost	Financial assets at FVOCI	Derivative instruments[i]	Total
Accounts and other receivables (Non-current)	**136.3**	**–**	**2.9**	**139.2**	52.2	–	1.8	54.0
Financial assets at FVOCI (Non-current)	**–**	**455.8**	**–**	**455.8**	–	426.0	–	426.0
Other non-current assets	**105.8**	**–**	**–**	**105.8**	110.9	–	–	110.9
Cash and cash equivalents and short-term deposits	**2,638.0**	**–**	**–**	**2,638.0**	2,377.8	–	–	2,377.8
Restricted cash	**33.6**	**–**	**–**	**33.6**	50.2	–	–	50.2
Financial assets at FVOCI (Current)	**–**	**107.6**	**–**	**107.6**	–	3.3	–	3.3
Accounts and other receivables (Current)	**974.0**	**–**	**49.1**	**1,023.1**	837.0	–	6.0	843.0
Total	**3,887.7**	**563.4**	**52.0**	**4,503.1**	3,428.1	429.3	7.8	3,865.2

(i) Represents derivative assets designated as hedging instruments

(b) Financial liabilities

The following table summarizes the Group's financial liabilities at the end of the reporting period:

US$ millions	At 30 June 2021 Financial liabilities at amortized cost	Financial liabilities at FVPL	Derivative instruments[ii]	Total	At 31 December 2020 Financial liabilities at amortized cost	Financial liabilities at FVPL	Derivative instruments[ii]	Total
Accounts payable, other payables and accruals	**1,488.5**	**–**	**–**	**1,488.5**	1,348.2	–	–	1,348.2
Short-term borrowings	**1,808.8**	**–**	**–**	**1,808.8**	1,659.7	–	–	1,659.7
Current portion of deferred liabilities, provisions and payables	**274.7**	**650.0**	**15.1**	**939.8**	395.3	–	10.5	405.8
Long-term borrowings	**8,896.2**	**–**	**–**	**8,896.2**	8,973.9	–	–	8,973.9
Deferred liabilities, provisions and payables (Non-current)	**790.2**	**–**	**0.5**	**790.7**	739.7	650.0	2.9	1,392.6
Total	**13,258.4**	**650.0**	**15.6**	**13,924.0**	13,116.8	650.0	13.4	13,780.2

(ii) Represents derivative liabilities designated as hedging instruments

(B) Fair Values of Financial Instruments

The fair values of the financial assets and liabilities are determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- Fair values of cash and cash equivalents and short-term deposits, restricted cash, current accounts and other receivables, accounts payable, other payables and accruals, short-term borrowings and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Fair values of non-current accounts and other receivables and other non-current assets are evaluated based on the discounted values of the expected future cash flows using the prevailing market rates for similar types of assets.

- Fair values of listed investments included in financial assets at FVOCI are derived from quoted market prices in active markets.

- Fair values of unlisted investments included in financial assets at FVOCI are measured by discounted cash flow models, by reference to the most recent transaction prices, market comparable companies or valuations of the underlying assets supported by independent sources.

- Fair value of the retention amount payable included in financial liabilities at FVPL is determined based on the present value of the expected payment under a discounted cash flow method.

- Long-term borrowings with fixed interest rates and other non-current financial liabilities are evaluated based on the discounted value of the expected future cash flows using the prevailing market rates for similar types of liabilities. Fair values of long-term borrowings with variable interest rates approximate their carrying amounts because of regular repricing based on market conditions. Fair values of listed bonds are derived from quoted market prices in active markets.

- Derivative assets/liabilities in respect of derivative financial instruments, such as foreign exchange forward contracts, fuel swaps, electricity futures and interest rate swaps, are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include the use of present value calculations of future cash flows by reference to current forward exchange rates and fuel prices for contracts with similar maturity profiles and market values for similar instruments with similar maturity profiles.

The following table shows a comparison between the carrying amounts and fair values of the Group's financial instruments with carrying amounts not equal or reasonably approximating their fair values at the end of the reporting period. The Group's financial instruments with carrying amounts equal or reasonably approximating their fair values at 30 June 2021 and 31 December 2020 and lease liabilities are not included in this table.

	At 30 June 2021		At 31 December 2020	
US$ millions	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial Liabilities				
Long-term borrowings	**8,896.2**	**9,284.8**	8,973.9	9,676.0
Deferred liabilities, provisions and payables (Non-current) (other than lease liabilities)	**746.9**	**784.9**	682.1	736.1
Total	**9,643.1**	**10,069.7**	9,656.0	10,412.1

(C) Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

- Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly
- Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair values that are not based on observable market data (unobservable inputs)

The Group held the following financial instruments measured at fair value at the end of the reporting period:

	30 June 2021				31 December 2020			
US$ millions	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI								
– Listed equity investments	**296.3**	**–**	**–**	**296.3**	276.9	–	–	276.9
– Listed debentures	**0.9**	**–**	**–**	**0.9**	–	–	–	–
– Unlisted investments	**–**	**237.2**	**29.0**	**266.2**	–	133.2	19.2	152.4
Derivative assets(i)	**2.1**	**49.9**	**–**	**52.0**	0.6	7.2	–	7.8
Derivative liabilities(ii)	**–**	**(15.6)**	**–**	**(15.6)**	–	(13.4)	–	(13.4)
Financial liabilities at FVPL(ii)	**–**	**–**	**(650.0)**	**(650.0)**	–	–	(650.0)	(650.0)
Net Amount	**299.3**	**271.5**	**(621.0)**	**(50.2)**	277.5	127.0	(630.8)	(226.3)

(i) Included within accounts receivable, other receivables and prepayments
(ii) Included within deferred liabilities, provisions and payables

The fair values of unlisted investments, derivative assets and derivative liabilities in Level 2 are measured by reference to the most recent transaction prices, valuation of the underlying assets supported by independent sources and using the discounted cash flow models as described in Note 22(B) to the Condensed Interim Consolidated Financial Statements.

The fair values of certain unlisted equity investments included in unlisted investments in the above table are categorized within Level 3 and are determined using the EBITDA multiple of comparable listed companies adjusted for lack of marketability discount up to 30% (31 December 2020: 30%) and adjusted for the net debt of the investee, if applicable. The movements during the period are as follows:

Unlisted equity investments US$ millions	**2021**	2020
At 1 January	**19.2**	15.8
Changes in fair value	**10.2**	2.4
Exchange translation	**(0.4)**	0.3
At 30 June	**29.0**	18.5

The fair value of financial liabilities at FVPL categorized with Level 3 is determined based on the present value of the expected payment under a discounted cash flow method. There is no movement in the balance during the period.

For financial instruments that are recognized at fair value at the end of each reporting period, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. During the six months ended 30 June 2021 and 2020, there were no transfers of fair value measurements among Level 1, Level 2 and Level 3.

23. Comparative Amounts

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

24. 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.

Review Statement of 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 also has discussed financial reporting, auditing, risk management and internal control matters with the Company's management and its external auditor.

Corporate Governance Report

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 convening 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.

Interests of Directors and Substantial Shareholders

Interests of Directors in the Company and its Associated Corporations

As at 30 June 2021, the interests and short positions of the Directors and chief executive of the Company in the shares of the Company, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (SFO)) which (a) were recorded in the register required to be kept under section 352 of Part XV of the SFO; or (b) were notified to the Company and SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company (Model Code) were as follows:

(A) Long positions in Shares in the Company

Name	Ordinary shares	Approximate percentage of issued share capital (%)	Ordinary share options
Anthoni Salim	1,925,474,957(C)(i)	44.54	–
Manuel V. Pangilinan	70,493,078(P)(ii)	1.63	–
Christopher H. Young	8,385,189(P)(iii)	0.19	–
Benny S. Santoso	–	–	5,167,600
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	2,946,559(P)(iv)	0.07	–
Margaret Leung Ko May Yee, *SBS, JP*	2,088,652(P)(v)	0.05	–
Philip Fan Yan Hok	10,068,652(P)(vi)	0.23	–
Madeleine Lee Suh Shin	600,000(P)	0.01	3,828,000
Blair Chilton Pickerell	957,000(P)(vii)	0.02	–

(C) = Corporate interest, (P) = Personal interest

(i) Anthoni Salim indirectly owns 100% of First Pacific Investments (B.V.I.) Limited, his indirect interests in First Pacific Investments (B.V.I.) Limited are held through Salerni International Limited (a company of which Anthoni Salim directly holds 100% of the issued share capital). First Pacific Investments (B.V.I.) Limited and Salerni International Limited are interested in 633,186,599 shares and 502,058,994 shares respectively in the Company. Anthoni Salim also owns 83.84% of First Pacific Investments Limited which, in turn, is interested in 790,229,364 shares in the Company. Of this, 4.04% is held by Anthoni Salim directly, 20.19% by Salerni International Limited and 59.61% by Asian Capital Finance Limited (a company in which Anthoni Salim owns 100% share interests). The remaining 16.16% interest in First Pacific Investments Limited is owned as to 12.12% by the late Sutanto Djuhar and 4.04% by Tedy Djuhar (both are former Non-executive Directors of the Company).
(ii) It included Mr. Pangilinan's interests in 29,033,817 shares transferred to certain family trusts.
(iii) It included Mr. Young's interests in 1,610,283 awarded shares granted pursuant to the Company's Share Award Scheme as adopted by the Board on 19 March 2013 (Share Award Scheme) which remain unvested.
(iv) It included Prof. Chen's interests in 319,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(v) It included Mrs. Leung's interests in 319,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(vi) It included Mr. Fan's interests in 319,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(vii) It represented Mr. Pickerell's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.

(B) Long positions in Shares in associated corporations

- Manuel V. Pangilinan owned (a) 31,622,404 common shares(P) (0.10%)* in MPIC; (b) 279,494 common shares(P) (0.13%)* in PLDT as beneficial owner and a further 15,417 common shares (less than 0.01%)* in PLDT as nominee; (c) 4,655,000 common shares(P) (0.09%)* in Philex; (d) 1,603,465 common shares(P) (0.08%)* in PXP; (e) 55,000 common shares(P) (less than 0.01%)* in Meralco; as well as (f) 61,547 common shares(P) (less than 0.01%)* in RHI; as well as (g) US$1,000,000 of bonds due 2027 issued by FPC Resources Limited, which is a wholly-owned subsidiary of the Company.

- Christopher H. Young owned (a) 54,313 common shares(P) (0.02%)* in PLDT and (b) 61,547 common shares(P) (less than 0.01%)* in RHI.

- Anthoni Salim owned (a) 1,329,770 ordinary shares(P) (0.02%)* in Indofood and an indirect interest of 4,396,103,450 Indofood shares(C) (50.07%)* through the Company's group companies; (b) an indirect interest of 2,007,788 shares(C) (0.14%)* in IndoAgri through his controlled corporations other than the Company and an indirect interest of 1,163,427,130 IndoAgri shares(C) (83.35%)* through the Company's group companies; and (c) an indirect interest of 20,483,364 shares(C) (0.13%)* in SIMP through his controlled corporations other than the Company and an indirect interest of 12,471,746,400 SIMP shares(C) (78.85%)* through the Company's group companies.

(P) = Personal interest, (C) = Corporate interest

* Approximate percentage of the issued capital of the respective class of shares in the respective associated corporations as at 30 June 2021.

Save for those disclosed above, as at 30 June 2021, none of the Directors and chief executive of the Company had any interests or short positions in respect of shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of Part XV of the SFO, or as otherwise notified to the Company pursuant to the Model Code.

Interests of Substantial Shareholders in the Company

The interests and short positions of substantial shareholders in the shares and underlying shares of the Company as at 30 June 2021 as recorded in the register required to be kept under Section 336 of Part XV of the SFO are set out below:

(a) Salerni International Limited (Salerni), which was incorporated in the British Virgin Islands, was interested in 1,135,245,593 ordinary shares of the Company at 30 June 2021, representing approximately 26.26% of the Company's issued share capital at that date, by way of 502,058,994 ordinary shares of the Company held, representing approximately 11.61% of the Company's issued share capital at that date and also its 100% interest in First Pacific Investments (B.V.I.) Limited (FPIL-BVI). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of Salerni and, accordingly, is taken to be interested in the shares owned by Salerni.

(b) Asian Capital Finance Limited (ACFL), which was incorporated in the British Virgin Islands, was interested in 790,229,364 ordinary shares of the Company at 30 June 2021, representing approximately 18.28% of the Company's issued share capital at that date, by way of its 59.61% interest in First Pacific Investments Limited (FPIL-Liberia). Anthoni Salim, Chairman of the Company, beneficially owns the entire issued share capital of ACFL and, accordingly, is taken to be interested in the shares owned by ACFL.

(c) FPIL-Liberia, which was incorporated in the Republic of Liberia, beneficially owned 790,229,364 ordinary shares at 30 June 2021, representing approximately 18.28% of the Company's issued share capital at that date. FPIL-Liberia is owned by Salerni, ACFL, Anthoni Salim (Chairman of the Company), Tedy Djuhar and the late Sutanto Djuhar (both are former Non-executive Directors of the Company), in the proportion specified in note (i) of the table on page 75. Anthoni Salim, Chairman of the Company, is taken to be interested in the shares owned by FPIL-Liberia.

(d) FPIL-BVI, which was incorporated in the British Virgin Islands, beneficially owned 633,186,599 ordinary shares at 30 June 2021, representing approximately 14.65% of the Company's issued share capital at that date. Anthoni Salim, Chairman of the Company, indirectly owns the entire issued share capital of FPIL-BVI and, accordingly, is taken to be interested in the shares owned by FPIL-BVI.

(e) Brandes Investment Partners L.P. (Brandes), a United States incorporated company, notified the Company that it held 347,502,767 ordinary shares of the Company as at 30 October 2020, representing approximately 7.99% of the Company's issued share capital at that date. At 30 June 2021, the Company has not received any other notification from Brandes of any change to such holding.

(f) Citigroup Inc. (Citigroup), a United States incorporated company, notified the Company that it held ordinary shares of the Company as follows: 216,951,637 (long position), 364,027 (short position) and 216,593,698 (lending pool) on 10 March 2021, representing approximately 4.99% (long position), 0.00% (short position) and 4.98% (lending pool) of the Company's issued share capital at that date. At 30 June 2021, the Company has not received any other notification from Citigroup of any change to such holding.

(g) Northern Trust Corporation, a United States incorporated company, and its 100% controlled corporation, The Northern Trust Company (ALA), a United States incorporated company (collectively Northern Trust), notified the Company that they held 259,630,430 ordinary shares of the Company (lending pool) on 28 June 2021, representing approximately 5.99% (lending pool) of the Company's issued share capital at that date. At 30 June 2021, the Company has not received any other notification from Northern Trust of any change to such holding.

Other than as disclosed above, as at 30 June 2021 the Company had not been notified of any person who had an interest or short position in the shares or underlying shares of the Company which are required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

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 then 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 then 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:

Month of repurchases	Number of ordinary shares repurchased	Purchase price paid per share Highest HK$	 Lowest HK$	Aggregate consideration paid 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.

Information for Investors

As at 24 August 2021

Financial Diary

Preliminary announcement of 2021 interim results	25 August 2021
Last day to register for interim distribution	16 September 2021
Interim report posted to shareholders	21 September 2021
Payment of interim distribution	28 September 2021
Financial year-end	31 December 2021
Preliminary announcement of 2021 results	29 March 2022*

* Subject to confirmation

Head Office

24th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong SAR
Telephone : +852 2842 4388
Fax : +852 2845 9243
Email : info@firstpacific.com

Registered Office

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda
Telephone : +1 441 295 1422
Fax : +1 441 295 4720

Website

www.firstpacific.com

Share Information

First Pacific shares are listed on The Stock Exchange of Hong Kong Limited and are traded over the counter in the United States in the form of American Depositary Receipts

Listing date	12 September 1988
Par value	U.S.1 cent per share
Lot size	2,000 shares
Number of ordinary shares issued	4,317,449,044

Stock Codes

HKSE	00142
Bloomberg	142 HK
Thomson Reuters	0142.HK

American Depositary Receipts (ADRs) Information

Level: 1
ADRs Code: FPAFY
CUSIP reference number: 335889200
ADRs to ordinary shares ratio: 1:5
ADRs depositary bank: Deutsche Bank Trust Company Americas

To Consolidate Shareholdings

Write to our principal share registrar and transfer office in Bermuda at:
Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM11, Bermuda

Or the Hong Kong branch registrar at:
Computershare Hong Kong Investor Services Limited

Registrar Office
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong SAR
Telephone : +852 2862 8555
Fax : +852 2865 0990/+852 2529 6087
Enquiry : www.computershare.com/hk/contact

Transfer Office
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong SAR

A Chinese Version of this Report, or Additional Information

Available at:
www.firstpacific.com

Or contact:
Sara Cheung
Vice President
Group Corporate Communications
First Pacific Company Limited
24th Floor, Two Exchange Square
8 Connaught Place
Central, Hong Kong SAR
Telephone : +852 2842 4336
Email : info@firstpacific.com

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27th Floor, One Taikoo Place
979 King's Road, Quarry Bay, Hong Kong SAR

Solicitor

Gibson, Dunn & Crutcher
32nd Floor, Gloucester Tower, The Landmark
15 Queen's Road Central, Hong Kong SAR

Principal Bankers

Bank of China (Hong Kong) Limited
China Banking Corporation
Mizuho Bank, Ltd.
Sumitomo Mitsui Banking Corporation
The Hongkong & Shanghai Banking Corporation Limited

Summary of Principal Investments

As at 30 June 2021

PT Indofood Sukses Makmur Tbk

Indofood (IDX: INDF) is a leading Total Food Solutions company with operations in all stages of food manufacturing from the production of raw materials and their processing through to the manufacture of consumer food and beverage products and their distribution to the market. It is based and listed in Indonesia while its Consumer Branded Products subsidiary PT Indofood CBP Sukses Makmur Tbk and Agribusiness subsidiaries PT Salim Ivomas Pratama Tbk and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk are also listed in Indonesia. Another subsidiary, Indofood Agri Resources Ltd., is listed in Singapore, and an Agribusiness associate, Roxas Holdings, Inc., is listed in the Philippines. Through its four complementary Strategic Business groups, Indofood manufactures and distributes a wide range of food and beverage products from its business groups: Consumer Branded Products (noodles, dairy, snack foods, food seasonings, nutrition & special foods, and beverages), Bogasari (wheat flour and pasta), Agribusiness (seed breeding, oil palm cultivation and milling, branded cooking oils, margarine and shortening, and the cultivation and processing of rubber, sugar cane and other crops) and Distribution.

Indofood is one of the world's largest manufacturers by volume of wheat-based instant noodles, one of the largest plantation companies by area and the largest flour miller in Indonesia. Indofood also has an extensive distribution network across Indonesia.

Sector	:	Consumer Food Products
Place of incorporation/business area	:	Indonesia
Issued number of shares	:	8.8 billion
Particulars of issued shares held	:	Shares of Rupiah 100 par value
Economic and voting interests	:	50.1%

Further information on Indofood can be found at www.indofood.com.

PLDT Inc.

PLDT (PSE: TEL; NYSE: PHI) is the largest fully integrated telecommunications company in the Philippines. Its shares are listed on the Philippine Stock Exchange and its American Depositary Shares are listed on the New York Stock Exchange. Through its principal business groups – fixed line and wireless – PLDT offers a wide range of telecommunications and digital services across the Philippines' most extensive fiber optic backbone, and fixed line and mobile networks.

Sector	:	Telecommunications
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	216.1 million
Particulars of outstanding shares held	:	Common shares of Pesos 5 par value
Economic/voting interest	:	25.6%/15.1%

Further information on PLDT can be found at www.pldt.com.

Metro Pacific Investments Corporation

MPIC (PSE: MPI; ADR code: MPCIY) is a Philippine-listed investment management and holding company focused on infrastructure development.

Sector	:	Infrastructure, Utilities and Hospitals
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	30.7 billion
Particulars of outstanding shares held	:	Common shares of Peso 1 par value
Economic/voting interest	:	43.1%/56.1%

Further information on MPIC can be found at www.mpic.com.ph.

Philex Mining Corporation

Philex (PSE: PX) is a Philippine-listed company engaged in the exploration and mining of mineral resources, and holds a 30.4% interest in PXP Energy Corporation.

Sector	:	Natural Resources
Place of incorporation/business area	:	The Philippines
Issued number of shares	:	4.9 billion
Particulars of issued shares held	:	Common shares of Peso 1 par value
Economic and voting interests	:	31.2%[1]

(1) Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic and voting interests in Philex.

Further information on Philex can be found at www.philexmining.com.ph.

PXP Energy Corporation

PXP (PSE: PXP) is a Philippine-listed company engaged in energy and hydrocarbon exploration and production.

Sector	:	Natural Resources
Place of incorporation/business area	:	The Philippines
Issued number of shares	:	2.0 billion
Particulars of issued shares held	:	Common shares of Peso 1 par value
Economic and voting interests	:	35.7%[(2)(3)]/21.7%[(3)]

(2) Includes a 14.0% effective economic interest in PXP held by First Pacific through its interests in Philex.
(3) Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 6.7% economic and voting interests in PXP.

Further information on PXP can be found at www.pxpenergy.com.ph.

FPM Power Holdings Limited

FPM Power controls PLP.

Sector	:	Infrastructure/Utilities
Place of incorporation/business area	:	British Virgin Islands/Singapore
Issued number of shares	:	12,195
Particulars of issued shares held	:	Shares of US$1 par value
Economic/voting interest	:	67.8%[(4)]/60.0%

(4) Includes a 7.8% effective economic interest in FPM Power held by First Pacific through its indirect interest in Meralco.

PacificLight Power Pte. Ltd.

PLP operates one of Singapore's most efficient power plants, housing an 800-megawatt natural gas-fired combined cycle facility. Its wholly-owned subsidiary PacificLight Energy Pte. Ltd. offers customized price packages for retail electricity customers in Singapore.

Sector	:	Infrastructure/Utilities
Place of incorporation/business area	:	Singapore
Issued number of shares	:	791.0 million
Particulars of issued shares held	:	Ordinary shares with no par value
Economic/voting interest	:	47.5%[(5)]/70.0%

(5) Represents a 42.0% effective economic interest in PLP held by First Pacific through its interest in FPM Power and a 5.5% effective economic interest in PLP held by First Pacific through its indirect interests in Meralco.

Further information on PLP can be found at www.pacificlight.com.sg.

FP Natural Resources Limited

FP Natural Resources with its Philippine affiliate, First Agri Holdings Corporation, hold interests in RHI.

Sector	:	Consumer Food Products
Place of incorporation/business area	:	British Virgin Islands/The Philippines
Issued number of shares	:	15,100
Particulars of outstanding shares held	:	Shares of US$1 par value
Economic/voting interest	:	80.8%[(6)]/100.0%[(7)]

(6) Includes a 10.8% effective economic interest in FP Natural Resources held by First Pacific through its indirect interests in IndoAgri.
(7) Includes a 30.0% voting interest in FP Natural Resources held by First Pacific through its indirect interests in IndoAgri.

Roxas Holdings, Inc.

RHI (PSE: ROX) is a Philippine-listed sugar and ethanol producer.

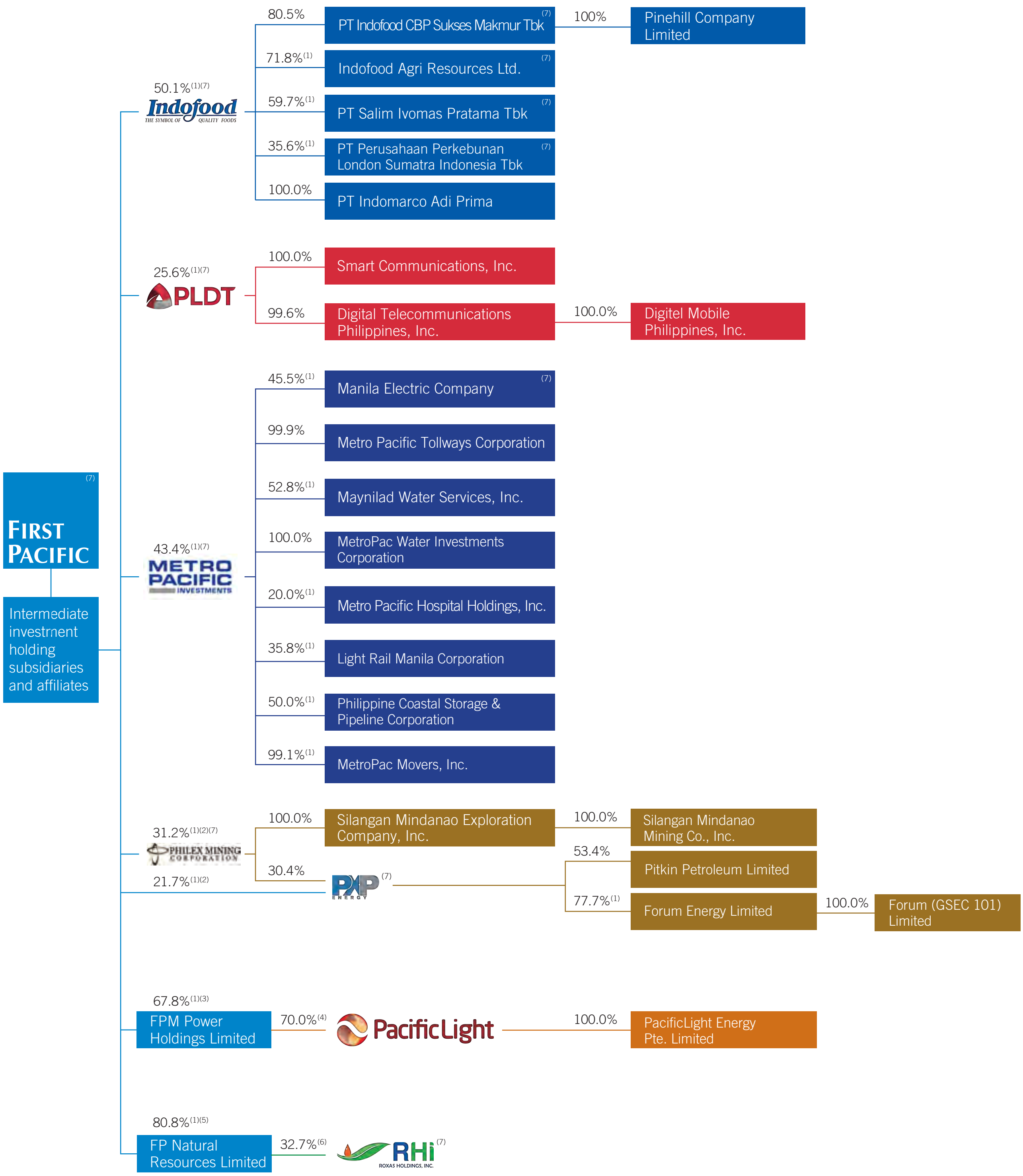
Sector	:	Consumer Food Products
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	1.5 billion
Particulars of outstanding shares held	:	Common shares of Peso 1 par value
Economic/voting interest	:	26.4%[(8)(9)]/32.7%[(9)]

(8) Represents a 22.9% effective economic interest in RHI held by First Pacific through its interest in FP Natural Resources and a 3.5% effective economic interest in RHI held by First Pacific through its indirect interests in IndoAgri.
(9) FAHC, a Philippine affiliate of FP Natural Resources, holds an additional 30.2% economic and voting interests in RHI.

Further information on RHI can be found at www.roxasholdings.com.ph.

Corporate Structure

As at 24 August 2021



(1) Economic interest.
(2) Two Rivers, a Philippine affiliate of First Pacific, holds additional 15.0% and 6.7% economic interests in Philex and PXP, respectively.
(3) Includes a 7.8% effective economic interest in FPM Power held through First Pacific's indirect interests in Meralco.
(4) On 1 July 2021, Meralco through its wholly-owned subsidiary MGen completed the acquisition of the remaining 30.0% interest in PLP from Petronas Power Sdn Bhd.
(5) Includes a 10.8% effective economic interest in FP Natural Resources held through First Pacific's indirect interests in IndoAgri.
(6) FAHC, a Philippine affiliate of FP Natural Resources, holds an additional 30.2% economic interest in RHI.
(7) Listed company.

First Pacific Company Limited

(Incorporated with limited liability under the laws of Bermuda)

24/F Two Exchange Square
8 Connaught Place, Central
Hong Kong SAR
Telephone: +852 2842 4388
Email: info@firstpacific.com
Website: **www.firstpacific.com**

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