Creating Long-term Value in Asia

FIRST PACIFIC

First Pacific Company Limited

Stock Code: 00142

INTERIM REPORT 2022

Corporate Profile

FIRST PACIFIC is a Hong Kong-based investment holding company with investments located in Asia-Pacific. The Company's principal investments are in consumer food products, telecommunications, infrastructure and natural resources.

Our mission is to unlock value by:

- Delivering dividend/distribution returns to shareholders
- Delivering share price/value appreciation of First Pacific
- 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

Our strategies are threefold:

- Identify undervalued or underperforming assets with strong growth potential and possible synergies
- Helping our investments set strategic direction, develop business plans, and define targets
- Raise reporting and ESG standards to world-class levels at First Pacific and its investments

First Pacific's investment 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 investment in the storage of petroleum products.

First Pacific also holds investments in PacificLight Power Pte. Ltd. ("PLP"), Philex Mining Corporation ("Philex"), PXP Energy Corporation ("PXP") and Roxas Holdings, Inc. ("RHI"). PLP is the operator of one of Singapore's most efficient gas-fired power plants. 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, 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 30 August 2022, First Pacific's economic interest in Indofood is 50.1%, in PLDT 25.6%, in MPIC 45.2%, in FPM Power Holdings Limited ("FPM Power") 68.6%[(1)], in Philex 31.2%[(2)], in PXP 35.7%[(2)(3)], and in FP Natural Resources Limited ("FP Natural Resources") 80.8%[(4)].

(1) Includes a 8.6% effective economic interest in FPM Power held through First Pacific's indirect interests in Manila Electric Company ("Meralco").
(2) 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.
(3) Includes a 14.0% effective economic interest in PXP held through First Pacific's indirect interests in Philex.
(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$5.1b
Turnover ▲ 20%

US$263.3m
Recurring profit ▲ 26%

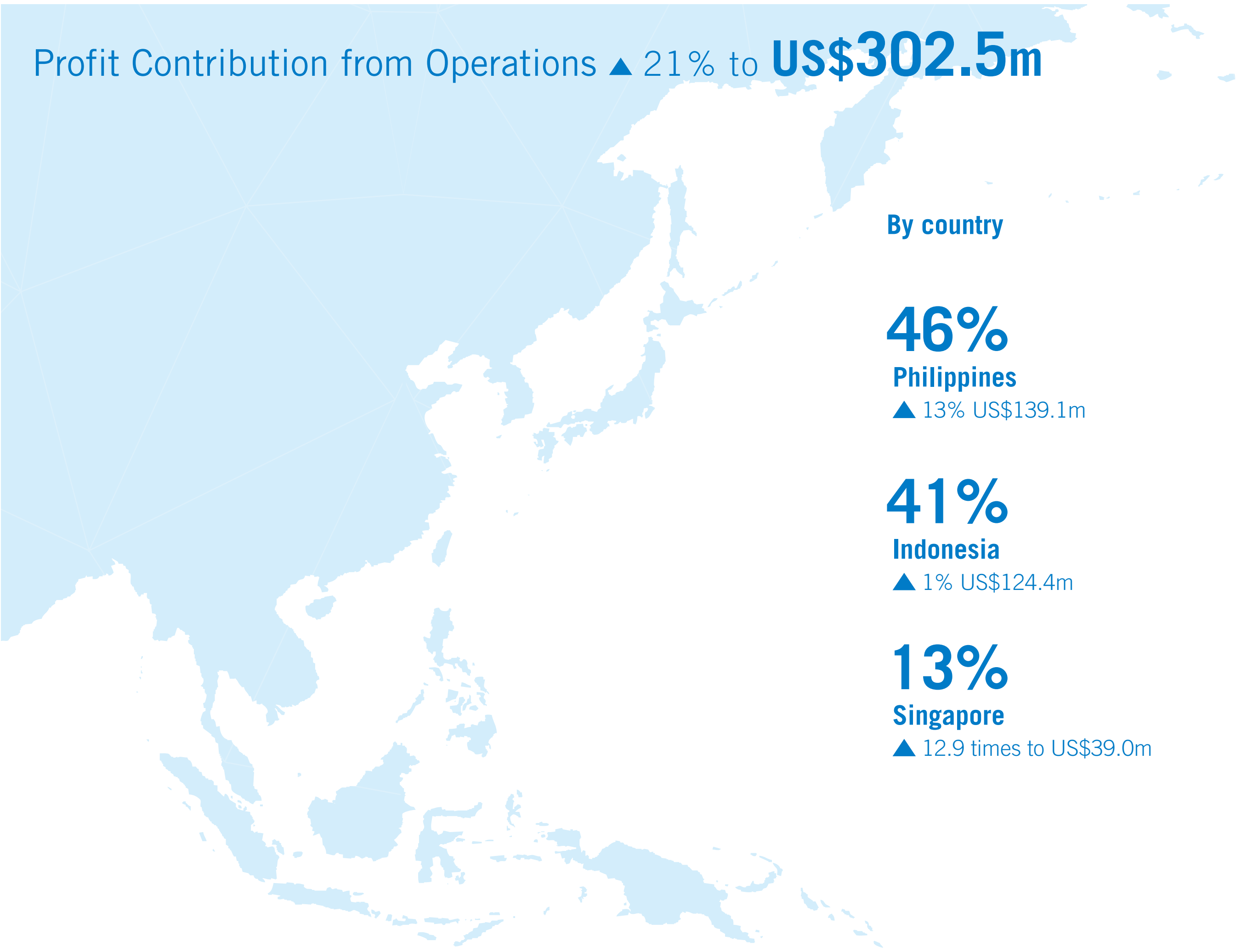
US$241.7m
Reported profit ▲ 34%

US$3.3b
Equity attributable to owners of the parent ▼ 1%

US$25.7b
Total assets ▼ 3%

US$1.7b
Market capitalization ▲ 6%

Profit Contribution from Operations ▲ 21% to US$302.5m



By country

46%
Philippines
▲ 13% US$139.1m

41%
Indonesia
▲ 1% US$124.4m

13%
Singapore
▲ 12.9 times to US$39.0m

By sector

40%
Consumer food products
▲ 1% US$121.0m

24%
Telecommunications
▲ 3% US$73.0m

33%
Infrastructure
▲ 87% US$98.7m

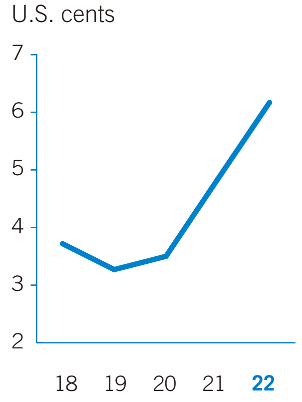
3%
Natural resources
▲ 42% US$9.8m

- Interim distribution at U.S. 1.35 cents per share or 22% of recurring profit
- Head Office dividend and fee income from operating companies at US$66.3 million
- Bought back and cancelled 14.3 million shares at US$5.7 million
- Head Office net interest expense at US$24.4 million
- Head Office net debt at approximately US$1.3 billion
- Cash interest cover at approximately 3.8 times

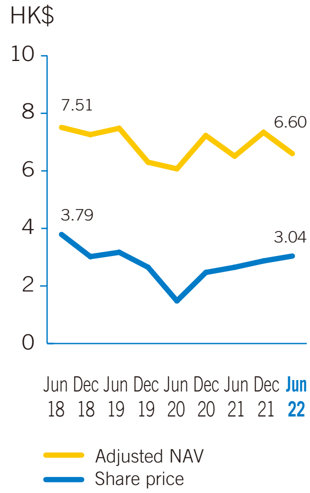
Five-year Data

(Per share)

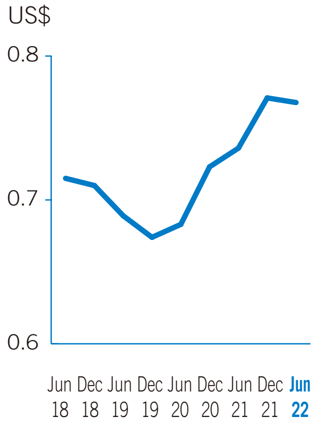
Half-year Basic Recurring Earnings



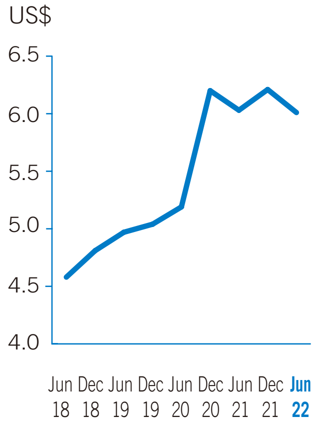
Share Price vs Adjusted NAV



Equity Attributable to Owners of the Parent



Total Assets



Review of Operations

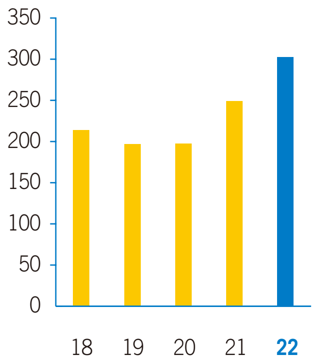
Contribution and Profit Summary

For the six months ended 30 June US$ millions	Turnover **2022**	 2021	Contribution to Group profit[i] **2022**	 2021
Indofood	**3,639.8**	3,293.4	**124.4**	122.9
PLDT[ii]	**–**	–	**73.0**	71.2
MPIC	**464.8**	448.5	**59.7**	49.9
FPM Power	**863.7**	412.9	**39.0**	2.8
Philex[ii]	**–**	–	**9.8**	6.9
FP Natural Resources	**103.6**	71.2	**(3.4)**	(4.5)
Contribution from Operations[iii]	**5,071.9**	4,226.0	**302.5**	249.2
Head Office items:				
– Corporate overhead			**(11.3)**	(9.8)
– Net interest expense			**(24.4)**	(25.8)
– Other expenses			**(3.5)**	(4.1)
Recurring Profit[iv]			**263.3**	209.5
Foreign exchange and derivative losses, net[v]			**(49.7)**	(22.5)
Non-recurring items[vi]			**28.1**	(6.0)[vii]
Profit Attributable to Owners of the Parent			**241.7**	181.0

(i) After taxation and non-controlling interests, where appropriate.
(ii) Associated companies.
(iii) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.
(iv) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses and non-recurring items.
(v) Foreign exchange and derivative losses, net represent the net losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair values of derivatives.
(vi) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H22's non-recurring gains of US$28.1 million mainly represent PLDT's gains on towers sale (US$61.9 million) and prescription of redemption liability on preference shares (US$28.8 million), and MPIC's gain on consolidation of Landco Pacific Corporation ("Landco") (US$29.2 million), partly offset by PLDT's accelerated depreciation for network assets (US$60.5 million) and manpower reduction costs (US$17.7 million), and Indofood's loss on changes in fair value of biological assets (US$1.7 million). 1H21's non-recurring losses of US$6.0 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 Global Business Power Corporation ("GBPC") (US$28.7 million) and disposal of Don Muang Tollway Public Company Limited ("DMT") (US$9.6 million).
(vii) Re-presented to include loss on changes in fair value of biological assets (US$0.6 million) as non-recurring items to align with current period presentation.

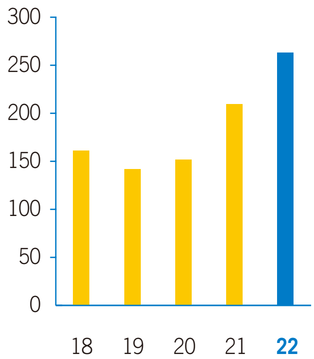
Contribution from Operations

US$ millions



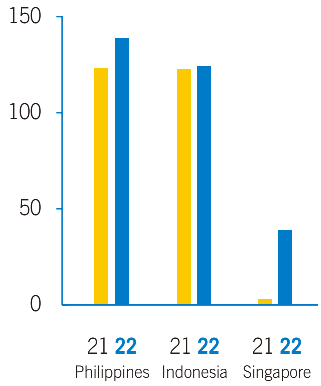
Recurring Profit

US$ millions



Contribution by Country

US$ millions



In the first half of 2022, First Pacific recorded its highest-ever interim contribution from operations, recurring profit and reported profit. With all investee companies showing improved results, total contribution from operations rose 21% to US$302.5 million notwithstanding exchange-rate and commodity price volatility as the global economy recovers from the COVID-19 pandemic.

Turnover up 20% to US$5.1 billion from US$4.2 billion	■ reflecting higher revenues at Indofood resulting from higher average selling prices of crude palm oil ("CPO") and other major products ■ higher revenues at PLP driven by higher average selling price per unit of electricity as a result of high oil prices and higher sales volumes
Recurring profit up 26% to US$263.3 million from US$209.5 million	■ reflecting higher profit contributions from Indofood, PLDT, MPIC, PLP and Philex ■ lower loss at RHI ■ lower Head Office net interest expenses
Non-recurring gains of US$28.1 million versus losses of US$6.0 million (restated)	■ reflecting PLDT's gains on towers sale and on prescription of redemption liability on preferred shares ■ MPIC's gain on consolidation of Landco ■ partly offset by PLDT's accelerated depreciation for network assets and manpower rightsizing cost
Reported profit up 34% to US$241.7 million from US$181.0 million	■ reflecting higher recurring profit ■ recorded non-recurring gains versus non-recurring losses ■ partly offset by higher net foreign exchange and derivative losses associated with the depreciation of the peso and the rupiah

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 2022**	At 31 December 2021	Six months change
Rupiah	**14,848**	14,269	–3.9%
Peso	**54.98**	51.00	–7.2%
S$	**1.391**	1.349	–3.0%

Average exchange rates against the U.S. dollar	**Six months ended 30 June 2022**	Six months ended 30 June 2021	One year change
Rupiah	**14,503**	14,360	–1.0%
Peso	**52.25**	48.30	–7.6%
S$	**1.367**	1.334	–2.4%

During the period, the Group recorded net foreign exchange and derivative losses of US$49.7 million (1H21: US$22.5 million), which can be further analyzed as follows:

For the six months ended 30 June US$ millions	**2022**	2021
Head Office	**(9.5)**	(2.9)
Indofood	**(32.0)**	(14.9)
PLDT	**(7.1)**	(2.0)
MPIC	**(2.0)**	(2.2)
FPM Power	**0.3**	(0.4)
Philex	**0.6**	(0.1)
Total	**(49.7)**	(22.5)

Additional Investments

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

On 3 August 2022, under Philex's stock rights offering program, First Pacific subscribed to Philex's rights shares in proportion to its existing interest of 31.2% for an aggregated consideration of 0.8 billion pesos (US$15.1 million). Two Rivers, a Philippine affiliate of First Pacific, also subscribed to Philex's rights shares in proportion to its existing interest of 15.0% for an aggregated consideration of 0.4 billion pesos (US$7.2 million). The proceeds raised by Philex will be used to fund the development of the Silangan Project.

Capital Management

Interim Distribution

First Pacific's Board of Directors declared an interim distribution of HK10.50 cents (U.S. 1.35 cents) (1H21: HK9.00 cents (U.S. 1.15 cents)) per share, up 17% from the 2021 first half distribution and representing a payout ratio of approximately 22% (1H21: 24%) of recurring profit.

Since 2010, the full-year distribution of the Company has been approximately 25% of recurring profit. For the full-year 2022, it is the Company's plan to broadly maintain this level of distribution, subject to review by the Finance Committee and the Board taking into account the Group's operating and financial performance, the impact of ongoing macroeconomic volatility and the cashflow of the Company, in particular, the dividend distributions received from the investee companies.

Total return to shareholders will remain a combination of distributions and share repurchases taking into consideration Head Office finances and economic conditions in the markets of the Group's investee companies.

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.

In the first six months of 2022, First Pacific repurchased approximately 14.3 million shares at an average price of HK$3.09 (US$0.40) per share with a total cost of approximately HK$44.3 million (US$5.7 million).

In July 2022, the Company repurchased approximately 5.7 million shares at an average price of HK$3.07 (US$0.39) per share with a total cost of approximately HK$17.6 million (US$2.3 million).

Up to the end of July 2022, First Pacific spent US$31.7 million since the launch of its US$100 million share repurchase program at the end of March 2021. All repurchased shares were subsequently cancelled.

Credit Ratings

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

Debt Profile

As at 30 June 2022, Head Office gross debt stood at approximately US$1.5 billion with an average maturity of 3.3 years. Net debt was at approximately US$1.3 billion. Approximately 64% of the Head Office borrowings were at fixed rates while floating rate bank loans comprised the remainder. The blended interest rate was approximately 3.7% per annum. All Head Office borrowings are unsecured.

As at 30 August 2022, the principal amounts of the following two bonds remained outstanding:

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

As part of the proactive liability management initiatives, First Pacific has obtained committed banking facilities totalling US$370.0 million to refinance the US$357.8 million outstanding bond due for redemption in April 2023.

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

Operating Cashflow and Interest Cover

For the first half of 2022, Head Office operating cash inflow before interest expense and tax decreased 4% to US$58.9 million from US$61.6 million for the first half of 2021, principally due to a decrease in dividends received as a result of the depreciation of the peso average exchange rate against the U.S. dollar.

Net cash interest expense declined 7% to US$22.9 million from US$24.6 million, reflecting a lower interest cost period-on-period as a consequence of the liability management initiatives completed during the second half of 2021. For the 12 months ended 30 June 2022, the cash interest cover was approximately 3.8 times.

Foreign Currency Hedging

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

Outlook

Impacts from the COVID-19 pandemic, inflation, and macroeconomic volatility are likely to continue in the second half of this year. However, the core holdings of Indofood, PLDT, and MPIC remain stable sources of First Pacific's strength. Looking ahead, the Company is optimistic for the prospects of these businesses and their strong potential for stable earnings growth over the medium to long term.

Indofood
THE SYMBOL OF QUALITY FOODS

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

Indofood's contribution to the Group increased 1% to US$124.4 million (1H21: US$122.9 million) principally reflecting higher core profit partly offset by a 1.0% depreciation of the rupiah average exchange rate against the U.S. dollar.

Core profit up 2% to 4.0 trillion rupiah (US$275.9 million) from 3.9 trillion rupiah (US$272.8 million)	■ reflecting higher profit of the Agribusiness group on higher CPO prices despite lower sales volume ■ improved performance of Bogasari and Distribution groups ■ partly offset by lower gross profit margin at the CBP group caused by higher raw material costs, and higher net financing costs
Net income down 16% to 2.9 trillion rupiah (US$200.0 million) from 3.4 trillion rupiah (US$239.1 million)	■ reflecting higher net foreign exchange loss due to the 3.9% depreciation of the rupiah closing exchange rate against the U.S. dollar ■ partly offset by higher core profit
Consolidated net sales up 12% to 52.8 trillion rupiah (US$3.6 billion) from 47.3 trillion rupiah (US$3.3 billion)	■ driven by higher sales of CBP, Bogasari and Distribution groups ■ partly offset by lower sales of Agribusiness group
Gross profit margin to 30.9% from 33.6%	■ reflecting higher raw material costs, especially for wheat flour and cooking oil ■ partly offset by higher average selling prices of most products at the CBP, Bogasari and Agribusiness groups
Consolidated operating expenses up 1% to 7.5 trillion rupiah (US$515.5 billion) from 7.4 trillion rupiah (US$516.2 million)	■ reflecting higher selling expenses, driven by higher sales ■ partly offset by lower general and administrative expenses
EBIT margin to 16.7% from 17.9%	■ reflecting lower gross profit margin ■ partly offset by lower operating expenses to sales ratio

Debt Profile

As at 30 June 2022, Indofood's gross debt increased 6% to 65.4 trillion rupiah (US$4.4 billion) from 61.8 trillion rupiah (US$4.3 billion) as at 31 December 2021. Of this total, 26% matures in the next 12 months and the remainder matures between July 2023 and April 2052, while 26% was denominated in rupiah and the remaining 74% was denominated in foreign currencies.

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

Additional Investments

From 1 January 2022 to 30 June 2022, Indofood acquired a total of approximately 1.2 million shares of IndoAgri from the open market for a total consideration of approximately S$0.4 million (US$0.3 million), increasing Indofood's effective interest in IndoAgri to approximately 72.0%.

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

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 key regions across Indonesia. 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 producing high-quality instant noodle products for fast-growing domestic and export markets. 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, Nigeria and Turkey, serving a population of more than 1.2 billion consumers in its major markets at home and abroad. Its annual production capacity is around 34 billion packs, across a broad range of instant noodle varieties.

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

The Snack Foods division has an annual production capacity of around 50,000 tonnes, producing 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 leading players 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, noodle soup and pasta 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 which are produced in 18 factories across Indonesia with a combined annual production capacity of approximately three billion liters.

In the first half of 2022, CBP group sales rose 16% to 32.2 trillion rupiah (US$2.2 billion) reflecting higher sales volumes and average selling prices across all major CBP divisions. Both domestic and overseas sales contributed to the strong performance. EBIT margin declined to 16.8% from 21.9% reflecting a greater increase in raw material costs than the increase in average selling prices.

In the midst of deteriorating global economic conditions, Indonesia's economy performed fairly well. Indofood will continue its focus on balancing volume growth and profitability. Indofood's initiatives for domestic and overseas operations will include strengthening its market leadership through continuous investment in product brands, deeper market penetration, and continuing product innovation. Indofood will also improve manufacturing and production capabilities as well as maintain a healthy balance sheet position.

Bogasari

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

Its sales rose 25% to 15.1 trillion rupiah (US$1.0 billion), reflecting higher average selling prices and sales volume. As a result, EBIT margin improved to 8.0% from 6.6%.

Global wheat markets will remain volatile with the ongoing Russia-Ukraine conflict. As one of the leading players in Indonesia's flour industry, Bogasari continues to focus on ensuring wheat supply and flour availability in the market. The improving domestic economy has been positive for Indonesia's flour industry, however, and rising flour prices pose a challenge especially to small- and medium-sized enterprises.

Agribusiness

The diversified and vertically integrated Agribusiness group is one of Indonesia's largest producers of palm oil with a leading market share in branded edible oils and fats. Its two divisions, Plantations and Edible Oils & Fats ("EOF"), operate through IndoAgri and its main operating subsidiaries, PT Salim Ivomas Pratama Tbk and PT Perusahaan Perkebunan London Sumatra Indonesia Tbk in Indonesia. In Brazil, IndoAgri has 36.2% equity investments in sugar and ethanol operations in Companhia Mineira de Açúcar e Álcool Participações ("CMAA") and land assets in Bússola Empreendimentos e Participações S.A. It is also invested in RHI in the Philippines through a joint venture with First Pacific.

CPO prices increased to record highs in early 2022 due to the Russia-Ukraine conflict and a temporary export ban by Indonesia. Despite challenges from highly volatile commodity markets and price control measures on domestic cooking oil introduced by the Indonesian government, the average CPO prices (CIF Rotterdam) rose 45% to US$1,638 per tonne in the first half of 2022.

Agribusiness group sales declined 10% to 8.0 trillion rupiah (US$550.3 million) due to lower sales at EOF division, despite higher average selling prices of palm products (CPO and palm kernel) and EOF products. Sales volume of CPO and palm kernel related products declined 14% and 26% to approximately 295 thousand tonnes and 62 thousand tonnes, respectively, owing to lower fresh fruit bunch ("FFB") nucleus production and stock build-up. EBIT margin rising to 19.0% from 11.8%.

Plantations

In Indonesia, the total planted area declined 1% to 296,635 hectares from year-end 2021, of which oil palm accounted for 83%, while rubber, sugar cane and other crops accounted for the remainder. IndoAgri's oil palms have an average age of approximately 18 years, while around 15% of its oil palms are younger than seven years. This division has a total annual processing capacity of 7.2 million tonnes of FFB.

The Plantations division recorded a 22% increase in sales to 5.7 trillion rupiah (US$389.9 million) mainly reflecting higher prices for palm products, partly offset by a lower sales volume of CPO and palm kernel products due to lower production and a net build-up of 35,000 tonnes of CPO inventories.

Total FFB production declined 5% to 1.7 million tonnes, mainly reflecting lower nucleus output caused by replanting activities in Riau and North Sumatra, as well as the impact on crop production and operations of adverse weather. CPO production declined 5% to 327,000 tonnes mainly due to lower FFB nucleus production. The CPO extraction rate was stable at 20.9%.

In Brazil, the total planted area for sugar cane rose 12% to 127,959 hectares from year-end 2021, of which 47% was owned by CMAA, while contracted third-party farmers accounted for the remainder.

Commodity prices are expected to remain highly volatile due to geopolitical conflicts, supply chain disruptions, rising global protectionism and erratic weather patterns. The Agribusiness group expects global vegetable oil prices to be supported by demand growth, biodiesel mandates, and a slowdown in supply growth, especially for palm oil.

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

Edible Oils & Fats

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

In the first half of 2022, this division recorded an 18% decline in sales to 6.1 trillion rupiah (US$421.2 million) as a result of lower sales volume of EOF products. Despite this and higher CPO input costs, the EOF division maintained its profitability.

Capacity expansion for its main Tanjung Priok CPO refinery in Jakarta is targeted to be completed in 2023. The boost in EOF production capacity will enable it to capture growing domestic demand and new opportunities. The EOF division will continue its competitive marketing strategy and packaging designs to maintain Bimoli's leading brand position, and further leverage its digital and e-commerce platforms to increase market reach and penetration.

Distribution

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

The Distribution group's sales rose 13% to 2.9 trillion rupiah (US$198.7 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 8.5% from 5.8% driven by lower operating expenses.

The Distribution group continues to strengthen its network, leveraging over 1,300 distribution/stock points across Indonesia to further increase Indofood's product penetration and product availability in retail outlets, as well as enabling it to quickly react to shifting consumer purchasing patterns.

Outlook

The outlook for household consumption in Indonesia looks promising with the economic turnaround along with the gradual lifting of mobility restrictions. Indofood will continue to focus on competitiveness and cost controls to manage healthy profitability amid continuing volatility in commodity prices.

PLDT's network quality and breadth coupled with its industry-best customer experience drove the robust performance at its Home and Enterprises businesses which addressed low home penetration and corporate digital transformation, respectively. Data and broadband services remained the main revenue growth driver across all businesses, with consolidated service revenues and core EBITDA reaching all-time highs in the first half of 2022.

PLDT's contribution to the Group increased 3% to US$73.0 million (1H21: US$71.2 million) reflecting higher consolidated core net income, partly offset by a 7.6% depreciation of the peso average exchange rate against the U.S. dollar during the period.

Telco core net income up 12% to 17.0 billion pesos (US$325.4 million) from 15.2 billion pesos (US$314.9 million)	■ reflecting higher core EBITDA driven by growth in service revenues ■ partly offset by higher provision for income tax, financing costs and depreciation
Consolidated core net income up 4% to 16.0 billion pesos (US$306.2 million) from 15.3 billion pesos (US$317.2 million)	■ reflecting higher telco core net income ■ partly offset by its share of a higher loss in Voyager
Reported net income up 30% to 16.7 billion pesos (US$320.4 million) from 12.9 billion pesos (US$267.5 million)	■ reflecting higher core net income, a gain from the sale and leaseback of telco towers, and income from the prescription of convertible preference shares redemption liability ■ partly offset by accelerated depreciation related to the sunsetting of 3G technology, migration of customers from copper network to fiber, higher manpower rightsizing expenses, and higher foreign exchanges losses
Consolidated service revenues (net of interconnection costs) up 5% to 94.3 billion pesos (US$1.8 billion) from 89.9 billion pesos (US$1.9 billion)	■ reflecting sustained strong growth in Home broadband and Enterprise revenues ■ while Individual service revenues were impacted by competition, the downward trend was reversed with modest recovery in the second quarter of 2022 ■ Home and Enterprise service revenues grew 24% and 9%, and accounted for 30% and 25% of consolidated service revenues, respectively ■ data and broadband remained the main growth drivers, with combined revenues up 10%, representing 79% (1H21: 76%) of consolidated service revenues
Core EBITDA up 8% to 50.5 billion pesos (US$966.5 billion) from 46.6 billion pesos (US$964.8 million)	■ reflecting higher service revenues and lower provisions ■ partly offset by higher cash operating expenses
Core EBITDA margin to 52% from 51%	■ EBITDA margin of wireless and fixed line at 53% and 37%, respectively

Capital Expenditures

In the first half of 2022, capital expenditure rose 11% to 46.0 billion pesos (US$0.9 billion), 79% of which was invested in network and IT, while the balance was invested in business capital expenditure to support the requirements of the Home, Enterprise and Individual segments.

When compared to year-end 2021, total homes passed by PLDT's fiber optic network rose 17% to 16.2 million, fiber port capacity rose 16% to 6.7 million, and its fiber footprint expanded by 13% to 837,900 cable kilometers nationwide – the country's biggest. On the wireless network, the number of base stations for LTE/4G increased 3% to 39.8 thousand, for 3G up 1% to 17.1 thousand, while Smart 5G rose 2% to 7.3 thousand. As at the end of June 2022, PLDT's 5G, 4G and 3G population coverage reached 97% of the Philippines' population, while 5G alone was at 66%.

In the first half of 2022, PLDT built an additional 950 thousand ports for connecting more homes to its fiber optic network, maintaining its market leadership position. Fixed broadband nationwide presence rose to 65%.

Global benchmarking company Ookla® recognized PLDT's broadband as the fastest and Smart's mobile coverage as the best in the Philippines for the period. They received Ookla Speedtest Awards since the first quarter of 2021. Over the last 10 years to 2021, PLDT invested approximately 518.5 billion pesos (US$9.4 billion) in capital expenditure to serve its customers.

As part of its objective of achieving positive free cash flow, PLDT aims to reduce its capital expenditures over the course of time from a peak of 89 billion pesos in 2021. Capital expenditure guidance for 2022 remained at 85 billion pesos. It will continue to be demand-driven primarily enabling the growth of its Home broadband business, network capacity expansion and IT platform advancement, construction of an 11th data center for hyperscalers, and investment in the Jupiter and Apricot international cabling systems.

Asset Divestment

On 19 April 2022, PLDT subsidiaries, Smart Communications, Inc. ("Smart") and Digitel Mobile Philippines, Inc. ("Digitel") signed Sale and Purchase Agreements ("SPA") for the sale of 5,907 telecom towers and related passive telecom infrastructure to a subsidiary of EdgePoint Infrastructure and a subsidiary of edotco Group for a total consideration of 77 billion pesos (US$1.4 billion). The transaction was the largest ever acquisition of assets in the Philippines by international investors at the time.

Smart has agreed to leaseback the towers sold in the transaction for a period of 10 years. The sale and leaseback will be complemented by building another 1,500 new towers for Smart by 2030. The first two closings of the transaction were completed on 1 June 2022 and 1 August 2022, with 39.2 billion pesos (US$713.0 million) and 13.2 billion pesos (US$240.1 million) received, respectively. The final closing is expected to be completed by the end of 2022. The proceeds from the tower sale have been allocated for debt prepayment, capital and operating expenditures, investments, and special dividends.

Debt Profile

During the period, PLDT prepaid part of its debts using the towers sale proceeds. As at 30 June 2022, PLDT's consolidated net debt declined 11% to US$4.0 billion from US$4.5 billion as at year-end 2021, improving net debt to EBITDA to 2.16 times from 2.38 times. Total gross debt fell to US$4.7 billion, of which 16% 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. 64% of total debts are due to mature after 2026. Post interest rate swaps, 60% of the total debt are fixed-rate borrowings. The average pre-tax interest cost for the period declined further to 4.01% from 4.31% for the full year 2021.

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

Interim and Special Dividends

On 4 August 2022, the PLDT Board of Directors approved a regular interim dividend of 47 pesos (US$0.85) (1H21: 42 pesos (US$0.86)) per share, representing 60% of its telco core net income in the period, in line with PLDT's dividend policy. A special dividend of 28 pesos (US$0.51) per share associated with the first two closings of towers sale transaction was declared. Both dividends will be paid on 5 September 2022 to shareholders on record as of 18 August 2022.

Another special dividend with a total of 3 billion pesos (US$54.6 million) associated with the final closing of towers sale will be declared when PLDT announces its final dividend for 2022.

Service Revenues by Business Segment

High demand for data and broadband services continued to drive PLDT's performance. Total service revenues rose 5% to another record high of 94.3 billion pesos (US$1.8 billion), led by a 10% increase in data and broadband revenues to 74.9 billion pesos (US$1.4 billion). Mobile data revenues grew 2% to 35.7 billion pesos (US$0.7 billion), Home broadband revenues rose 22% to 24.6 billion pesos (US$470.8 million), corporate data recorded 11% growth to 11.9 billion pesos (US$227.8 million), and ICT revenues were up 14% to 2.6 billion pesos (US$49.8 million).

As at the end of June 2022, the PLDT group's total subscriber base stood at 77.3 million.

The growth momentum of Home service revenues remained strong in the first half of 2022, rising 24% to a record high of 28.1 billion pesos (US$537.8 million). Fiber-only revenues rose 62% to 23.2 billion pesos (US$444.0 million) and accounted for 82% of total Home revenue following an acceleration in the rollout of nationwide fiber-to-the-home ("FTTH") in response to strong customer demand for PLDT's high network quality. In the first half of 2022, PLDT recorded 401,000 net fiber subscriber additions, bringing its total fiber subscriber base to 2.8 million.

Approximately 20% of the Philippine population connected by fiber network services, significantly lower than the 50% level in some of the neighboring countries. With sustainable market demand and promising growth prospects, PLDT's Home business will continue to accelerate its fiber rollout and enhance its fiber network by increasing its fiber port capacity, introducing exclusive partnerships with reputable global players to further enrich its streaming offers, and increasing channels for digital services.

Individual service revenues declined 6% to 41.2 billion pesos (US$788.5 billion) of which 83% (1H21: 79%) were from data/broadband. However, the second quarter saw a reversal of the downward trend in revenues with a rise to 20.9 billion pesos (US$400.0 million), up 2% from the first quarter, boosted by the return of mobility and economic activity, continuing refinement of offers and load packages to address consumer preferences and usage patterns, and Smart's network advantage in terms of quality.

Stimulated by data offerings and promotions, mobile data traffic volumes rose 32% to 2,081 petabytes. The number of active data users increased 5% to 41.9 million, while 5G connected devices on the PLDT network grew 80% from year-end 2021 to over 2 million.

As at the end of June 2022, the PLDT group's combined wireless subscriber base stood at 69.4 million, of which over 95% are prepaid customers.

Enterprise service revenues rose 9% to a new high of 23.2 billion pesos (US$444.0 million), driven mostly by the resumption of business activities with the gradual reopening of the Philippine economy. PLDT Enterprise enabled 627,000 cloud licenses, a 32% increase period-on-period.

The construction of ePLDT's eleventh data center, VITRO Sta. Rosa, marked a new step in its leadership in the ICT sector. With a total power capacity of 50 megawatts, VITRO Sta. Rosa is the first in a series of planned hyperscale data center projects aiming to total over 100 megawatts in all. VITRO Sta. Rosa will host the Philippines' richest internet ecosystem and premiere internet exchanges, making it the most ideal location for Availability Zones and Points-of-Presence of hyperscalers, as well as for businesses' most critical systems.

PLDT Enterprise's capacity, capabilities and infrastructure provide strong support for the Philippine government's digitalization goals, facilitate the digital transformation of enterprises, and meet the growing demands of hyperscaler businesses, data centers and cloud consumption.

Digital Ecosystem

PLDT continues to expand its digital financial services ecosystem through Voyager's Maya and Maya Bank.

PayMaya rebranded to Maya in April 2022 with a new all-in-one money app for consumers that seamlessly integrates wallet features and crypto with savings and credit powered by Maya Bank. The Maya app is now the highest-rated local finance app in both Google Play and the App Store. As of end-June 2022, Maya had 50 million registered users across its consumer platforms, and around 760,000 merchant points of acceptance nationwide. Over 650,000 customers had opened a Maya Save account three months after it launched, making Maya Bank the fastest growing digital bank in the Philippines.

Maya relaunched Maya Business as the all-in-one growth partner for enterprises. On top of being the largest fully integrated payment service processor in the Philippines, Maya Business offers digital banking services powered by Maya Bank, such as enterprise deposit, payroll management solutions, credit products for customers and employees of large corporations, and working capital loans for micro-, small- and medium-enterprises.

In April 2022, Voyager raised US$210 million of new funds for business expansion from existing shareholders and new investors including First Pacific. This round of fund-raising drove Voyager to reach unicorn status with a valuation of nearly US$1.4 billion.

Sustainability

PLDT has identified sustainability as one of the key drivers of its growth strategy and continues to embed it in its business operations. It has committed to a 40% reduction in its Scope 1 and Scope 2 greenhouse gas emissions by 2030 from a 2019 baseline, and has developed a decarbonization roadmap that involves, among others, greater sourcing and use of renewable energy and green technology in its facilities and networks and the progressive deployment of electric vehicles as part of its re-fleeting strategy. In the first half of 2022, Smart energized solar roof top panels in five of its facilities in the Visayas region. The PLDT group leverages on its expertise in connectivity and cloud technology for biodiversity management projects such as the Connected Mangroves in partnership with Huawei, and the Rainforest Connection project in partnership with Ericsson. These projects showcase the use of communications technology and the collaboration of various stakeholders to help the fight against global warming.

PLDT's Diversity and Inclusion Policy promotes digital inclusion for Education, Livelihood and Food Security, Disaster Resilience, and Digital Wellness. During the period, the donation of 21 School-in-a-Bag packages benefited 3,027 teachers and 5,654 students living in remote areas. Its Digital Farmers Program, in partnership with the Department of Agriculture of the Philippines, provided essential training to 751 farmers.

Under the Better Today program, PLDT group founded three child-friendly hotspots for Online Sexual Abuse and Exploitation of Children ("OSAEC") in Mindanao. It also offered training to over 800 parents, children, community, and academe partners on OSAEC prevention and response.

PLDT, Smart, and the PLDT-Smart Foundation continue their mission of providing timely assistance to communities affected by natural disasters, most recently delivering recovery support following a magnitude 7.0 earthquake in Northern Luzon.

PLDT's ESG commitments and performance are recognized by international rating agencies and associations, including the FTSE4Good Index (2022), rated high at BB of MSCI ESG ratings and medium risk by Sustainalytics. PLDT is the first telecommunications company in the Philippines to become a local supporter of the Task Force on Climate-related Financial Disclosures ("TCFD") and a Global Participant of United Nations Global Compact ("UNGC").

Outlook

During the first half of 2022, PLDT sustained its strong performance and declared a special dividend to shareholders in addition to its regular interim dividend.

For the second half of 2022, the business faces stronger headwinds arising from a rising inflation environment that could impact customers' spending power and its own operating costs. Despite the anticipated pressure on growth from these headwinds, PLDT remains focused on the implementation of its strategic and cost optimisation initiatives, and is optimistic about achieving its targets for the year.

For 2022 full year guidance, PLDT is on track to achieve a 10% rise in telco core net income to 33 billion pesos, while capital expenditures are expected to decline to 85 billion pesos. Debt levels are expected to be further reduced using the proceeds from the towers sale.

In the first half of 2022, MPIC's core businesses benefited from economic recovery in the Philippines as the impact of the COVID-19 pandemic on business waned. A broad expansion of business activity stimulated higher power consumption while driving growth in toll road traffic volumes as water consumption remained flat with a shift in demand to commercial and industrial consumption from residential.

MPIC's contribution to the Group rose 20% to US$59.7 million (1H21: US$49.9 million), reflecting higher consolidated core net income, partly offset by a 7.6% depreciation of the peso average exchange rate against the U.S. dollar during the period.

Consolidated core net income up 24% to 7.5 billion pesos (US$142.8 million) from 6.0 billion pesos (US$124.6 million)	■ reflecting a 15% growth in contribution from its operations to 9.8 billion pesos (US$187.2 million) ■ power, toll roads and water businesses accounted for 60%, 26% and 15%, respectively, of the consolidated profit contribution to MPIC ■ a 9% rise in contribution from the power business to 5.9 billion pesos (US$112.4 million) driven by growth in power generation businesses and higher volume sold ■ a 34% increase in contribution from the toll roads business to 2.5 billion pesos (US$47.8 million) reflecting improvement in traffic volume and toll increases ■ a 1% increase in contribution from the water business to 1.4 billion pesos (US$27.7 million) reflecting higher demand from commercial and industrial sectors with higher effective tariffs largely offset by lower residential total billed volumes ■ 127 million pesos (US$2.4 million) profit contributions from real estate and fuel storage businesses were offset by a loss of 162 million pesos (US$3.1 million) at the light rail business albeit lower overall by 18% period-on-period. As a result, the net loss of the other businesses fell to 35 million pesos (US$0.7 million) from 152 million pesos (US$2.9 million)
Consolidated reported net income down 9% to 9.5 billion pesos (US$181.7 million) from 10.4 billion pesos (US$215.1 million)	■ reflecting a lower non-recurring gain from the consolidation of Landco in the period, while the gain in the first half of 2021 was higher as a result of the transfer of GBPC to Meralco PowerGen Corporation ("MGen") and the sale of a toll road in Thailand
Consolidated revenues up 12% to 24.3 billion pesos (US$464.8 million) from 21.7 billion pesos (US$448.5 million)	■ reflecting higher revenues at toll roads and light rail businesses

Debt Profile

As at 30 June 2022, MPIC's consolidated debt rose 6% to 260.5 billion pesos (US$4.7 billion) from 246.3 billion pesos (US$4.8 billion) as at 31 December 2021, mainly reflecting additional bank borrowings for ongoing construction of toll roads and light rail projects. Net debt increased 10% to 214.7 billion pesos (US$3.9 billion).

Of the total debt, 89% was denominated in pesos and fixed-rate borrowings accounted for 83%. The average interest rate rose to 5.90% for the first half of 2022 from 5.69% for 2021, and debt maturities ranged from 2022 to 2037.

Capital Management

Interim Dividend

MPIC's Board of Directors declared an interim dividend of 0.0345 peso (U.S. 0.06 cent) per share payable on 8 September 2022 to shareholders on record as of 22 August 2022. It represented a dividend payout ratio of approximately 14% (1H21: 18%) of core net income.

Share Buyback Program

On 16 February 2022, MPIC's Board of Directors approved a share buyback program with a budget of up to 5.0 billion pesos (US$90.9 million). Up to 30 August 2022, MPIC bought back approximately 817.2 million shares from the open market at a total cost of approximately 3.1 billion pesos (US$55.6 million).

Additional Investments

On 27 June 2022, MPIC entered into an agreement with the Carmen's Best Group to acquire a 51% equity interest in The Laguna Creamery, Inc. ("TLCI") for a total consideration of 198 million pesos (US$3.6 million). The Carmen's Best Group owns Carmen's Best Ice Cream, a premium ice cream brand in the Philippines, and is the only local company producing pasteurized and homogenized fresh milk. It also produces yogurt and artisanal cheeses. The closing of the transaction is subject to the satisfaction of certain conditions, including the increase in authorized capital stock of TLCI and the integration of Carmen's Best Group's assets and operations into TLCI.

On 30 June 2022, Metro Pacific Tollways Corporation's ("MPTC") indirect subsidiary, PT Margautama Nusantara ("MUN"), entered into a conditional sale and purchase agreement with Perusahaan Perseroan (Persero) PT Jasa Marga (Indonesia Highway Corporatama), Tbk. for the acquisition of 40% interest in Jasa Marga Jalanlayang Cikampek ("JJC") for a total consideration of up to 4,389 billion rupiah (US$295.6 million). The closing of the transaction is subject to the satisfaction of certain conditions, including the completion of the technical due diligence to the satisfaction of MUN. JCC is the concession holder of a 38-kilometers fully elevated Jakarta-Cikampek Elevated toll road which has been in operation since December 2019.

On 3 August 2022, MPIC acquired an additional 2% interest in Meralco from JG Summit Holdings, Inc. for a consideration of approximately 7.8 billion pesos (US$138.6 million). The transaction increased MPIC's economic interest in Meralco to approximately 47.5% from approximately 45.5%.

Power

Meralco is the largest electricity distributor in the Philippines, delivering electricity to businesses and homes responsible for more than half of the country's gross domestic product.

The volume of electricity sold rose 6% to a record high 23,968 gigawatt hours. The residential, commercial and industrial sectors accounted for 35%, 35% and 30%, respectively, of the total sales volume in the first half of 2022. Residential, commercial, and industrial volumes rose 2%, 12% and 4% respectively, driven by new connections, and increased commercial activities and industrial production.

Meralco's revenues rose 34% to 199.6 billion pesos (US$3.8 billion) as a result of higher contribution from MGen, higher volume sold, and higher pass-through generation revenues. The number of billed customers rose 3% to 7.5 million in the first half of 2022.

Capital expenditures rose 8% to 14.2 billion pesos (US$271.3 million) primarily for adding new connections, facility renewals, and capacity expansion projects. These investments further strengthened the reliability of Meralco's distribution network.

MGen, Meralco's wholly-owned power generation subsidiary, delivered a total of 6,562 gigawatt hours of energy, 6% lower than the first half of 2021 due to the impact of typhoon Odette and outages in the Philippines. MGen's assets include GBPC, San Buenaventura Power Ltd. Co., and PowerSource First Bulacan Solar, Inc. in the Philippines and PLP in Singapore.

Renewable Energy

Meralco's electricity distribution arm has committed to source 1,500 megawatts of its power requirements from renewable energy sources in the next five years. Similarly, MGen is also accelerating the development of its clean energy generation capacity by 1,500 megawatts in the next five to seven years.

Towards MGen's 1,500 megawatts goal, a 75 MWac solar plant in Rizal and a 68 MWac plant in Ilocos Norte are under construction and are planned to go online in the latter part of 2022 up to 2023. A 45 MWac solar project in Cordon, Isabela is also under development, while MGen's first large-scale wind farm and solar/storage projects are in pre-development.

Toll Roads

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

In the Philippines, the construction of Cebu's newest icon the CCLEX was completed and opened on 30 April 2022.

MPTC's revenues rose 26% in the first half of 2022 to 10.5 billion pesos (US$201.8 million), reflecting record high growth in traffic volume and toll increases in the Philippines and Indonesia. Average daily vehicle entries on MPTC's toll roads rose 19% to 884,205 as the economic and social consequences of COVID-19 waned. In the Philippines, average daily vehicle entries rose by 18% to 557,015, while traffic volume on international toll roads rose 20% to 327,190.

Capital expenditures increased 15% to 11.6 billion pesos (US$222.0 million), mainly reflecting the construction costs for CCLEX, the NLEX-SLEX Connector Road, CAVITEX-C5 South Link, and CALAX.

In the Philippines, MPTC budgeted to spend approximately 53.7 billion pesos (US$976.7 million) on building the NLEX-SLEX Connector Road, additional segments of CAVITEX Segment 4 Extension, CAVITEX-C5 South Link and CALAX, with a total length of 61.5 kilometers. The NLEX-SLEX Connector Road is expected to complete by the end of 2022 with the other roads following in 2023.

Water

Maynilad Water Services, Inc. ("Maynilad") is the biggest water utility in number of customers in the Philippines, operating a concession for water distribution and sewerage and sanitation services for the West Zone of Metro Manila. MetroPac Water Investments Corporation ("MPW") is MPIC's investment vehicle for water investments outside Metro Manila.

On 18 May 2021, Maynilad signed a Revised Concession Agreement ("RCA") with the Metropolitan Waterworks and Sewerage System ("MWSS") which confirmed its concession period until 31 July 2037 with certain amendments made. On 21 March 2022, Maynilad accepted the 25-year franchise in relation to its concession which affirmed its authority to provide waterworks system and sewerage and sanitation services. The RCA will become effective subject to the fulfilment of conditions precedent.

Revenues were flat at 11.2 billion pesos (US$214.4 million), reflecting increased commercial and industrial demand and higher effective tariffs offset by a 2% decline in residential consumption as the economic consequences of the pandemic declined. Commercial and industrial demand rose 6% and 2%, respectively.

Capital expenditure rose 141% to 6.9 billion pesos (US$132.1 million), largely spent on leakage repairs and pipe replacements.

Maynilad's water treatment plant in Paranaque City is the first in the Philippines equipped to recycle used water for human consumption. It is benchmarked against the highest global standard and has a daily capacity of converting 10 million liters of treated used water to drinkable water.

Light Rail

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

Revenues rose 41% to 767 million pesos (US$14.7 million) reflecting higher demand in the latter part of the period as regulators removed an overall ridership ceiling of 70% of capacity in March 2022, resulting in a 52% increase in ridership to 185,012 passengers a day.

In the first half of 2022, LRMC's capital expenditure declined 52% to 1.4 billion pesos (US$26.9 million), mainly reflecting substantial completion of a signalling system upgrade in early April 2022. By end June 2022 the completion rate of LRT-1's phase 1 stood at 71%.

Healthcare

Metro Pacific Hospital Holdings Inc. ("MPHHI") is the largest operator of private healthcare networks in the Philippines, comprising 19 hospitals, six provincial cancer radiotherapy centres, two healthcare colleges, and one central laboratory. MPHHI currently has approximately 3,800 beds.

Revenues fell 3% to 9.4 billion pesos (US$179.6 million), reflecting lower COVID-19 related admissions and testing, which reduced average revenue per patient. In-patient admissions rose 15% to 54,187 while out-patient visits were up 15% to 1,728,568.

MPHHI's capital expenditure rose 8% to 1.1 billion pesos (US$21.8 million) reflecting the resumption of expansion projects. The completion of a new eight-storey building at Riverside Medical Center added new facilities, including new operating theatres and diagnostic centers while adding 168 patient rooms of which 42 are ready for use. With five additional satellite out-patient primary and pharmacy centers opened in Visayas and Mindanao, the total number of MPHHI's satellite facilities increased to fifteen.

Sustainability

MPIC is embedding sustainability into all aspects of its businesses with a goal of offering better and more purposeful services to its customers, and generating pervasive and positive impacts on the welfare of all stakeholders.

Integrating Sustainability with Business Strategy

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

For toll roads, MPTC's headquarters, MPT South Hub, was awarded a "Leadership in Energy & Environmental Design" ("LEED") Gold Certification from the US Green Building Council in recognition of its efforts to reduce indoor water consumption by at least 40% through the installation of modern water-efficient fixtures and cutting outdoor water consumption by 50% through rainwater collection, and installing an electric vehicle charging station. For supporting the United Nation's Second Decade of Action for Road Safety, MPTC is partnered with UNICEF to promote Child Road Safety (Child Road Traffic Injury Prevention) and Children's Rights and Business Principles under a three-year Memorandum of Agreement.

For water, Maynilad's second solar project, a solar farm encompassing 12,157 square meters of photovoltaics with capacity of 1,000 kilowatts located inside the La Mesa Compound in Quezon City, provides additional green energy to its water facilities.

For light rail, LRMC's high standard of safety measures in its strategies and operations achieved a record of surpassing 20 million safe man-hours as at 30 June 2022.

Environmental Protection Programs

MPIC signed a 3-year Memorandum of Agreement with the Biodiversity Management Bureau of the Department of Environment and Natural Resources – National Capital Region and the local government unit of Quezon City for the implementation of the "Building a Biodiversity-Friendly Environment in Metro Manila" project. MPIC will develop the "*Gabay Kalikasan*" Park to help promote urban biodiversity.

MPIC's solid waste management program has proven effective and cost-efficient through promoting recycling and proper waste segregation at source. MPIC expanded the program by joining the Trash to CashBack program of Basic Environmental Systems & Technologies, Inc. and BEEPXTRA Philippines Inc.

Metro Pacific Investments Foundation Inc. ("MPIF")'s commitment to protect and strengthen the sustainability of marine ecosystems in the Philippines was strengthened with a four-year agreement with the Tubbataha Protected Area Management Board. The scope of partnership involves financial and workforce support to shore up Tubbataha Reefs Natural Park, the Philippines' largest marine protected area. MPIF has planted approximately 25,000 mangroves in the Alaminos and Del Carmen Mangrove Centers, exceeded its original target of 15,000 by two-thirds.

Global Best Practices on Sustainability

In June 2022, MPIC and Meralco's high standard of ESG practices enabled them to become certified constituents of the FTSE4Good Index. Their ESG ratings were upgraded by MSCI, Inc. in 2021 to an all-time best BBB from BB received since 2017. They were also included in the SDG 2000 of the World Benchmarking Alliance ("WBA").

Sustainalytics' ESG Risk Ratings identify a company's exposure to industry-specific material financial impacts from ESG risks, with scores of 0–10 for negligible and 40+ for severe. In March 2022, MPIC achieved a low score of 11.0 for Sustainalytics ESG Risk Rating and maintained its top one position among multi-sector holdings companies in the Philippines. MPIC is also an "ESG Regional Top Rated" and "ESG Industry Top Rated" company. MPIC is among the top 2% of companies rated in Sustainalytics' Diversified Financials industry category.

Chaye Cabal-Revilla was named as the 2022 Sustainability Leader of Campaign's Women Leading Change Awards Asia-Pacific. MPIC's *Bayan Tanim!* Project was recognized by the League of Corporate Foundations Corporate Social Responsibility ("CSR") Guild Awards 2022 as "Outstanding CSR project in Disaster Resilience."

Outlook

The lingering impact of the pandemic, inflation, and global economic uncertainties are likely to add pressure on operations in the second half of this year. Nevertheless, MPIC is growing its businesses and enhancing their profitability with a macro view of contributing to national progress and improving the life quality of Filipinos. It is mindful of its leading role in the development of infrastructure in the Philippines. MPIC continues the exploration of growth potential in other areas, particularly in agriculture, tourism, and logistics.

FPM POWER / PacificLight

PLP's 800-megawatt ("MW") Jurong Island Power Generation Facility remains one of the most efficient combined cycle power plants operating in Singapore since entering commercial operations in 2014.

Singapore's economy expanded 4.0% year-on-year in the first quarter of 2022 and a further 4.8% in the second. Electricity demand rose approximately 3.4% in the first half of this year as increased economic activity resulted in higher demand and hence higher sales of electricity.

In the first half of 2022, PLP made a profit contribution of US$39.0 million (1H21: US$2.8 million) to First Pacific reflecting a significant increase in core net profit.

Average plant availability was at 92% (1H21: 100%), reflecting maintenance work at both units in January 2022. The heat rate improved due to a higher volume of generation as the plant remained highly reliable. As of 1 July 2022, unit 20 had had no operational forced outage for 64 consecutive months since March 2017 – the longest record in Singapore's electricity generation industry. The last forced outages of units 10 and 20 happened on 29 January 2022 and 27 July 2022, respectively, due to minor mechanical issues.

In the first half of 2022, the volume of electricity sold rose more than 3% to 2,770 gigawatt hours (1H21: 2,682 gigawatt hours) despite the maintenance work, of which 91% (1H21: 95%) was for contracted sales and vesting contracts, and the remaining 9% (1H21: 5%) was for pool market sales. PLP's generation market share for the period was approximately 9% (1H21: 10%).

Core net profit up 108.9 times to S$130.7 million (US$95.6 million) from S$1.2 million (US$0.9 million)	■ reflecting higher non-fuel margin for electricity sales and higher sales volume ■ partly offset by higher maintenance, and marketing and distribution expenses
Net profit of S$148.7 million (US$108.8 million) versus net loss of S$6.0 million (US$4.5 million)	■ reflecting a significant increase in core net profit ■ a foreign exchange gain verses a loss in the first half of 2021
Revenues up 114% to S$1.2 billion (US$863.7 million) from S$550.8 million (US$412.9 million)	■ reflecting a higher average selling price per unit of electricity as a result of high oil prices ■ higher volume of electricity sold associated with economic recovery
Net operating expenses up 7% to S$11.9 million (US$8.7 million) from S$11.1 million (US$8.3 million)	■ reflecting higher marketing and distribution expenses ■ partly offset by higher other income on sales of carbon credits
EBITDA up 7.5 times to S$177.3 million (US$129.7 million) from S$23.6 million (US$17.7 million)	■ reflecting substantial improvement in the non-fuel margin for electricity sales and higher sales volume

Debt Profile

During the period, PLP prepaid US$102.4 million of its long-term debt. As at 30 June 2022, FPM Power's net debt stood at US$223.8 million while gross debt stood at US$323.5 million with most of the total due to mature by December 2026. All of the borrowings were floating-rate bank loans.

Singapore's Pioneer Offshore Solar Import Project

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

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

The Energy Market Authority of Singapore aims to import up to 4.0 gigawatts of electricity by 2035 through a Request for Proposal ("RFP") which the consortium intends to participate in.

Outlook

Following a strong first half of the year, PLP's performance is expected to remain robust with the continued upward trend of electricity demand implied by the government's GDP growth forecast of 3.0% to 5.0% for the full year of 2022.

PHILEX MINING
CORPORATION

Padcal mine operations continued with implementation of strict measures against the COVID-19 pandemic and an extensive vaccination program. However, unscheduled breakdown and subsequent repairs of certain equipment resulted in lower production volume.

In the first half of 2022, Philex's contribution to the Group increased 42% to US$9.8 million (1H21: US$6.9 million), reflecting higher metal prices with the average realized gold price rising 3% to US$1,869 per ounce while copper gained 4% to US$4.38 per pound. This was partly offset by lower metal output, higher operating costs partly due to a 7.6% depreciation of the average peso exchange rate against the U.S. dollar during the period.

Total ore milled declined 7% to 3.7 million tonnes. The average gold grade was 0.278 grams per tonne, similar to the previous period, while the average copper grade was up 3% to 0.193%. The decline in metal output was caused by unscheduled repairs of equipment, leading to a 7% fall in gold output to 25,213 ounces and a 4% decline in copper production to 12.6 million pounds.

Core net income up 16% to 1.3 billion pesos (US$25.5 million) from 1.1 billion pesos (US$23.8 million)	■ reflecting higher revenue ■ partly offset by higher provision for income tax
Net income up 21% to 1.4 billion pesos (US$26.8 million) from 1.2 billion pesos (US$24.0 million)	■ reflecting the improvement of core net income
Revenue (net of smelting charges) up 6% to 5.0 billion pesos (US$96.0 million) from 4.7 billion pesos (US$98.3 million)	■ reflecting higher realized gold and copper prices ■ higher copper ore grades ■ favourable foreign exchange rates ■ partly offset by lower production volume resulting from unscheduled repairs of equipment ■ revenues from copper, gold and silver contributed 54%, 45% and 1% of the total, respectively
EBITDA up 16% to 2.4 billion pesos (US$45.0 million) from 2.0 billion pesos (US$42.0 million)	■ mainly reflecting higher revenue
Operating cost per tonne of ore milled up 13% to 981 pesos (US$18.8) from 870 pesos (US$18.0)	■ reflecting higher cash production costs for materials and supplies driven by inflation and labour ■ higher excise taxes and royalties due to higher revenue ■ higher non-cash charges associated with the reversal of impairment provisions
Capital expenditure (including exploration costs) up 90% to 869 million pesos (US$16.6 million) from 457 million pesos (US$9.5 million)	■ reflecting higher capital expenditure for the preliminary mine development ground works at Silangan Project ■ higher costs for machinery and equipment

The latest mineable reserves estimate at Padcal mine as of end-December 2021 is 24.9 million tonnes with average gold grade of 0.23 grams per tonne and copper grade of 0.18%. Further studies are underway to explore and determine the feasibility of mineable resources and reserves in the vicinity of the Padcal mine, and the extension of its mine life to beyond 2024.

Debt Profile

As at 30 June 2022, Philex had 10.5 billion pesos (US$190.5 million) of borrowings, comprising bonds with a 1.5% coupon and short-term bank loans with an average interest cost of approximately 2.6%. The dollar-denominated short-term bank loans remained at US$29.0 million from year-end 2021 but increased 8% to 1.6 billion pesos in terms of peso value reflecting depreciation of the peso against the U.S. dollar.

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 of the Department of Environment and Natural Resources 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.

Philex's Board of Directors approved the In-Phase Mine Plan for the Silangan Project in July 2021. The In-Phase Mine Plan feasibility study for the Boyongan deposit (Phase 1 of the Silangan Project) was completed in January 2022. The mine life and operation for the Boyongan deposit is stretched to 28 years with a mineable reserve estimate of 81 million tonnes, and estimated gold grade of 1.13 grams and copper grade of 0.67% per tonne of ore.

The initial capital expenditure requirements under the In-Phase Mine Plan is US$224 million, which will be funded in a number of ways including Stock Rights Offering ("SRO") by Philex, debt and fresh capital infusion out of Philex's cash reserve. Philex completed its SRO on 3 August 2022 and raised 2.65 billion pesos (US$47.6 million) with the issuance of 842 million new shares at 3.15 pesos (U.S. 5.66 cents) per share. The net proceeds of the SRO have been allocated to fund the initial capital expenditure and development cost of the Silangan Project and the preliminary mine development ground works of the Silangan Project which are underway. Based on the In-Phase Mine Plan, the commercial operations of the Silangan Project is targeted to commence in the first quarter of 2025. The initial daily estimated ore production capacity is 2,000 tonnes and reaching 12,000 tonnes from the twelfth year of operation.

PXP

In the first half of 2022, petroleum revenue rose 130% to 45 million pesos (US$0.9 million) (1H21: 20 million pesos (US$0.4 million)) reflecting a 53% surge in average crude oil sale prices and two liftings with a total volume up 31% to 291,216 barrels (1H21: 222,038 barrels) from Service Contract ("SC") 14C-1 Galoc oil field.

Costs and expenses declined 13% to 47 million pesos (US$0.9 million) (1H21: 54 million pesos (US$1.1 million)), reflecting a fall in general and administrative expenses.

PXP's core net loss declined 91% to 2 million pesos (US$0.04 million) from 22 million pesos (US$0.5 million), reflecting higher petroleum revenue and lower general and administrative expenses.

SC 72 and SC 75

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

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

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

Outlook

The uncertainties of the global situation and the impact of COVID-19 are expected to continue. The acceleration of inflation, increase in energy costs and interruption of supply chains are also adding pressure to the operation of businesses. However, with the support of the mining industry from the new presidential administration of the Philippines, the continued positive outlook for metal prices, and the demand for green metals which include copper, Philex's capability of further developing and expanding its mining businesses is expected to be strengthened.

FP NATURAL RESOURCES /

RHi ROXAS HOLDINGS, INC.

RHI's production plants continued their operation with the implementation of strict disease prevention measures as the COVID-19 pandemic continued.

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 the ethanol plant of San Carlos Bioenergy, Inc. has a daily production capacity of approximately 100,000 liters.

In the first half of 2022, FP Natural Resources' loss narrowed 24% to US$3.4 million (1H21: US$4.5 million), reflecting a lower core net loss at RHI.

During the period, RHI's sugar milling volume decreased 35% to 477 thousand tonnes (1H21: 733 thousand tonnes) due to a sugar cane shortage owing to unfavourable weather condition in the Philippines, declining farm productivity, and intense competition in Batangas. Sales volume of refined sugar rose 81% to 899 thousand LKg (1H21: 496 thousand LKg) as the completion of flex-fuel conversion on one of the boilers enables the refinery to operate all season, hence increasing the production capability of the refinery. Sales volume of alcohol decreased 5% to 14.8 million liters (1H21: 15.6 million liters) as alcohol production was adversely impacted by mechanical and feedstock contamination issues and high cost of feedstock.

Core net loss down 22% to 403 million pesos (US$7.7 million) from 520 million pesos (US$10.8 million)	■ reflecting higher gross profit from refined sugar and tolling ■ partly offset by higher gross loss from alcohol
Reported net loss down 20% to 393 million pesos (US$7.5 million) from 493 million pesos (US$10.2 million)	■ reflecting lower core net loss
Revenues up 57% to 5.4 billion pesos (US$103.6 million) from 3.4 billion pesos (US$71.2 million)	■ reflecting higher sales volume of refined sugar and tolling fee income ■ higher sugar and alcohol prices ■ partly offset by lower sales volume of alcohol
Operating expenses down 13% to 268 million pesos (US$5.1 million) from 309 million pesos (US$6.4 million)	■ reflecting the impact of manpower reduction initiatives
EBITDA loss down 87% to 11 million pesos (US$0.2 million) from 83 million pesos (US$1.7 million)	■ reflecting higher revenues ■ partly offset by higher cash production cost
EBITDA margin to -0.2% from -2.4%	■ reflecting lower EBITDA loss due to higher revenues

Debt Profile

As at 30 June 2022, long-term debt of RHI, including a convertible note issued by San Carlos Bioenergy, Inc., stood at 5.3 billion pesos (US$96.9 million) with maturities up until December 2028 at an annual interest rate of approximately 6.0%. Short-term and current portion of long-term debt stood at 204 million pesos (US$3.7 million) with an average interest rate of approximately 6.04%.

Outlook

RHI will continue to leverage its improved refinery operations and enhance the reliability and stability of its production facilities in order to improve the overall performance.

Liquidity and Financial Resources

Net Debt and Gearing

(A) Head Office Net Debt

The marginal decrease in net debt mainly reflects the decrease in net interest expense and lower spent on repurchase of shares. The Head Office's borrowings at 30 June 2022 comprise bonds of US$705.8 million (with an aggregated face value of US$707.8 million) which are due for redemption in April 2023 and September 2027, and bank loans of US$751.6 million (with a principal amount of US$760.0 million) which are due for repayment between August 2023 and June 2029.

Changes in Head Office Net Debt

US$ millions	Borrowings	Cash and cash equivalents	Net debt
At 1 January 2022	1,435.2	(113.0)	1,322.2
Movement	22.2	(25.6)	(3.4)
At 30 June 2022	**1,457.4**	**(138.6)**	**1,318.8**

Head Office Cash Flow

For the six months ended 30 June US$ millions	**2022**	2021
Dividend and fee income	**66.3**	68.0
Head Office overhead expense	**(7.4)**	(6.4)
Net cash interest expense	**(22.9)**	(24.6)
Tax paid	**(0.1)**	–
Net Cash Inflow from Operating Activities	**35.9**	37.0
Net investments[i]	**(23.3)**	(5.1)
Financing activities		
– Repurchase of shares	**(5.6)**	(7.5)
– New borrowings, net	**20.9**	–
– Others[ii]	**(2.3)**	(3.8)
Net Increase in Cash and Cash Equivalents	**25.6**	20.6
Cash and cash equivalents at 1 January	**113.0**	111.4
Cash and Cash Equivalents at 30 June	**138.6**	132.0

(i) Mainly represents the investment in Voyager, an associated company of PLDT, in 2022

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

(B) *Group Net Debt and Gearing*

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

Consolidated

	At 30 June 2022			At 31 December 2021		
US$ millions	**Net debt[i]**	**Total equity**	**Gearing[ii] (times)**	Net debt[i]	Total equity	Gearing[ii] (times)
Head Office	**1,318.8**	**1,213.1**	**1.09x**	1,322.2	1,336.5	0.99x
Indofood	**2,736.0**	**6,040.2**	**0.45x**	2,263.2	5,998.2	0.38x
MPIC	**3,904.5**	**4,318.6**	**0.90x**	3,819.5	4,547.2	0.84x
FPM Power	**223.8**	**133.2**	**1.68x**	378.3	43.4	8.72x
FP Natural Resources	**81.4**	**19.1**	**4.26x**	82.3	29.0	2.84x
Group adjustments[iii]	**–**	**(1,288.6)**	**–**	–	(1,341.2)	–
Total	**8,264.5**	**10,435.6**	**0.79x**	7,865.5	10,613.1	0.74x

Associated Companies

	At 30 June 2022			At 31 December 2021		
US$ millions	**Net debt[i]**	**Total equity**	**Gearing[ii] (times)**	Net debt[i]	Total equity	Gearing[ii] (times)
PLDT	**4,007.6**	**2,438.7**	**1.64x**	4,483.3	2,499.3	1.79x
Philex	**116.2**	**506.9**	**0.23x**	142.0	523.5	0.27x

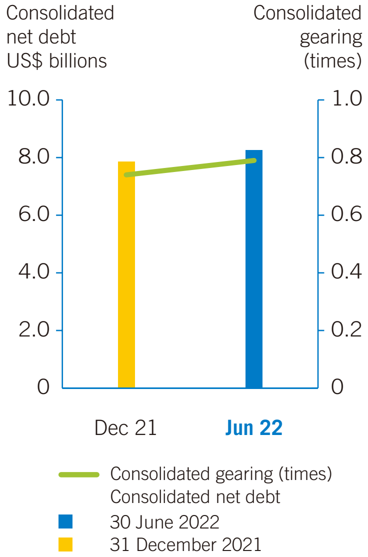
(i) Includes short-term deposits and restricted cash
(ii) Calculated as net debt divided by total equity
(iii) Group adjustments mainly represents elimination of goodwill arising from acquisitions prior to 1 January 2001 against the Group's retained earnings and other standard consolidation adjustments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

Head Office's gearing increased because of a decrease in its equity during the period reflecting the Company's 2021 final distribution declared and approved.

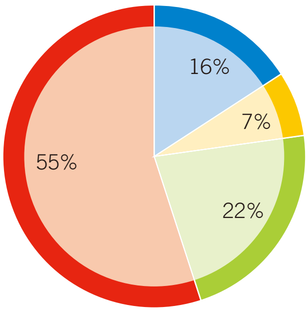
Indofood's gearing increased because of an increase in its net debt as a result of its payments for retention amount payable for Pinehill acquisition of US$650 million in April 2022, and capital expenditure, despite its operating cash inflow and proceeds from disposal of investments in mutual funds, partly offset by an increase in its equity reflecting its profit recorded during the period, despite the depreciation of the rupiah against U.S. dollar during the period.

MPIC's gearing increased because of an increase in its net debt as a result of payments for capital expenditure, shares buybacks and concession fees, despite operating cash inflow and dividends received from Meralco, coupled with a decrease in its equity reflecting the depreciation of the peso against U.S. dollar during the period, partly offset by its profit recorded during the period.

Consolidated Net Debt and Gearing

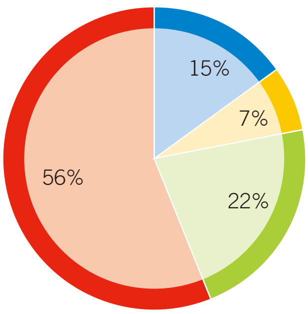


Maturity Profile of Consolidated Debt 30 June 2022



US$ millions	
Within one year	1,747.2
One to two years	721.3
Two to five years	2,480.3
Over five years	6,062.0
Total	**11,010.8**

Maturity Profile of Consolidated Debt 31 December 2021



US$ millions	
Within one year	1,645.7
One to two years	760.5
Two to five years	2,481.9
Over five years	6,240.3
Total	**11,128.4**

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

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

The Group's gearing increased to 0.79 times because of a higher net debt level mainly as a result of the Group's payments for retention amount payable for Pinehill acquisition and capital expenditure, despite the Group's operating cash inflow, coupled with a decrease in the Group's equity reflecting the depreciation of the rupiah and the peso against U.S. dollar during the period, partly offset by the Group's profit recorded for the period.

PLDT's gearing decreased mainly because of a decrease in its net debt reflecting the proceeds from its towers sale on a staggered basis. Philex's gearing decreased mainly because of a decrease in its net debt reflecting its operating cash inflow.

Maturity Profile

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

Consolidated

	Carrying amounts		**Nominal values**	
US$ millions	**At 30 June 2022**	At 31 December 2021	**At 30 June 2022**	At 31 December 2021
Within one year	**1,747.2**	1,645.7	**1,768.0**	1,649.8
One to two years	**721.3**	760.5	**725.9**	767.9
Two to five years	**2,480.3**	2,481.9	**2,499.9**	2,499.6
Over five years	**6,062.0**	6,240.3	**6,088.6**	6,282.4
Total	**11,010.8**	11,128.4	**11,082.4**	11,199.7

The change in the Group's debt maturity profile from 31 December 2021 to 30 June 2022 mainly reflects a shift in long-term borrowings among the different maturity periods for Head Office, Indofood and MPIC, Indofood's refinancing of Rupiah 2.0 trillion (US$137.9 million) of its bonds matured in May 2022 with new long-term borrowings, PLP's prepayment of S$140.0 million (US$102.4 million) long-term borrowings, and the Group's net new borrowings.

Associated Companies

US$ millions	PLDT				Philex			
	Carrying amounts		Nominal values		Carrying amounts		Nominal values	
	At 30 June 2022	At 31 December 2021	**At 30 June 2022**	At 31 December 2021	**At 30 June 2022**	At 31 December 2021	**At 30 June 2022**	At 31 December 2021
Within one year	**287.9**	225.4	**294.3**	232.4	**190.5**	198.6	**192.7**	202.9
One to two years	**621.9**	540.9	**627.6**	547.7	**–**	–	**–**	–
Two to five years	**1,121.4**	1,034.4	**1,138.1**	1,055.3	**–**	–	**–**	–
Over five years	**2,683.3**	3,151.4	**2,699.1**	3,172.7	**–**	–	**–**	–
Total	**4,714.5**	4,952.1	**4,759.1**	5,008.1	**190.5**	198.6	**192.7**	202.9

The change in PLDT's debt maturity profile from 31 December 2021 to 30 June 2022 mainly reflects new borrowings arranged to finance capital expenditure and/or refinance its loan obligations which were utilized for service improvements and expansion programs, and loan repayments due to proceeds from towers sale. The decrease in Philex's debt reflects the depreciation of the peso against U.S. dollar during the period.

Charges on Group Assets

At 30 June 2022, certain bank and other borrowings were secured by the Group's property, plant and equipment, accounts and other receivables, cash and cash equivalents, and inventories amounting to net book values of US$758.8 million (31 December 2021: US$801.1 million) and the interests of the Group's 55% (31 December 2021: 55%) in LRMC, 100% (31 December 2021: 100%) in MPCALA Holdings, Inc. ("MPCALA"), 100% (31 December 2021: 100%) in Cebu Cordova Link Expressway Corporation ("CCLEC"), 35% (31 December 2021: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (31 December 2021: 88.9%) in PT Bintaro Serpong Damai ("PT BSD"), 99.5% (31 December 2021: 99.5%) in PT Makassar Metro Network ("PT MMN", formerly known as PT Bosowa Marga Nusantara), 99.4% (31 December 2021: 99.4%) in PT Jalan Tol Seksi Empat ("PT JTSE"), 61.2% (31 December 2021: 61.2%) in PT Inpola Meka Energi, and 70% (31 December 2021: 70%) in PLP.

Financial Risk Management

Foreign Currency Risk

(A) Company Risk

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

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

(B) Group Risk

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

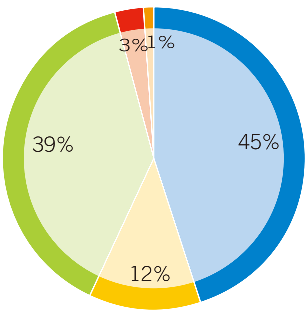
The principal components of the Group's net asset value ("NAV") mainly relate to investments denominated in the rupiah and peso. Accordingly, any change in these currencies, against their respective 30 June 2022 exchange rates, would have an effect on the Group's NAV in U.S. dollar terms.

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

	Basis	Effect on adjusted NAV US$ millions	Effect on adjusted NAV per share HK cents
Indofood	(i)	20.9	3.82
PLDT	(i)	16.9	3.09
MPIC	(i)	8.5	1.55
Philex	(i)	1.4	0.26
PXP	(i)	0.5	0.10
FP Natural Resources	(ii)	0.2	0.03
Head Office – Other assets	(iii)	0.9	0.17
Total		**49.3**	**9.02**

(i) Based on quoted share prices at 30 June 2022 applied to the Group's economic interests
(ii) Based on quoted share price of RHI at 30 June 2022 applied to the Group's effective economic interest
(iii) Represents the carrying amount of Silangan Mindanao Exploration Co., Inc.'s notes ("SMECI's notes")

Analysis of Total Borrowings by Currency



	US$ millions
US$	4,911.0
Rupiah	1,345.0
Peso	4,319.4
S$	345.4
Others	90.0
Total	**11,010.8**

Net Debt by Currency

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

Consolidated

US$ millions	US$	Rupiah	Peso	S$	Others	**Total**
Total borrowings	4,911.0	1,345.0	4,319.4	345.4	90.0	**11,010.8**
Cash and cash equivalents[i]	(727.0)	(977.9)	(798.2)	(95.4)	(147.8)	**(2,746.3)**
Net Debt/(Cash)	4,184.0	367.1	3,521.2	250.0	(57.8)	**8,264.5**
Representing:						
Head Office	1,397.7	–	(16.3)	–	(62.6)	**1,318.8**
Indofood	2,563.2	232.0	–	10.6	(69.8)	**2,736.0**
MPIC	239.6	135.1	3,455.2	–	74.6	**3,904.5**
FPM Power	(15.6)	–	–	239.4	–	**223.8**
FP Natural Resources	(0.9)	–	82.3	–	–	**81.4**
Net Debt/(Cash)	4,184.0	367.1	3,521.2	250.0	(57.8)	**8,264.5**

Associated Companies

US$ millions	US$	Peso	**Total**
Net Debt/(Cash)			
PLDT	624.4	3,383.2	**4,007.6**
Philex	(31.8)	148.0	**116.2**

(i) Includes short-term deposits and restricted cash

As a result of unhedged U.S. dollar net debt/(cash), the Group's results are sensitive to fluctuations in U.S. dollar exchange rates. The following table illustrates the estimated effect on the Group's reported profitability for a one per cent change in the principal operating currencies of subsidiary and associated companies. This does not reflect the indirect effect of fluctuating exchange rates on revenues and input costs at respective company level.

US$ millions	Total US$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	**Group net profit effect**
Head Office[(i)]	1,397.7	–	1,397.7	–	**–**
Indofood	2,563.2	–	2,563.2	25.6	**10.0**
MPIC	239.6	–	239.6	2.4	**0.8**
FPM Power	(15.6)	–	(15.6)	(0.1)	**(0.0)**
FP Natural Resources	(0.9)	–	(0.9)	(0.0)	**(0.0)**
PLDT	624.4	(291.5)	332.9	3.3	**0.6**
Philex	(31.8)	–	(31.8)	(0.3)	**(0.1)**
Total	**4,776.6**	**(291.5)**	**4,485.1**	**30.9**	**11.3**

(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.

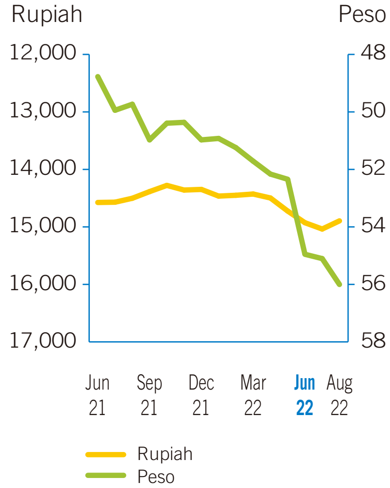
Equity Market Risk

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.

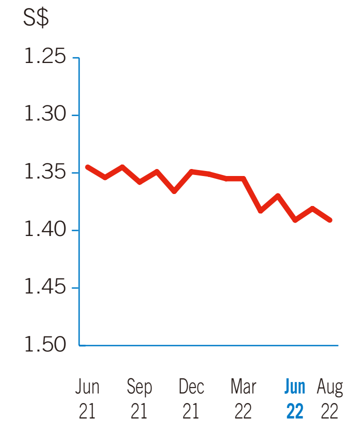
First Pacific's listed investments are located in Indonesia, the Philippines and Singapore. Accordingly, in addition to operating factors within the Company's control, the Company also has an equity market risk in respect of general investor sentiment towards these countries. Changes in the stock market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

	Jakarta Composite Index	**Philippine Composite Index**	**Singapore Straits Times Index**
At 31 December 2021	6,581	7,123	3,124
At 30 June 2022	**6,912**	**6,155**	**3,102**
Change during the first half of 2022	+5.0%	–13.6%	–0.7%

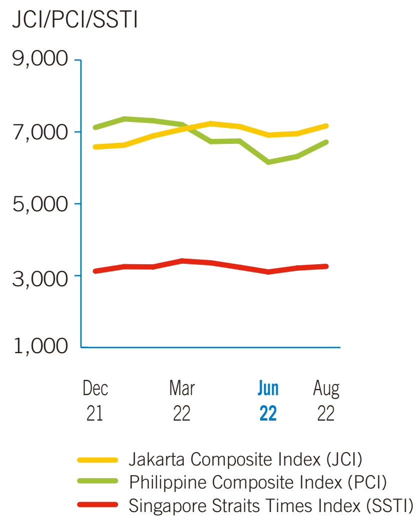
Rupiah and Peso Closing Rates against the U.S. Dollars



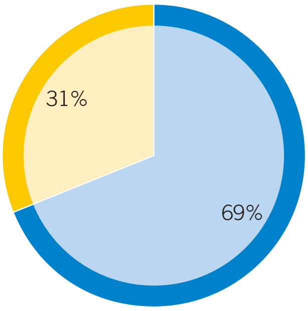
Singapore Dollars Closing Rates against the U.S. Dollars



Stock Market Indices



Interest Rate Profile



	US$ millions
Fixed	7,644.2
Variable	3,366.6
Total	**11,010.8**

Interest Rate Risk

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

Consolidated

US$ millions	Fixed interest rate borrowings	Variable interest rate borrowings	Cash and cash equivalents[(ii)]	**Net debt**
Head Office[(i)]	934.4	523.0	(138.6)	**1,318.8**
Indofood	2,730.6	1,675.2	(1,669.8)	**2,736.0**
MPIC	3,951.7	786.0	(833.2)	**3,904.5**
FPM Power	–	323.5	(99.7)	**223.8**
FP Natural Resources	27.5	58.9	(5.0)	**81.4**
Total	**7,644.2**	**3,366.6**	**(2,746.3)**	**8,264.5**

Associated Companies

US$ millions	Fixed interest rate borrowings	Variable interest rate borrowings	Cash and cash equivalents[(ii)]	**Net debt**
PLDT[(i)]	2,806.9	1,907.6	(706.9)	**4,007.6**
Philex	161.5	29.0	(74.3)	**116.2**

(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	523.0	5.2	**5.2**
Indofood	1,675.2	16.7	**6.5**
MPIC	786.0	7.9	**2.7**
FPM Power	323.5	3.2	**1.1**
FP Natural Resources	58.9	0.6	**0.2**
PLDT	1,907.6	19.1	**3.7**
Philex	29.0	0.3	**0.1**
Total	**5,303.2**	**53.0**	**19.5**

Adjusted NAV Per Share

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

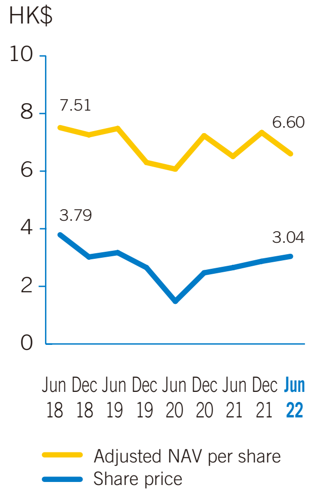
US$ millions		Basis	At 30 June 2022	At 31 December 2021
Indofood		(i)	**2,087.3**	1,948.7
PLDT		(i)	**1,688.1**	1,962.8
MPIC		(i)	**849.0**	1,011.2
Philex		(i)	**142.3**	243.8
PXP		(i)	**53.6**	67.0
FP Natural Resources		(ii)	**18.9**	14.6
Head Office	– Other assets	(iii)	**91.7**	98.8
	– Net debt		**(1,318.8)**	(1,322.2)
Total Valuation			**3,612.1**	4,024.7
Number of Ordinary Shares in Issue (millions)			**4,267.0**	4,279.1
Value per share	– U.S. dollars		**0.85**	0.94
	– HK dollars		**6.60**	7.34
Company's closing share price (HK$)			**3.04**	2.87
Share price discount to HK$ value per share (%)			**53.9**	60.9

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

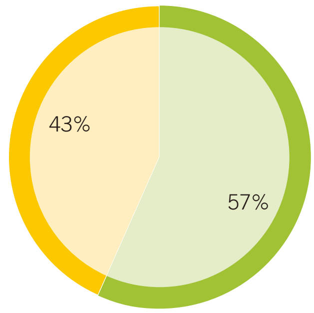
(ii) Based on quoted share price of RHI applied to the Group's effective economic interest

(iii) Represents the carrying amount of SMECI's notes

Share Price vs Adjusted NAV Per Share



Adjusted NAV by Country 30 June 2022



	US$ millions
Philippines	2,751.9
Indonesia	2,087.3
Total	**4,839.2**

Employee Information

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

For the six months ended 30 June US$ millions	**2022**	2021
Employee Remuneration (including Directors' Remuneration)		
Basic salaries	**256.5**	261.0
Bonuses	**112.5**	106.0
Benefits in kind	**52.1**	51.3
Pension contributions	**15.6**	20.9
Retirement and severance allowances	**3.5**	2.0
Share-based compensation benefit expenses	**0.9**	1.0
Total	**441.1**	442.2
Arising from:		
Continuing operations	**441.1**	434.5
A discontinued operation	**–**	7.7
	441.1	442.2

Number of employees	**2022**	2021
At 30 June	**100,968**	100,333
Average for the period		
Continuing operations	**100,668**	101,294
A discontinued operation	**–**	961[(i)]
	100,668	102,255

(i) Related 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 81 of the Company's 2021 Annual Report.

Condensed Consolidated Income Statement

For the six months ended 30 June US$ millions	Notes	(Unaudited) **2022**	2021
Turnover	2	**5,071.9**	4,226.0
Cost of sales		**(3,564.4)**	(2,855.7)
Gross Profit		**1,507.5**	1,370.3
Selling and distribution expenses		**(383.8)**	(354.9)
Administrative expenses		**(293.6)**	(354.8)
Other operating expenses, net	3(A)	**(29.3)**	(66.2)
Interest income		**25.1**	19.8
Finance costs	3(B)	**(229.2)**	(233.9)
Share of profits less losses of associated companies and joint ventures		**164.9**	167.3
Profit Before Taxation from Continuing Operations	3	**761.6**	547.6
Taxation	4	**(172.1)**	(140.7)
Profit for the Period from Continuing Operations		**589.5**	406.9
Profit for the period from a discontinued operation	5	**–**	90.7
Profit for the Period		**589.5**	497.6
Profit Attributable to:			
Owners of the parent	6	**241.7**	181.0
Non-controlling interests		**347.8**	316.6
		589.5	497.6
Profit Attributable to Owners of the Parent arising from:			
Continuing operations		**241.7**	147.7
A discontinued operation		**–**	33.3
		241.7	181.0
Earnings Per Share Attributable to Owners of the Parent (U.S. cents)	7		
Basic			
Continuing operations		**5.67**	3.41
A discontinued operation		**–**	0.77
		5.67	4.18
Diluted			
Continuing operations		**5.66**	3.40
A discontinued operation		**–**	0.77
		5.66	4.17

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 43 to 73 form an integral part of the Condensed Interim Consolidated Financial Statements.

Condensed Consolidated Statement of Comprehensive Income

	(Unaudited)	
For the six months ended 30 June US$ millions	**2022**	2021
Profit for the Period	**589.5**	497.6
Other Comprehensive (Loss)/Income		
Items that are or may be Reclassified to Profit or Loss:		
Exchange differences on translating foreign operations	**(621.3)**	(249.0)
Unrealized gains on cash flow hedges	**68.3**	58.1
Realized gains on cash flow hedges	**(80.1)**	(14.6)
Income tax related to cash flow hedges	**3.0**	(4.0)
Share of other comprehensive income/(loss) of associated companies and joint ventures	**41.3**	(11.1)
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	**10.4**	35.3
Actuarial gains/(losses) on defined benefit pension plans	**2.6**	(0.1)
Share of other comprehensive loss of associated companies and joint ventures	**(0.1)**	(14.6)
Other Comprehensive Loss for the Period, Net of Tax	**(575.9)**	(222.2)
Total Comprehensive Income for the Period	**13.6**	275.4
Total Comprehensive Income/(Loss) Attributable to:		
Owners of the parent	**18.4**	112.4
Non-controlling interests	**(4.8)**	163.0
	13.6	275.4

Condensed Consolidated Statement of Financial Position

US$ millions	Notes	At 30 June 2022 (Unaudited)	At 31 December 2021 (Audited)
Non-current Assets			
Property, plant and equipment	9	**3,745.4**	3,953.0
Biological assets		**22.4**	23.0
Associated companies and joint ventures	10	**5,000.3**	5,266.2
Goodwill		**4,121.2**	4,299.0
Other intangible assets	11	**5,921.6**	6,040.6
Investment properties		**15.2**	11.1
Accounts receivable, other receivables and prepayments		**57.8**	55.5
Financial assets at fair value through other comprehensive income		**356.4**	361.1
Deferred tax assets		**83.3**	87.0
Other non-current assets		**739.6**	663.0
		20,063.2	20,759.5
Current Assets			
Cash and cash equivalents and short-term deposits		**2,641.6**	3,209.3
Restricted cash	12	**104.7**	53.6
Financial assets at fair value through other comprehensive income		**165.3**	205.0
Accounts receivable, other receivables and prepayments	13	**1,364.6**	1,327.8
Inventories		**1,257.4**	950.1
Biological assets		**53.6**	61.4
		5,587.2	5,807.2
Current Liabilities			
Accounts payable, other payables and accruals	14	**1,873.1**	1,660.9
Short-term borrowings		**1,747.2**	1,645.7
Provision for taxation		**102.2**	147.9
Current portion of deferred liabilities, provisions and payables	15	**487.9**	1,170.3
		4,210.4	4,624.8
Net Current Assets		**1,376.8**	1,182.4
Total Assets Less Current Liabilities		**21,440.0**	21,941.9
Equity			
Issued share capital		**42.7**	42.8
Shares held for share award scheme	16	**(2.2)**	(2.0)
Retained earnings		**2,178.4**	1,936.4
Other components of equity		**1,057.0**	1,321.4
Equity attributable to owners of the parent		**3,275.9**	3,298.6
Non-controlling interests		**7,159.7**	7,314.5
Total Equity		**10,435.6**	10,613.1
Non-current Liabilities			
Long-term borrowings		**9,263.6**	9,482.7
Deferred liabilities, provisions and payables	15	**1,366.7**	1,469.3
Deferred tax liabilities		**374.1**	376.8
		11,004.4	11,328.8
		21,440.0	21,941.9

The notes on pages 43 to 73 form an integral part of the Condensed Interim Consolidated Financial Statements.

On behalf of the Board of Directors

CHRISTOPHER H. YOUNG
Executive Director
31 August 2022

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 2021		43.4	(2.4)	63.1	9.3	(651.8)	439.7	1.1	12.6	1,620.6	1,604.4	3,140.0	7,488.5	10,628.5
Profit for the period		–	–	–	–	–	–	–	–	–	181.0	181.0	316.6	497.6
Other comprehensive loss for the period		–	–	–	–	(66.2)	–	(2.4)	–	–	–	(68.6)	(153.6)	(222.2)
Total comprehensive (loss)/income for the period		–	–	–	–	(66.2)	–	(2.4)	–	–	181.0	112.4	163.0	275.4
Repurchase of shares		(0.2)	–	(7.3)	–	–	–	–	–	–	–	(7.5)	–	(7.5)
Purchase of shares under share award scheme		–	(1.3)	–	–	–	–	–	–	–	–	(1.3)	–	(1.3)
Shares vested under share award scheme		–	1.7	–	(1.7)	–	–	–	–	–	–	–	–	–
Employee share-based compensation benefits		–	–	–	0.8	–	–	–	–	–	–	0.8	0.2	1.0
Acquisition of interests in subsidiary companies		–	–	–	–	–	(15.0)	–	–	–	–	(15.0)	(19.7)	(34.7)
Deconsolidation of a discontinued operation		–	–	–	–	–	–	1.3	–	–	(1.3)	–	(356.2)	(356.2)
Recognition of a financial liability on non-controlling interests put option		–	–	–	–	–	(4.0)	–	–	–	–	(4.0)	(3.6)	(7.6)
2020 final distribution declared		–	–	–	–	–	–	–	–	(41.8)	–	(41.8)	–	(41.8)
Capital contributions from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	–	70.0	70.0
Dividends declared to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	–	(88.9)	(88.9)
At 30 June 2021		43.2	(2.0)	55.8	8.4	(718.0)	420.7	–	12.6	1,578.8	1,784.1	3,183.6	7,253.3	10,436.9
At 1 January 2022		42.8	(2.0)	39.9	8.8	(712.3)	443.5	–	12.6	1,528.9	1,936.4	3,298.6	7,314.5	**10,613.1**
Profit for the period		–	–	–	–	–	–	–	–	–	241.7	241.7	347.8	**589.5**
Other comprehensive loss for the period		–	–	–	–	(223.3)	–	–	–	–	–	(223.3)	(352.6)	**(575.9)**
Total comprehensive (loss)/income for the period		–	–	–	–	(223.3)	–	–	–	–	241.7	18.4	(4.8)	**13.6**
Repurchase of shares		(0.1)	–	(5.6)	–	–	–	–	–	–	–	(5.7)	–	**(5.7)**
Purchase of shares under share award scheme		–	(1.0)	–	–	–	–	–	–	–	–	(1.0)	–	**(1.0)**
Issue of shares under share award scheme		–	(1.0)	1.0	–	–	–	–	–	–	–	–	–	**–**
Shares vested under share award scheme		–	1.8	–	(1.7)	–	–	–	–	–	(0.1)	–	–	**–**
Lapse of share options		–	–	–	(0.4)	–	–	–	–	–	0.4	–	–	**–**
Employee share-based compensation benefits		–	–	–	0.8	–	–	–	–	–	–	0.8	0.1	**0.9**
Acquisition of interests in subsidiary companies		–	–	–	–	(4.1)	22.4	–	–	–	–	18.3	(70.4)	**(52.1)**
Step acquisition of a joint venture	18(A)	–	–	–	–	–	–	–	–	–	–	–	0.7	**0.7**
Recognition of a financial liability on non-controlling interests put option		–	–	–	–	–	0.8	–	–	–	–	0.8	(12.8)	**(12.0)**
2021 final distribution declared		–	–	–	–	–	–	–	–	(54.3)	–	(54.3)	–	**(54.3)**
Capital contributions from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	–	10.1	**10.1**
Dividends declared to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	–	(77.7)	**(77.7)**
At 30 June 2022		**42.7**	**(2.2)**	**35.3**	**7.5**	**(939.7)**	**466.7**	**–**	**12.6**	**1,474.6**	**2,178.4**	**3,275.9**	**7,159.7**	**10,435.6**

The notes on pages 43 to 73 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) **2022**	2021
Profit before Taxation			
From continuing operations		**761.6**	547.6
From a discontinued operation		**–**	86.4
Adjustments for:			
Finance costs		**229.2**	243.3
Depreciation	3(C)	**164.5**	175.1
Amortization of other intangible assets	3(C)	**71.2**	71.2
Write-down of inventories to net realizable value	3(C)	**28.4**	7.3
Provision for impairment losses		**16.1**	39.9
Loss on changes in fair value of biological assets	3(A)	**7.4**	2.4
Employee share-based compensation benefit expenses		**0.9**	1.0
Share of profits less losses of associated companies and joint ventures		**(164.9)**	(170.4)
Gains on step acquisition of a joint venture	3(A)	**(65.7)**	–
Interest income		**(25.1)**	(19.9)
Gain on disposal of an associated company	3(A)	**(2.5)**	(22.2)
Gain on deconsolidation of a discontinued operation		**–**	(66.6)
Reversal of provision for onerous contracts, net	3(C)	**–**	(4.4)
Gain on disposal of property, plant and equipment, net	3(A)	**–**	(0.6)
Others		**(2.3)**	(1.1)
		1,018.8	889.0
(Increase)/decrease in working capital		**(154.7)**	77.0
Net cash generated from operations		**864.1**	966.0
Interest received		**22.2**	18.9
Interest paid		**(213.4)**	(223.0)
Taxes paid		**(230.6)**	(213.1)
Net Cash Flows From Operating Activities		**442.3**	548.8
Dividends received from associated companies		**149.3**	131.8
Disposal of financial assets at fair value through other comprehensive income		**30.1**	–
Decrease in short-term deposits with original maturity of more than three months		**19.1**	2.0
Dividends received from financial assets at fair value through other comprehensive income		**14.1**	10.7
Cash acquired from step acquisition of a joint venture	18(A)	**9.0**	–
Dividend received from a joint venture		**8.8**	–
Disposal of an associated company	18(B)	**2.5**	148.4
Disposal of property, plant and equipment		**2.1**	1.1
Payment for retention amount payable	18(C)	**(650.0)**	–
Investments in other intangible assets		**(380.9)**	(355.0)
Payments for purchase of property, plant and equipment		**(88.1)**	(212.8)
(Increase)/decrease in restricted cash		**(50.8)**	24.0
Investment in financial assets at fair value through profit or loss		**(20.0)**	–
Investments in biological assets		**(8.6)**	(5.1)
Increased investments in joint ventures		**(6.6)**	(0.4)
Advances to joint ventures		**(5.2)**	(15.4)
Increased investments in associated companies		**(4.0)**	(2.0)
Purchases of investment properties		**(1.0)**	–
Investment in an associated company		**(1.0)**	–
Advances to an associated company		**(0.6)**	–
Investment in a joint venture	18(D)	**–**	(147.5)
Acquisition of financial assets at fair value through other comprehensive income		**–**	(105.1)
Instalment payment for acquisition of a subsidiary company	18(E)	**–**	(50.7)
Deconsolidation of a discontinued operation	18(F)	**–**	126.9
Net Cash Flows Used in Investing Activities		**(981.8)**	(449.1)

continued/...

Condensed Consolidated Statement of Cash Flows (continued)

For the six months ended 30 June US$ millions	Notes	(Unaudited) **2022**	2021
Proceeds from new bank borrowings and other loans		**2,325.8**	3,175.9
Capital contributions from non-controlling shareholders		**10.1**	19.9
Repayment of bank borrowings and other loans		**(2,026.8)**	(2,989.2)
Dividends paid to non-controlling shareholders by subsidiary companies		**(93.9)**	(69.6)
Repurchase of a subsidiary company's shares	18(G)	**(51.8)**	–
Principal portion of lease payments		**(14.9)**	(14.4)
Payments for concession fees payable		**(11.8)**	(11.9)
Repurchase of shares		**(5.6)**	(7.5)
Payments for purchase of shares under a long-term incentive plan		**(1.0)**	(1.6)
Increased investments in subsidiary companies	18(H)	**(0.3)**	(34.8)
Net Cash Flows From Financing Activities		**129.8**	66.8
Net (Decrease)/Increase in Cash and Cash Equivalents		**(409.7)**	166.5
Cash and cash equivalents at 1 January		**3,116.9**	2,363.2
Exchange translation		**(133.2)**	(51.0)
Cash and Cash Equivalents at 30 June		**2,574.0**	2,478.7
Representing			
Cash and cash equivalents and short-term deposits as stated in the condensed consolidated statement of financial position		**2,641.6**	2,638.0
Less: short-term deposits with original maturity of more than three months		**(67.6)**	(159.3)
Cash and Cash Equivalents at 30 June		**2,574.0**	2,478.7

The notes on pages 43 to 73 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 2021 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 2022, 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 2022 issued by the HKICPA.

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

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

The Group's adoption of the above pronouncements has had no material effect on both the profit attributable to owners of the parent for the six months ended 30 June 2022 and 2021 and the equity attributable to owners of the parent at 30 June 2022 and 31 December 2021.

2. Turnover and Segmental Information

For the six months ended 30 June US$ millions	2022	2021
Turnover		
Sale of goods		
– Consumer Food Products	**3,680.2**	3,295.9
Sale of electricity		
– Infrastructure	**867.2**	418.2
Sale of real estate		
– Infrastructure	**7.1**	–
Rendering of services		
– Consumer Food Products	**63.2**	68.7
– Infrastructure	**454.2**	443.2
Total	**5,071.9**	4,226.0

Segmental Information

A business segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group), whose results are regularly reviewed by the Group's most senior executive management who makes decisions about how resources are to be allocated to the segment and assesses its performance, and for which discrete financial information is available to them.

The Board of Directors considers the business of the Group from both product or service and geographical perspectives. From the product or service perspective, the Group's business interests are divided into four segments, which are consumer food products, telecommunications, infrastructure and natural resources. Geographically, the Board of Directors considers that the businesses of the Group are mainly located in Indonesia, the Philippines, Singapore, the Middle East, Africa and others, and the turnover information is based on the locations of the customers. Details of the Group's principal investments are provided on pages 83 and 84.

The Board of Directors assesses the performance of the business segments based on a measure of recurring profit. This basis measures the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative gains/losses and non-recurring items. Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the Condensed Interim Consolidated Financial Statements. These assets and liabilities are allocated based on the business segment and the physical location of the assets.

The revenue, results and other information for the six months ended 30 June 2022 and 2021, and assets and liabilities at 30 June 2022 and 31 December 2021 on segmental basis are as follows:

By Principal Business Activity – 2022

For the six months ended/at 30 June US$ millions	Consumer Food Products	Telecom- munications	Infrastructure	Natural Resources	Head Office	2022 Total
Revenue						
Turnover						
– Point in time	3,680.2	–	4.6	–	–	**3,684.8**
– Over time	63.2	–	1,323.9	–	–	**1,387.1**
Total	3,743.4	–	1,328.5	–	–	**5,071.9**
Results						
Recurring profit	121.0	73.0	98.7	9.8	(39.2)	**263.3**
Assets and Liabilities						
Non-current assets (other than financial instruments and deferred tax assets)						
– Associated companies and joint ventures	556.6	1,186.8	3,084.2	172.7	–	**5,000.3**
– Others	7,584.7	–	6,878.8	–	4.8	**14,468.3**
	8,141.3	1,186.8	9,963.0	172.7	4.8	**19,468.6**
Other assets	4,191.8	–	1,704.5	–	285.5	**6,181.8**
Total assets	12,333.1	1,186.8	11,667.5	172.7	290.3	**25,650.4**
Borrowings	4,492.2	–	5,061.2	–	1,457.4	**11,010.8**
Other liabilities	1,695.0	–	2,286.4	–	222.6	**4,204.0**
Total liabilities	6,187.2	–	7,347.6	–	1,680.0	**15,214.8**
Other Information						
Depreciation and amortization	(144.7)	–	(89.8)	–	(2.1)	**(236.6)**
Impairment losses	(43.2)	–	(1.3)	–	–	**(44.5)**
Interest income	14.8	–	7.3	–	3.0	**25.1**
Finance costs	(102.6)	–	(100.6)	–	(26.0)	**(229.2)**
Share of profits less losses of associated companies and joint ventures	(1.7)	86.1	71.3	9.2	–	**164.9**
Taxation	(118.9)	–	(43.1)	–	(10.1)	**(172.1)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	102.3	–	513.1	–	–	**615.4**

By Geographical Market – 2022

For the six months ended/at 30 June US$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	2022 Total
Revenue					
Turnover					
– Consumer Food Products	2,871.5	113.7	47.5	710.7	**3,743.4**
– Infrastructure	24.6	439.8	863.7	0.4	**1,328.5**
Total	2,896.1	553.5	911.2	711.1	**5,071.9**
Assets					
Non-current assets (other than financial instruments and deferred tax assets)	3,162.1	11,162.9	588.8	4,554.8	**19,468.6**

By Principal Business Activity – 2021

For the six months ended 30 June/at 31 December US$ millions	Consumer Food Products	Telecom-munications	Natural Infrastructure	Head Resources	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	564.8	1,202.5	3,320.9	178.0	–	5,266.2
– Others	7,933.4	–	6,959.5	–	6.2	14,899.1
	8,498.2	1,202.5	10,280.4	178.0	6.2	20,165.3
Other assets	4,337.5	–	1,822.3	–	241.6	6,401.4
Total assets	12,835.7	1,202.5	12,102.7	178.0	247.8	26,566.7
Borrowings	4,425.6	–	5,267.6	–	1,435.2	11,128.4
Other liabilities	2,296.6	–	2,368.1	–	160.5	4,825.2
Total liabilities	6,722.2	–	7,635.7	–	1,595.7	15,953.6
Other Information						
Depreciation and amortization	(154.0)	–	(91.2)	–	(2.1)	(247.3)
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 30 June/at 31 December 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)	3,594.2	11,502.0	612.8	4,456.3	20,165.3

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	2022	2021
Profit before taxation		
– Continuing operations	**761.6**	547.6
– A discontinued operation	**–**	86.4
Exclusion of:		
– Foreign exchange and derivative losses, net (Note 6)	**120.5**	58.5
– Non-recurring items	**(48.5)**	60.9
Deduction of attributable taxation and non-controlling interests	**(570.3)**	(543.9)
Recurring Profit	**263.3**	209.5

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	2022	2021
Foreign exchange and derivative losses, net (Note 6(A))	**115.9**	51.0
Impairment losses		
– Other receivables	**13.2**	7.3
– Property, plant and equipment (Note 9)	**2.8**	15.4
– An associated company and a joint venture	**1.0**	15.7
Loss on changes in fair value of biological assets	**7.4**	2.4
Gains on step acquisition of a joint venture (Note 18(A))	**(65.7)**	–
Dividend income from financial assets at fair value through other comprehensive income (“FVOCI”)	**(14.1)**	(10.7)
Gain on disposal of an associated company	**(2.5)**	(22.2)
Gain on disposal of property, plant and equipment, net	**–**	(0.6)
Other (income)/expenses	**(28.7)**	7.9
Total	**29.3**	66.2

(B) Finance Costs

For the six months ended 30 June US$ millions	2022	2021
Finance costs on		
– Bank borrowings and other loans	**294.0**	308.1
– Lease liabilities	**1.5**	2.1
Less: Finance costs capitalized in		
– Other intangible assets	**(63.3)**	(71.8)
– Property, plant and equipment	**(3.0)**	(4.5)
Total	**229.2**	233.9

(C) Other items

For the six months ended 30 June US$ millions	2022	2021
Cost of inventories sold	**1,970.8**	1,640.7
Cost of services rendered	**964.6**	616.4
Employees' remuneration	**441.1**	434.5
Depreciation	**164.5**	175.1
Amortization of other intangible assets	**71.2**	71.2
Write-down of inventories to net realizable value(i)	**28.4**	7.3
(Reversal of impairment)/impairment losses on accounts receivable(ii)	**(0.9)**	1.5
Reversal of provision for onerous contracts	**–**	(4.4)

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

4. Taxation

No Hong Kong profits tax (2021: Nil) has been provided as the Group had no estimated assessable profits (2021: Nil) arising in Hong Kong for the 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	2022	2021
Subsidiary Companies – Overseas		
Current taxation	**149.9**	139.1
Deferred taxation	**22.2**	1.6
Total Tax Charge	**172.1**	140.7

Included within the share of profits less losses of associated companies and joint ventures is taxation of US$49.8 million (2021: US$86.4 million) which is analyzed as follows:

For the six months ended 30 June US$ millions	2022	2021
Associated Companies and Joint Ventures – Overseas		
Current taxation	**66.0**	50.8
Deferred taxation	**(16.2)**	35.6
Total Tax Charge	**49.8**	86.4

On 26 March 2021, the Corporate Recovery and Tax Incentives for Enterprises ("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 investee companies in the Philippines to 25% from 30% with retroactive effect from 1 July 2020. The impacts of the changes in tax rates in the Philippines in 2021 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 Tax Credit	(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 Tax Charge	29.4

5. A Discontinued Operation

2021's discontinued operation related to MPIC's 56% interest in GBPC which was classified as a disposal group held for sale and a discontinued operation since 31 December 2020, and transferred to MGen, a wholly-owned subsidiary company of Meralco and an associated company of the Group, on 31 March 2021. Further information regarding the transfer was set out on pages 148 to 150 of the Company's 2021 Annual Report.

6. Profit Attributable to Owners of the Parent

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

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

Net foreign exchange and derivative losses of US$49.7 million (2021: US$22.5 million), which represent the foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair value of derivatives, are analyzed as follows:

For the six months ended 30 June US$ millions	**2022**	2021
Subsidiary companies		
– Continuing operations (Note 3(A))	**(115.9)**	(51.0)
– A discontinued operation	**–**	0.1
	(115.9)	(50.9)
Associated companies and joint ventures	**(4.6)**	(7.6)
Subtotal (Note 2)	**(120.5)**	(58.5)
Attributable to taxation and non-controlling interests	**70.8**	36.0
Total	**(49.7)**	(22.5)

(B) Analysis of Non-recurring Items

The non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 1H22's non-recurring gains of US$28.1 million mainly represent PLDT's gains on towers sale (US$61.9 million) and prescription of redemption liability on preferred shares (US$28.8 million), and MPIC's gain on consolidation of Landco (US$29.2 million), partly offset by PLDT's accelerated depreciation for network assets (US$60.5 million) and manpower reduction costs (US$17.7 million), and Indofood's loss on changes in fair value of biological assets (US$1.7 million). 1H21's non-recurring losses of US$6.0 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 4,270.6 million (2021: 4,340.4 million) in issue less the weighted average number of ordinary shares held for a share award scheme of 5.7 million (2021: 8.3 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 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	**2022**	2021
Earnings		
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation		
– Continuing operations	**241.7**	147.7
– A discontinued operation	**–**	33.3
	241.7	181.0

	Number of shares	
For the six months ended 30 June Millions	**2022**	2021
Shares		
Weighted average number of ordinary shares issued during the period	**4,270.6**	4,340.4
Less: Weighted average number of ordinary shares held for a share award scheme	**(5.7)**	(8.3)
Weighted average number of ordinary shares used in the basic earnings per share calculation	**4,264.9**	4,332.1
Add: Dilutive impact of awarded shares on the weighted average number of ordinary shares	**2.4**	4.2
Add: Dilutive impact of share options on the weighted average number of ordinary shares	**1.2**	–[(i)]
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**4,268.5**	4,336.3

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

8. Ordinary Share Interim Distribution

At a meeting held on 31 August 2022, the Directors declared an interim cash distribution of HK10.50 cents (U.S. 1.35 cents) (2021: HK9.00 cents or U.S. 1.15 cents) per ordinary share, equivalent to a total amount of US$57.4 million (2021: US$49.9 million).

9. Property, Plant and Equipment

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

US$ millions	**2022**	2021
At 1 January	**3,953.0**	4,038.1
Exchange translation	**(144.1)**	(83.1)
Additions	**104.1**	223.1
Step acquisition of a joint venture (Note 18(A))	**2.1**	–
Depreciation	**(164.5)**	(175.1)
Impairment (Note 3(A))	**(2.8)**	(15.4)
Disposals	**(2.4)**	(5.0)
Reclassification(i)	**–**	3.8
At 30 June	**3,745.4**	3,986.4

(i) Principally reclassification from other non-current assets

10. Associated Companies and Joint Ventures

US$ millions	**At 30 June 2022**	At 31 December 2021
MPIC(i)	**3,084.2**	3,320.9
PLDT	**1,186.8**	1,202.5
Indofood(ii)	**556.6**	564.8
Philex	**172.7**	178.0
Total	**5,000.3**	5,266.2

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

11. Other Intangible Assets

US$ millions	**At 30 June 2022**	At 31 December 2021
Concession assets – Water distribution	**2,153.8**	2,220.1
Concession assets – Toll roads	**2,982.0**	3,018.2
Concession assets – Rail	**639.4**	642.5
Brands – Dairy	**80.8**	91.1
Brands, networks and licenses – Packaged drinking water	**56.0**	58.3
Vesting contract – Power	**2.5**	3.4
Software and others	**7.1**	7.0
Total	**5,921.6**	6,040.6

Concession assets – Water distribution represents the exclusive rights granted to Maynilad, Metro Pacific Iloilo Water Inc. ("MPIWI"), Metro Pacific Dumaguete Water Services Inc. ("MPDW"), BOO Phu Ninh Water Treatment Plant Joint Stock Company, Metro Iloilo Bulk Water Supply Corporation, Philippine Hydro, Inc. and PT Sarana Catur Tirta Kelola and 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) MPCALA in respect of CALAX, (c) CCLEC in respect of CCLEX, (d) Cavitex Infrastructure Corporation ("CIC") in respect of CAVITEX, (e) PT MMN in respect of Ujung Pandang Section I and II Toll Road, (f) PT JTSE in respect of Makassar Section IV 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 LRT-1 Extension.

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

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

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

12. Restricted Cash

At 30 June 2022, the Group had cash of US$55.0 million (31 December 2021: US$41.3 million) set aside mainly to cover principal and interest payments of certain borrowings in compliance with loan agreements, and US$49.7 million (31 December 2021: US$12.1 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$781.8 million (31 December 2021: US$732.6 million) with an aging profile based on the invoice date, net of loss allowance, as follows:

US$ millions	**At 30 June 2022**	At 31 December 2021
0 to 30 days	**602.3**	550.8
31 to 60 days	**89.2**	96.9
61 to 90 days	**36.7**	32.3
Over 90 days	**53.6**	52.6
Total	**781.8**	732.6

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, 45 to 60 days of credit for its bulk water supply customers and an instalment period of one to three years for its real estate customers. PLP generally allows customers 30 days of credit.

14. Accounts Payable, Other Payables and Accruals

Included in accounts payable, other payables and accruals are accounts payable of US$638.2 million (31 December 2021: US$563.7 million) with an aging profile based on the invoice date as follows:

US$ millions	**At 30 June 2022**	At 31 December 2021
0 to 30 days	**510.5**	466.8
31 to 60 days	**36.9**	18.9
61 to 90 days	**40.1**	20.9
Over 90 days	**50.7**	57.1
Total	**638.2**	563.7

15. Deferred Liabilities, Provisions and Payables

US$ millions	Lease liabilities	Long-term liabilities	Pension	Loans from non-controlling shareholders	Others	**2022**	2021
At 1 January	52.3	1,287.5	451.0	169.2	679.6	**2,639.6**	2,705.2
Exchange translation	(2.2)	(47.7)	(18.5)	(5.6)	(40.8)	**(114.8)**	(31.3)
Additions	15.8	16.8	19.9	–	102.0	**154.5**	189.1
Payment and utilization	(17.2)	(658.3)	(18.1)	–	(143.1)	**(836.7)**	(165.1)
Step acquisition of a joint venture (Note 18(A))	0.2	–	–	–	11.8	**12.0**	–
At 30 June	48.9	598.3	434.3	163.6	609.5	**1,854.6**	2,697.9
Presented as:							
Non-current Portion	35.6	579.4	434.3	40.5	276.9	**1,366.7**	1,525.9
Current Portion	13.3	18.9	–	123.1	332.6	**487.9**	1,172.0
Total	48.9	598.3	434.3	163.6	609.5	**1,854.6**	2,697.9

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) MPCALA's concession fees payable to the Philippine government in respect of CALAX, (b) NLEX Corporation's concession fees payable to the Philippine government in respect of Connector Road, (c) 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, (d) LRMC's concession fees payable to the Philippine government in respect of LRT-1, (e) MPIWI's concession fees payable to the Philippine government in respect of Metro Iloilo Water District and (f) MPDW's concession fees payable to the Philippine government in respect of Dumaguete City Water District. The balance as at 31 December 2021 also included ICBP's retention amount payable for its acquisition of 100% interest in Pinehill in August 2020. The guaranteed profit was met, i.e. the actual average audited consolidated net profit after tax of Pinehill for the years ended 31 December 2020 and 2021, respectively, was not less than 95% of the guaranteed profit of US$128.5 million, and ICBP settled the retention amount of US$650 million in full in April 2022. In respect of the disputed amounts between Maynilad and MWSS, no final resolution has been reached at 30 June 2022.

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, 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") in respect of 34.9% interest in Metro Pacific Light Rail Corporation ("MPLRC") (see below), (c) provisions for various claims and potential claims against the Group, (d) estimated tax warranties and indemnities in relation to the disposal of a 40.1% interest and a 56.0% interest in MPHHI and GBPC in December 2019 and March 2021, respectively, (e) contract liabilities, (f) contractual obligations of NLEX Corporation, CIC and PT Nusantara Infrastructure Tbk to restore their service concession assets to a specified level of serviceability during their service concession periods and to maintain these assets in good conditions prior to the handover of these assets to the government at the end of their concession periods, (g) the Group's payables on LTIP and retirement benefits, and (h) derivative liabilities arising from fuel swaps, interest rate swaps, electricity futures and foreign currency forwards.

On 28 May 2020, MPIC entered into an agreement with Sumitomo to divest its 34.9% interest in MPLRC, which holds 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 2022, the financial liability amounting to US$82.1 million (31 December 2021: US$76.2 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 in MPLRC 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 companies 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 Purchase Awards	Number of allocated shares held for Subscription Awards	Number of unallocated shares held for Purchase Awards	Shares held for Share Award Scheme US$ millions
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)
At 1 January 2022	4,665,846	1,055,702	254,990	**(2.0)**
Reallocated	254,990	–	(254,990)	**–**
Purchased	2,618,000	–	–	**(1.0)**
Granted and issued	–	2,253,526	–	**(1.0)**
Vested and transferred	(4,187,346)	(1,055,702)	–	**1.8**
At 30 June 2022	**3,351,490**	**2,253,526**	**–**	**(2.2)**

For the Purchase Awards, during the six months ended 30 June 2022, the independent trustee managing the Company's share award scheme purchased 2,618,000 shares (2021: 3,690,000 shares) of the Company at an aggregate consideration of HK$8.1 million (US$1.0 million) (2021: HK$9.9 million (US$1.3 million)) from the open market at the cost of the Company, and previously unallocated 254,990 shares were also reallocated to eligible employees.

For the Subscription Awards, during the six months ended 30 June 2022, the independent trustee managing the Company's share award scheme subscribed 2,253,526 (2021: Nil) new shares issued by the Company at an aggregate consideration of HK$7.2 million (US$1.0 million).

Particulars of the share awards of the Company granted to the Directors and senior executives of the Company at 30 June 2022 and 2021 are set out below:

(a) The Company's Purchase Awards

	Shares granted and unvested shares held at 1 January 2022	Shares vested and transferred during the period	Shares granted during the period	**Shares granted and unvested shares held at 30 June 2022**	Grant date	Vesting period[i]
Executive Director						
Christopher H. Young	1,610,283	(1,610,283)	–	**–**	–	–
Non-executive Director						
Benny S. Santoso	–	–	478,500	**478,500**	6 May 2022	April 2023 to April 2025
Independent Non-executive Directors						
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	319,000	(319,000)	–	**–**	–	–
	–	–	957,000	**957,000**	6 May 2022	April 2023 to April 2025
Margaret Leung Ko May Yee, *SBS, JP*	319,000	(319,000)	–	**–**	–	–
	–	–	957,000	**957,000**	6 May 2022	April 2023 to April 2025
Philip Fan Yan Hok	319,000	(319,000)	–	**–**	–	–
	–	–	478,500	**478,500**	6 May 2022	April 2023 to April 2025
Madeleine Lee Suh Shin	–	–	957,000	**957,000**	6 May 2022	April 2023 to April 2025
Blair Chilton Pickerell	957,000	(478,500)	–	**478,500**	25 March 2020	March 2022 to March 2023
	–	–	319,000	**319,000**	6 May 2022	April 2024 to April 2025
Senior Executives	1,141,563	(1,141,563)	–	**–**	–	–
	–	–	4,413,390	**4,413,390**	6 May 2022	April 2023 to April 2025
Total	4,665,846	(4,187,346)	8,560,390	**9,038,890**		

(i) The vesting periods of the awarded shares are as follows:
- (a) 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.
- (b) For the 2022 grant, the shares would be vested in three equal tranches from the first to the third year after the shares are granted, except for an independent non-executive director (two equal tranches in the second and the third year after the grant).

	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.

(b) The Company's Subscription Awards

	Shares granted and unvested shares held at 1 January 2022	Shares vested and transferred during the period	Shares granted during the period	**Shares granted and unvested shares held at 30 June 2022**	Grant date	Vesting period[i]
Senior Executives	1,055,702	(1,055,702)	–	**–**	–	–
	–	–	2,253,526	**2,253,526**	6 May 2022	April 2023 to April 2025
Total	1,055,702	(1,055,702)	2,253,526	**2,253,526**		

(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 2021	Shares vested and transferred during the period	Shares granted and unvested shares held at 30 June 2021	Grant date	Vesting period[ii]
Senior Executives	2,111,399	(1,055,697)	1,055,702	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.

On 6 May 2022, 8,560,390 share awards were granted as Purchase Awards and 2,253,526 shares awards were granted as Subscription Awards under a share award scheme (the "Share Award Scheme") approved by the Board on 19 March 2013. The average fair value of shares granted as calculated by Towers Watson Hong Kong Limited, by adjusting the closing share price at the grant date by the present value of expected dividend payments during the vesting period was HK$2.95 per share or an aggregated value of US$4.0 million for all shares granted. The assumptions used were as follows:

Share price at the date of grant	HK$3.10 per share
Expected dividend yield	4.8% per annum
Average risk-free interest rate (based on the Hong Kong Exchange Fund Notes)	2.1% per annum

Further information regarding the Company's Share Award Scheme has been set out on pages 181 to 183 of the Company's 2021 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 directors and certain key officers of MPIC. 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 one third of the unvested shares 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 restricted stock unit plan has been set out on page 184 of the Company's 2021 Annual Report.

17. Other Comprehensive (Loss)/Income 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)/income of associated companies and joint ventures	Total
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)
At 1 January 2022	(690.0)	148.8	29.5	(4.9)	14.1	(209.8)	**(712.3)**
Other comprehensive (loss)/income for the period	(241.0)	4.9	(3.8)	1.6	1.0	14.0	**(223.3)**
Acquisition of an interest in a subsidiary company	(4.1)	–	–	–	–	–	**(4.1)**
At 30 June 2022	**(935.1)**	**153.7**	**25.7**	**(3.3)**	**15.1**	**(195.8)**	**(939.7)**

18. Notes to the Condensed Consolidated Statement of Cash Flows

(A) Step acquisition of a joint venture

On 31 March 2022, MPIC acquired the remaining 61.9% interest in Landco, a joint venture of the Group up to 31 March 2022 (the date of consolidation of Landco), from AB Holdings Corporation ("ABHC") for a total consideration of Pesos 429 million (US$8.2 million) through offsetting arrangements against the existing receivables with MPIC.

Prior to this transaction, MPIC holds 38.1% interest in Landco. With MPIC acquiring control over Landco, this transaction is accounted for using the acquisition method under HKFRS 3 "Business Combination". In accordance with HKFRS 3, the step acquisition was satisfied by (i) fair value of previously held 38.1% interest in Landco of Pesos 306 million (US$5.9 million), (ii) pre-existing intercompany advances of Pesos 2.9 billion (US$55.5 million), and (iii) consideration of Pesos 429 million (US$8.2 million) as covered by deeds of absolute sale.

The provisional fair values of assets acquired, and liabilities and contingent liabilities assumed by the Group are summarized as follows:

US$ millions	
Net Assets	
Property, plant and equipment (Note 9)	**2.1**
Associated companies and joint ventures	**3.4**
Investment properties	**6.4**
Account receivables, other receivables and prepayment (Non-current)	**24.2**
Financial assets at FVOCI (Non-current)	**1.0**
Other non-current assets	**6.3**
Cash and cash equivalents	**9.0**
Restricted cash	**5.1**
Account receivables, other receivables and prepayment (Current)	**31.1**
Inventories	**31.8**
Account payables, other payables and accruals	**(28.1)**
Short-term borrowing	**(0.4)**
Provision for taxation	**(0.4)**
Current portion of deferred liabilities, provisions and payables (Note 15)	**(4.5)**
Deferred liabilities, provisions and payables (Note 15)	**(7.5)**
Deferred tax liabilities	**(7.9)**
Total Net Identifiable Assets Acquired	**71.6**
Less: Non-controlling interests(i)	**(0.7)**
Less: Gain on bargain purchase	**(1.3)**
Total Net Assets Acquired	**69.6**
Satisfied by:	
Associated companies and joint ventures(ii)	**61.4**
Account receivables, other receivables and prepayment (Current)(iii)	**8.2**
Total	**69.6**
Cash Inflow per the Condensed Consolidated Statement of Cash Flows	**9.0**

(i) The non-controlling interests were measured at the proportionate share of their interests in the acquiree's identifiable net assets.

(ii) Included (a) the fair value of MPIC's previously held 38.1% interest in Landco of Pesos 306 million (US$5.9 million), which was fully impaired in prior years, and (b) MPIC's advances to Landco of Pesos 2.9 billion (US$55.5 million), inclusive of previously impaired advances amounting to Pesos 2.7 billion (US$51.6 million)

(iii) Represent MPIC's receivables due from ABHC of Pesos 429 million (US$8.2 million), inclusive of previously impaired receivables amounting to Pesos 360 million (US$6.9 million)

Following the completion of the transaction, Landco became a wholly-owned subsidiary company of MPIC. Total gains on the step acquisition of Landco amounted to Pesos 3.4 billion (US$65.7 million) (Note 3(A)), which includes (a) the reversal of previously made impairments on advances and receivables totalling Pesos 3.1 billion (US$58.5 million), (b) gain on remeasurement on previously held 38.1% interest in Landco of Pesos 306 million (US$5.9 million), and (c) gain on bargain purchase of 61.9% interest in Landco of Pesos 68 million (US$1.3 million).

The fair value of Landco's receivables was US$55.3 million, while the gross contractual amounts receivables was US$57.2 million. The transaction costs of US$0.1 million incurred for the step acquisition have been recognized as administrative expenses in the condensed consolidated income statement.

The net assets of Landco recognized in the Group's 2022 Condensed Interim Consolidated Financial Statements were based on provisional assessments of their fair values while the Group is still evaluating the fair values of the assets acquired and liabilities and contingent liabilities assumed. The valuation and assessment had not been completed by the date of the Group's 2022 Condensed Interim Consolidated Financial Statements were approved for issue by the Board of Directors. If new information obtained within one year of the acquisition date about facts and circumstances that existed at the acquisition date identifies adjustments to the above provisional amounts, or any provisions that existed at the acquisition date, the accounting for the acquisition will then be revised.

Since the date of acquisition, the above acquired subsidiary company recorded a turnover of US$8.0 million and a profit for the period of US$2.9 million which were included in the condensed consolidated income statement. If the acquisition had taken place on 1 January 2022, the turnover and profit for the six months ended 30 June 2022 of the Group would have been US$5,076.3 million and US$590.8 million, respectively.

(B) Disposal of an Associated Company

2022's cash inflow of US$2.5 million relates to net proceeds from MPIC's disposal of its 39.0% interest in Manila Water Consortium Inc. in May 2022.

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

(C) Payment for Retention Amount Payable

2022's cash outflow of US$650.0 million relates to ICBP's settlement of retention amount payable relating to its acquisition of 100% interest in Pinehill in August 2020 upon the Pinehill's 2020 and 2021 actual average consolidated net profit meeting the guaranteed minimum amounts.

(D) Investment in a Joint Venture

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

(E) Instalment Payment for Acquisition of a Subsidiary Company

2021's cash outflow of US$50.7 million related to MPIC's last instalment payment to PLDT Communications and Energy Ventures, Inc. ("PCEV") for its acquisition of the remaining 25% interest in Beacon Electric in June 2017.

(F) Deconsolidation of a Discontinued Operation

2021's cash inflow of US$126.9 million related 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.

(G) Repurchase of a Subsidiary Company's Shares

2022's cash outflow of US$51.8 million relates to MPIC's shares buyback from February to June 2022.

(H) Increased Investments in Subsidiary Companies

2021's cash outflow of US$34.8 million mainly related to ICBP's acquisition of the remaining 49% interest in PT Indofood Fortuna Makmur (formerly known as PT Indofood Fritolay Makmur) in February 2021.

(I) Major Non-cash Transactions

During the six months ended 30 June 2022, the Group had non-cash additions to (i) service concession assets and service concession fees payable of US$7.5 million and US$7.5 million (2021: US$13.1 million and US$13.1 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$14.3 million and US$14.3 million (2021: US$9.3 million and US$9.3 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 2022**	At 31 December 2021
Commitments in respect of subsidiary companies:		
– Authorized, but not contracted for	**704.7**	1,265.4
– Contracted, but not provided for	**668.7**	686.5
Total	**1,373.4**	1,951.9

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 2022, except for guarantees of US$17.4 million (31 December 2021: US$21.1 million) given by Indofood for loan facilities obtained by certain plantation farmers in relation to arrangements for those farmers' production and sale of fresh fruit bunches to Indofood, the Group had no significant contingent liabilities (31 December 2021: Nil).

20. Share Options

Particulars of the share options of the Company granted to the Directors and senior executives of the Company at 30 June 2022 and 2021 are set out below:

Particulars of the Company's Share Option Scheme

	Share options held at 1 January 2022	Share options lapsed during the period	Share options granted during the period	**Share options held at 30 June 2022**	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	(1,339,600)	–	**–**	4.972	4.950	–	–	–
	3,828,000	–	–	**3,828,000**	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
	–	–	1,914,000	**1,914,000**	3.176	3.10	6 May 2022	April 2023 to April 2025	April 2023 to May 2028
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
Philip Fan Yan Hok	–	–	1,914,000	**1,914,000**	3.176	3.10	6 May 2022	April 2023 to April 2025	April 2023 to May 2028
Blair Chilton Pickerell	–	–	1,276,000	**1,276,000**	3.176	3.10	6 May 2022	April 2024 to April 2025	April 2024 to May 2028
Senior Executives	1,184,750	(1,184,750)	–	**–**	4.972	4.950	–	–	–
	403,025	(403,025)	–	**–**	6.092	5.98	–	–	–
	7,699,459	–	–	**7,699,459**	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Total	18,282,834	(2,927,375)	5,104,000	**20,459,459**[i]					

(i) The number of outstanding share options vested and exercisable at 30 June 2022 was 15,355,459. These share options had a weighted average exercise price of HK$2.87.

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

(a) For the 2019 grant, 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 2022 grant, the share options would be vested in three equal tranches from the first to the third year after the share options are granted, except for an independent non-executive director (two equal tranches in the second and the third year after the grant).

	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.

On 6 May 2022, 5,104,000 share options under a share option scheme (the "Scheme") approved by the shareholders of the Company (at the Company's annual general meeting held on 31 May 2012) were granted. The average fair value of options granted as calculated by Towers Watson Hong Kong Limited, based on the binomial lattice model, was HK$0.63 per share or an aggregate value of US$0.4 million for all options granted. The assumptions used were as follows:

Share price at the date of grant	HK$3.10 per share
Exercise price	HK$3.176 per share
Expected volatility (based on historical volatility of the Company's shares commensurate with the average expected life of the options granted)	32%
Option life	6 years
Expected dividend yield	4.8% per annum
Average risk-free interest rate (based on the Hong Kong Exchange Fund Notes)	2.86% per annum

Taking into account the expected turnover rate of the Directors and the early exercise behavior, the average expected life of the options granted was estimated to be around 4.5 years. The early exercise behavior assumes that option holders will exercise the options when the share price is at least 140% of the exercise price. No other feature of the options granted was incorporated into the measurement of fair value.

The binomial model, applied for determining the estimated values of the share options granted under the Scheme, was developed for use in estimating the fair value of the traded options that are fully transferable. Such an option pricing model requires input of highly subjective assumptions, including the expected share price volatility. As the Company's share options have characteristics significantly different from those of the traded options, changes in the subjective input assumptions can materially affect the estimated value of the options granted.

Further information regarding the Company's share option scheme has been set out on pages 198 to 201 of the Company's 2021 Annual Report.

At the annual general meeting held on 16 June 2022, the Company's shareholders approved a new share option scheme (the "New Scheme") as the Scheme was expired on 30 May 2022. Under the New Scheme, the Directors may, at their discretion, at any time during the life of the New Scheme, grant Directors and executives of the Company's share options as part of the Company's long-term incentive program. The New Scheme, which complies with the provisions set out in Chapter 17 of the Listing Rules, became effective on 16 June 2022. The New Scheme will be valid for 10 years and will expire on 15 June 2032.

The maximum number of shares on which options may be granted may not exceed 10% of the Company's issued share capital as at the date of approval of the New Scheme by the shareholders, which equaled to 426,944,457 shares. The maximum number of shares in respect of which options may be granted under the New Scheme to any one participant in any 12-month period is limited to 1% of the aggregate number of shares of the Company in issue at the time of the proposed grant of options to such participant.

The exercise price in relation to each share option offer shall be determined by the Directors at their absolute discretion, but in any event shall not be less than the highest of (i) the closing price of the Company's shares as stated in the daily quotation sheet of the SEHK on the date of grant; (ii) the average of the closing prices of the Company's shares as stated in the daily quotation sheets of the SEHK for the five trading days immediately preceding the date of grant; and (iii) the nominal value of the Company's share on the date of grant. The terms of the New Scheme provide that subject to any other restrictions on vesting imposed by the Directors, share options may be exercised under the New Scheme at any time from the date of acceptance until the date of expiry. Any options granted under the New Scheme are subject to certain restrictions on exercise including a prohibition on exercise for a certain period after the date on which any option is accepted. Share options vest progressively over the vesting period, provided that the relevant grantee remains employed by the Group. Options which lapse or are canceled prior to their expiry date are deleted from the register of options.

21. Related Party Transactions

Significant related party transactions entered into by the Group during the periods ended 30 June 2022 and 2021 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 retention amount payable due to Pinehill Corpora of US$331.5 million was fully settled by ICBP in April 2022. At 31 December 2021, the retention amount payable of US$331.5 million was included in the current portion of deferred liabilities, provisions and payables (Note 15).

(B) In February 2022, MPIC made additional advances of Pesos 0.2 billion (US$3.8 million) to Landco, a joint venture of the Group up to 31 March 2022 (the date of consolidation of Landco), for working capital purposes.

During the six months ended 30 June 2021, an additional impairment loss of US$14.5 million was made to write down the same amount of advances made to Landco during the period. At 31 December 2021, the total amount due from Landco was Pesos 2.7 billion (US$52.9 million) which was fully impaired by the Group as the recoverability is in doubt based on historical record.

(C) On 31 March 2021, Beacon PowerGen, a wholly-owned subsidiary company of MPIC, completed the transfer of 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$429.6 million), which was subsequently adjusted to Pesos 21.2 billion (US$406.0 million) to reflect the dividend of Pesos 1.2 billion (US$23.6 million) received from GBPC by Beacon PowerGen in May 2021. 60% of the adjusted consideration, i.e. Pesos 12.7 billion (US$257.8 million), was settled in cash upfront. The unpaid instalment balance shall earn interest at the rate of 2.0% per annum from the completion date until payment. 20% of the adjusted consideration, i.e. Pesos 4.25 billion (US$85.6 million), was settled in September 2021.

At 30 June 2022, the present value of the remaining 20% outstanding consideration receivable due in September 2022 of Pesos 4.24 billion amounting to Pesos 4.3 billion (US$78.2 million) (including accrued interest of Pesos 71 million (US$1.3 million)) (31 December 2021: Pesos 4.2 billion (US$82.7 million) (including accrued interest of Pesos 24 million (US$0.5 million))) was included in the current portion of accounts receivable, other receivables and prepayments.

(D) At 30 June 2022, FPM Power had outstanding loans of US$113.5 million (31 December 2021: US$113.5 million) due to MPG Asia Limited. 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).

(E) FPM Power has a support service agreement with GBPC with effect from 1 October 2021. Under the agreement, FPM Power shall pay GBPC for its support services rendered under the agreement until terminated in writing by GBPC and FPM Power.

For the six months ended 30 June 2022, the fees under the above arrangement amount to US$0.5 million (2021: Nil). At 30 June 2022, FPM Power had outstanding service fees payable to GBPC of US$0.3 million (31 December 2021: US$0.3 million), 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 and any additional fee shall be mutually agreed upon by both parties on a monthly basis.

For the six months ended 30 June 2022, the fees under this agreement amounted to approximately US$1.3 million (2021: US$1.0 million). At 30 June 2022, FPIML had US$0.2 million (31 December 2021: Nil) outstanding receivable from Smart under this agreement and was included in the current portion of accounts receivable, other receivables and prepayments.

(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$91.7 million) (out of the total Pesos 7.2 billion (US$131.0 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.

For the six months ended 30 June 2022, ALBV accrued interest income of US$2.5 million (2021: US$2.7 million) on these notes. At 30 June 2022, ALBV had outstanding interest receivable of US$45,839 (31 December 2021: US$53,530) due from SMECI.

(H) In March 2022, Kirtman Limited ("Kirtman"), a wholly-owned subsidiary company of the Company, provided loans of US$0.6 million to PXP. The loans were unsecured, interest-bearing and repayable on demand, and were included in the current portion of accounts receivable, other receivables and prepayments.

For the six months ended 30 June 2022, Kirtman accrued interest income of US$8,578 (2021: Nil) on these loans. At 30 June 2022, Kirtman had outstanding interest receivable of US$8,578 (31 December 2021: Nil) due from PXP.

(I) Key Management Personnel Compensation

Nature of Transactions

For the six months ended 30 June US$ millions	**2022**	2021
Non-performance based		
– Salaries and benefits	**40.0**	39.0
– Pension contributions	**1.1**	2.5
Performance based		
– Bonuses and long-term monetary incentive awards	**31.5**	33.9
Retirement benefit payments	**2.2**	–
Share-based compensation benefit expenses	**0.9**	1.0
Fees	**0.4**	0.3
Total	**76.1**	76.7

(J) 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	**2022**	2021
Income Statement Items		
Sales of finished goods		
– to affiliated companies	**267.1**	252.0
– to an associated company	**14.1**	13.6
Purchases of raw materials and finished goods		
– from joint ventures	**14.0**	8.1
– from affiliated companies	**0.6**	0.7
Outsourcing expenses		
– to affiliated companies	**14.4**	14.8
Insurance expenses		
– to affiliated companies	**5.0**	4.2
Pump services expenses		
– to affiliated companies	**0.3**	0.2
Royalty and technical income		
– from an associated company	**2.6**	4.8
– from affiliated companies	**1.7**	0.8
Rental income		
– from affiliated companies	**0.8**	0.8

For the six months ended 30 June 2022, Indofood made lease payments of US$0.5 million (2021: US$0.5 million) to affiliated companies for the settlement of lease liabilities recognized.

Approximately 8% (2021: 8%) of Indofood's sales and 0.6% (2021: 0.4%) of its purchases were transacted with these related parties.

Nature of Balances

US$ millions	**At 30 June 2022**	At 31 December 2021
Statement of Financial Position Items		
Accounts receivable – trade		
– from affiliated companies	**75.2**	88.0
– from an associated company	**7.0**	9.8
Accounts receivable – non-trade		
– from an associated company	**20.6**	30.2
– from affiliated companies	**12.5**	15.0
Accounts payable – trade		
– to affiliated companies	**4.2**	4.9
– to joint ventures	**2.8**	3.7
Deferred liabilities, provisions and payables		
– to affiliated companies	**50.1**	55.7

(K) In February 2021, 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 19 February 2021 to 31 December 2023 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.

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	**2022**	2021
Capital Expenditure Item		
Construction services for water infrastructure	**–**	0.3

(L) 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	**2022**	2021
Income Statement Item		
Electricity expenses	**19.2**	13.7

Nature of Balances

US$ millions	**At 30 June 2022**	At 31 December 2021
Statement of Financial Position Item		
Accounts payable – trade	**0.1**	2.1

(M) 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	**2022**	2021
Income Statement Item		
Voice and data service expenses	**0.9**	2.4

Nature of Balances

US$ millions	**At 30 June 2022**	At 31 December 2021
Statement of Financial Position Item		
Accounts payable – trade	**0.1**	1.5

(N) MPIC and its subsidiary companies had the following transactions with 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	**2022**	2021
Income Statement Item		
Information technology management and consultancy expenses	**4.8**	3.4

Nature of Balances

US$ millions	**At 30 June 2022**	At 31 December 2021
Statement of Financial Position Item		
Accounts payable – trade	**0.9**	0.6

(O) 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. For the six months ended 30 June 2021, PLP accrued interest expenses of US$1.3 million to Petronas, which were capitalized as part of the outstanding loans from Petronas.

On 1 July 2021, Petronas sold its 30% interest in PLP and its outstanding loans of US$17.6 million to MPG Asia Limited at a consideration of US$15.0 million. MPG Asia Limited subsequently capitalized the remaining loans of US$17.6 million into equity of PLP. As such, PLP did not have further loans and interest payable due to non-controlling shareholder at 31 December 2021.

(P) 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. The agreement was terminated on 30 September 2021 and replaced with a support service agreement with GBPC as described in Note 21(E) with effect from 1 October 2021.

For the period ended 30 June 2021, the fees under the above arrangement amounted to US$0.5 million.

(Q) 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 last instalment of Pesos 2.45 billion (US$51.0 million) was fully settled in June 2021.

(R) 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
Income Statement Item	
Sale of electricity	7.8

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 2022 Financial assets at amortized cost	Financial assets at FVOCI	Financial assets at FVPL	Derivative instruments(i)	Total	At 31 December 2021 Financial assets at amortized cost	Financial assets at FVOCI	Derivative instruments(i)	Total
Accounts and other receivables (Non-current)	**50.1**	**–**	**–**	**7.7**	**57.8**	51.8	–	1.7	53.5
Financial assets at FVOCI (Non-current)	**–**	**356.4**	**–**	**–**	**356.4**	–	361.1	–	361.1
Other non-current assets	**77.1**	**–**	**20.0**	**–**	**97.1**	92.6	–	–	92.6
Cash and cash equivalents and short-term deposits	**2,641.6**	**–**	**–**	**–**	**2,641.6**	3,209.3	–	–	3,209.3
Restricted cash	**104.7**	**–**	**–**	**–**	**104.7**	53.6	–	–	53.6
Financial assets at FVOCI (Current)	**–**	**165.3**	**–**	**–**	**165.3**	–	205.0	–	205.0
Accounts and other receivables (Current)	**1,008.1**	**–**	**–**	**46.5**	**1,054.6**	1,017.7	–	78.9	1,096.6
Total	**3,881.6**	**521.7**	**20.0**	**54.2**	**4,477.5**	4,425.0	566.1	80.6	5,071.7

(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 2022 Financial liabilities at amortized cost	Derivative instruments(ii)	Total	At 31 December 2021 Financial liabilities at amortized cost	Financial liabilities at FVPL	Derivative instruments(ii)	Total
Accounts payable, other payables and accruals	**1,664.7**	**–**	**1,664.7**	1,476.5	–	–	1,476.5
Short-term borrowings	**1,747.2**	**–**	**1,747.2**	1,645.7	–	–	1,645.7
Current portion of deferred liabilities, provisions and payables	**181.0**	**18.7**	**199.7**	261.9	650.0	34.1	946.0
Long-term borrowings	**9,263.6**	**–**	**9,263.6**	9,482.7	–	–	9,482.7
Deferred liabilities, provisions and payables (Non-current)	**717.1**	**1.8**	**718.9**	759.9	–	0.5	760.4
Total	**13,573.6**	**20.5**	**13,594.1**	13,626.7	650.0	34.6	14,311.3

(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 financial 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 unlisted investments included in financial assets at fair value through profit or loss ("FVPL") are measured by reference to the most recent transaction prices.

- 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 2022 and 31 December 2021 and lease liabilities are not included in this table.

	At 30 June 2022		At 31 December 2021	
US$ millions	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Financial Liabilities				
Long-term borrowings	**9,263.6**	**8,207.6**	9,482.7	9,675.0
Deferred liabilities, provisions and payables (Non-current) (other than lease liabilities)	**681.5**	**645.7**	720.9	694.7
Total	**9,945.1**	**8,853.3**	10,203.6	10,369.7

(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 2022				31 December 2021			
US$ millions	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI								
– Listed equity investments	**322.8**	**–**	**–**	**322.8**	328.4	–	–	328.4
– Unlisted investments	**–**	**172.6**	**26.3**	**198.9**	–	209.5	28.2	237.7
Financial assets at FVPL(i)								
– Unlisted equity investments	**–**	**20.0**	**–**	**20.0**	–	–	–	–
Derivative assets(ii)	**0.5**	**53.7**	**–**	**54.2**	63.8	16.8	–	80.6
Derivative liabilities(iii)	**(16.1)**	**(4.4)**	**–**	**(20.5)**	(31.7)	(2.9)	–	(34.6)
Financial liabilities at FVPL(iii)	**–**	**–**	**–**	**–**	–	–	(650.0)	(650.0)
Net Amount	**307.2**	**241.9**	**26.3**	**575.4**	360.5	223.4	(621.8)	(37.9)

(i) Included within other non-current assets
(ii) Included within accounts receivable, other receivables and prepayments
(iii) 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, market comparable companies or 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 2021: 30%) and adjusted for the net debt of the investee, if applicable. The movements during the period are as follows:

US$ millions	**2022**	2021
At 1 January	**28.2**	19.2
Changes in fair value	**0.1**	10.2
Exchange translation	**(2.0)**	(0.4)
At 30 June	**26.3**	29.0

At 31 December 2021, the fair value of financial liabilities at FVPL, which represented ICBP's retention amount payable in relating to Pinehill acquisition, categorized with Level 3 was determined based on the present value of the expected payment. The balance was settled 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 2022 and 2021, there were no transfers of fair value measurements among Level 1, Level 2 and Level 3.

(D) Interest Rate Benchmark Reform

At 30 June 2022, the Group had certain interest-bearing borrowings denominated in the United States dollar and Singapore dollar based on the London Interbank Offered Rate ("LIBOR") and Singapore Swap Offer Rate, respectively. In addition, the Group currently had applied cash flow hedge to manage the cash flow interest rate of bank borrowings, denominated in the United States dollar based on LIBOR, by using interest rate swaps. The Group continue to monitor the development of the interest rate benchmark reform and take proactive measures for a smooth transition.

The carrying amounts of financial instruments based on an interbank offered rate ("IBOR") that have yet to transition to an alternative benchmark rate at the end of the reporting period are summarized as follows:

US$ millions	**At 30 June 2022**	At 31 December 2021
Non-derivative liabilities		
Bank loans – US$ LIBOR	**1,375.8**	1,162.3
– S$ Swap Offer Rate	**338.7**	459.8
Total	**1,714.5**	1,622.1
Derivative assets, net		
Interest rate swaps – US$ LIBOR(i)	**5.7**	0.3

(i) The notional amount of the interest rate swaps is US$130.0 million (31 December 2021: US$130.0 million) and will mature in 2024.

23. Events after the Reporting Period

(A) On 29 July 2022, MPIC purchased in aggregate 22.5 million common shares of Meralco, representing 2.0% of the total issued capital stock of Meralco, through a private placement transaction for a total consideration of Pesos 7.75 billion (US$138.6 million) or Pesos 344 (US$6.2) per share. As a result of this transaction, MPIC's effective interest in Meralco increased to 47.5% from 45.5%. The Group continues to account Meralco as an associated company.

(B) On 3 August 2022, Philex's completed its stock rights offering by issuing 842 million new shares at Pesos 3.15 (U.S. 5.73 cents) per share and raised Pesos 2.7 billion (US$48.2 million) new equity. The proceeds would be used to fund the development of Silangan Project. The Group subscribed Philex's rights shares in proportion to its existing interests of 31.2% for an aggregated consideration of Pesos 0.8 billion (US$15.1 million). Two Rivers, a Philippine affiliate of First Pacific, also subscribed Philex's rights shares in proportion to its existing interests of 15.0% for an aggregated consideration of Pesos 0.4 billion (US$7.2 million).

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 31 August 2022.

To the Board of Directors of First Pacific Company Limited
(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the Condensed Interim Consolidated Financial Statements set out on pages 37 to 73, which comprise the condensed consolidated statement of financial position of First Pacific Company Limited (the "Company") and its subsidiaries (the "Group") as at 30 June 2022 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed interim consolidated financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "*Interim Financial Reporting*" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Directors of the Company are responsible for the preparation and presentation of these Condensed Interim Consolidated Financial Statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these Condensed Interim Consolidated Financial Statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of "*Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the HKICPA. A review of the Condensed Interim Consolidated Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Interim Consolidated Financial Statements are not prepared, in all material respects, in accordance with HKAS 34.

ERNST & YOUNG
Certified Public Accountants

27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

31 August 2022

Review Statement of the Audit and Risk Management Committee

The Audit and Risk Management Committee has reviewed the 2022 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 independent auditor.

Corporate Governance Practices

First Pacific is committed to maintaining and upholding high standards of corporate governance with a view to safeguarding the interests of our shareholders, employees and other relevant stakeholders. The Company's Corporate Governance Committee, comprising mainly of Independent Non-executive Directors ("INEDs") and chaired by an INED, is delegated with the responsibility to supervise the Company's corporate governance functions.

In June 2022, the Company conducted its first hybrid annual general meeting allowing more shareholders to participate in this important opportunity to engage with our Board and senior management, and to attend and vote online, at the same time with physical meeting run with social distancing measures.

The Corporate Governance Committee reviewed the Company's corporate governance practices in respect of the six months period ended 30 June 2022 to ensure its compliance with the Listing Rules. This Committee is also tasked with the responsibility of overseeing Environmental, Social and Governance ("ESG") reporting in compliance with the Listing Rules requirements. As recommended by the Corporate Governance Committee, the Board approved the Company's 2021 ESG report for publication on the websites of SEHK and the Company.

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(1) contained in Appendix 14 of the Listing Rules (the "CG Code"). We are reviewing the First Pacific Code to update and reflect relevant amendments to the CG Code in order to strengthen the transparency and accountability of the Board and the respective Board committees, and to ensure that the Company's principles are in line with international and local corporate governance best practices.

Throughout the six months period ended 30 June 2022, First Pacific has applied the principles and complied with the material provisions of the CG Code and, where appropriate, adopted the Recommended Best Practices contained in the CG Code with the following exceptions:

Code Provision E.1.5(2): Issuers should disclose, amongst others, details of any remuneration payable to members of senior management by band in their annual reports. Recommended Best Practice E.1.8(3): 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 was disclosed.

Recommended Best Practices D.1.5(4) and D.1.6(5): 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 investee companies already issue quarterly reports. As such, we believe that the relevant information is already available in the public domain.

Code Provision D.2.5(6): 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.

Notes:
(1) The code provisions and recommended best practices in the CG Code have been re-arranged with effect from 1 January 2022.
(2) This code provision was B.1.5 under the former CG Code.
(3) This recommended best practice was B.1.8 under the former CG Code.
(4) This recommended best practice was C.1.6 under the former CG Code.
(5) This recommended best practice was C.1.7 under the former CG Code.
(6) This code provision was C.2.5 under the former CG Code.

As an investment 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 investee companies is 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 investee companies' 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 investee companies' 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 2022.

Directors' interests in securities of the Company and its associated corporations as at 30 June 2022 have been disclosed in this interim report on pages 79 and 80.

Continuing Connected Transactions and Connected Transactions

During the six months ended 30 June 2022, there was no continuing connected transactions and connected transactions disclosed in the form of published announcement.

Risk Management and Internal Control

As referred to the above and as an investment 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 investee 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 investee 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 investee 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 2022, the Board confirmed that it has received confirmations from the investee 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 2022, 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.

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors of the Company, as notified to the Company, subsequent to the 2021 Annual Report are set out below:

- Mrs. Margaret Leung Ko May Yee was appointed as an independent non-executive director of China Mobile Limited, the shares of which are listed on the Main Board of SEHK, on 18 May 2022. In addition, she was appointed as a non-official member of the Executive Council of the Hong Kong Special Administrative Region on 1 July 2022.

Interests of Directors in the Company and its Associated Corporations

As at 30 June 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, 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 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)	45.10	–
Manuel V. Pangilinan	70,493,078(P)(ii)	1.65	–
Christopher H. Young	8,385,189(P)	0.20	–
Benny S. Santoso	478,500(P)(iii)	0.01	5,742,000
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	3,903,559(P)(iv)	0.09	–
Margaret Leung Ko May Yee, *SBS, JP*	3,045,652(P)(v)	0.07	–
Philip Fan Yan Hok	10,547,152(P)(vi)	0.25	1,914,000
Madeleine Lee Suh Shin	1,557,000(P)(vii)	0.04	3,828,000
Blair Chilton Pickerell	1,276,000(P)(viii)	0.03	1,276,000

(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 represents Mr. Santoso's interests in 478,500 awarded shares granted pursuant to the Company's Share Award Scheme as adopted by the Board on 19 March 2013 (the "Share Award Scheme") which remain unvested.
(iv) It included Prof. Chen's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(v) It included Mrs. Leung's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(vi) It included Mr. Fan's interests in 478,500 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(vii) It included Ms. Lee's interests in 957,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.
(viii) It included Mr. Pickerell's interests in 797,500 awarded shares granted pursuant to the Share Award Scheme which remain unvested.

(B) Long Positions in Shares and Debentures of the Associated Corporations of the Company

- Manuel V. Pangilinan owned (a) 31,622,404 common shares(P) (0.10%)* in MPIC; (b) 293,494 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; (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 1,166,543,730 IndoAgri shares(C) (83.57%)* through the Company's group companies; and (c) an indirect interest of 20,483,364 shares(C) (0.13%)* in PT Salim Ivomas Pratama Tbk ("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 2022.

Save for those disclosed above, as at 30 June 2022, 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 2022 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 2022, representing approximately 26.61% of the Company's issued share capital at that date, by way of 502,058,994 ordinary shares of the Company held, representing approximately 11.77% 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 of the Company 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 2022, representing approximately 18.52% 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 of the Company owned by ACFL.

(C) FPIL-Liberia, which was incorporated in the Republic of Liberia, beneficially owned 790,229,364 ordinary shares at 30 June 2022, representing approximately 18.52% 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 79. Anthoni Salim, Chairman of the Company, is taken to be interested in the shares of the Company 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 2022, representing approximately 14.84% 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 of the Company owned by FPIL-BVI.

(E) Brandes Investment Partners, L.P. ("Brandes"), a United States incorporated company, notified the Company that it held 297,632,088 ordinary shares of the Company as at 12 April 2022, representing approximately 6.97% of the Company's issued share capital at that date. At 30 June 2022, the Company has not received any other notification from Brandes of any change to such holding.

(F) Northern Trust Corporation, a United States incorporated company, and its 100% controlled corporation, The Northern Trust Company, a United States incorporated company (collectively "Northern Trust"), notified the Company that they held 255,449,479 ordinary shares of the Company (lending pool) on 8 April 2022, representing approximately 5.98% (lending pool) of the Company's issued share capital at that date. At 30 June 2022, 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 2022, 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. During the period ended 30 June 2022, the Company repurchased 14,330,000 (Six months ended 30 June 2021: 21,736,000) ordinary shares on SEHK at an aggregate consideration of HK$44.3 million (US$5.7 million) (Six months ended 30 June 2021: HK$58.0 million (US$7.5 million)).

These shares have been subsequently cancelled. It is anticipated that the repurchases are beneficial to all shareholders by enhancing the value of the Company's shares. Details of the repurchases are summarized as follows:

		Purchase price paid per share		Aggregate consideration paid	
Month of repurchases	Number of ordinary shares repurchased	Highest HK$	Lowest HK$	HK$ millions	US$ millions
January 2022	6,524,000	3.04	2.87	19.5	2.5
February 2022	3,252,000	3.25	3.03	10.2	1.3
May 2022	646,000	3.13	3.11	2.0	0.3
June 2022	3,908,000	3.43	3.00	12.6	1.6
Total	**14,330,000**	**3.43**	**2.87**	**44.3**	**5.7**

During the six months ended 30 June 2022, the independent trustee managing the Company's share award scheme bought on SEHK a total of 2,618,000 (Six months ended 30 June 2021: 3,690,000) shares of the Company at an aggregate consideration of approximately HK$8.1 million (US$1.0 million) (Six months ended 30 June 2021: HK$9.9 million (US$1.3 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 30 August 2022

Financial Diary

Preliminary announcement of 2022 interim results	31 August 2022
Last day to register for interim distribution	15 September 2022
Interim report posted to shareholders	23 September 2022
Payment of interim distribution	5 October 2022
Financial year-end	31 December 2022
Preliminary announcement of 2022 results	30 March 2023*

* Subject to confirmation

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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	4,261,316,570

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

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A Chinese Version of this Report, or Additional Information

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Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
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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 2022

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 leading infrastructure investment and management company. Its shares are listed on the Philippine Stock Exchange and are available for trading in the United States through American Depositary Receipts.

Sector	:	Infrastructure, Utilities and Hospitals
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	30.1 billion
Particulars of outstanding shares held	:	Common shares of Peso 1 par value
Economic/voting interest	:	45.1%/58.1%

Further information on MPIC can be found at www.mpic.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	:	68.2%[1]/60.0%

(1) Includes a 8.2% 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. PLP's solar energy solutions will further enhance its ability to deliver reliable and sustainable electricity. 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	:	872.3 million
Particulars of issued shares held	:	Ordinary shares with no par value
Economic/voting interest	:	53.9%(2)/70.0%

(2) Represents a 42.0% effective economic interest in PLP held by First Pacific through its interest in FPM Power and a 11.9% 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.

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%(3)

(3) 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 upstream oil and gas 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%(4)(5)/21.7%(5)

(4) Includes a 14.0% effective economic interest in PXP held by First Pacific through its interests in Philex.
(5) 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.

FP Natural Resources Limited

FP Natural Resources together 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.

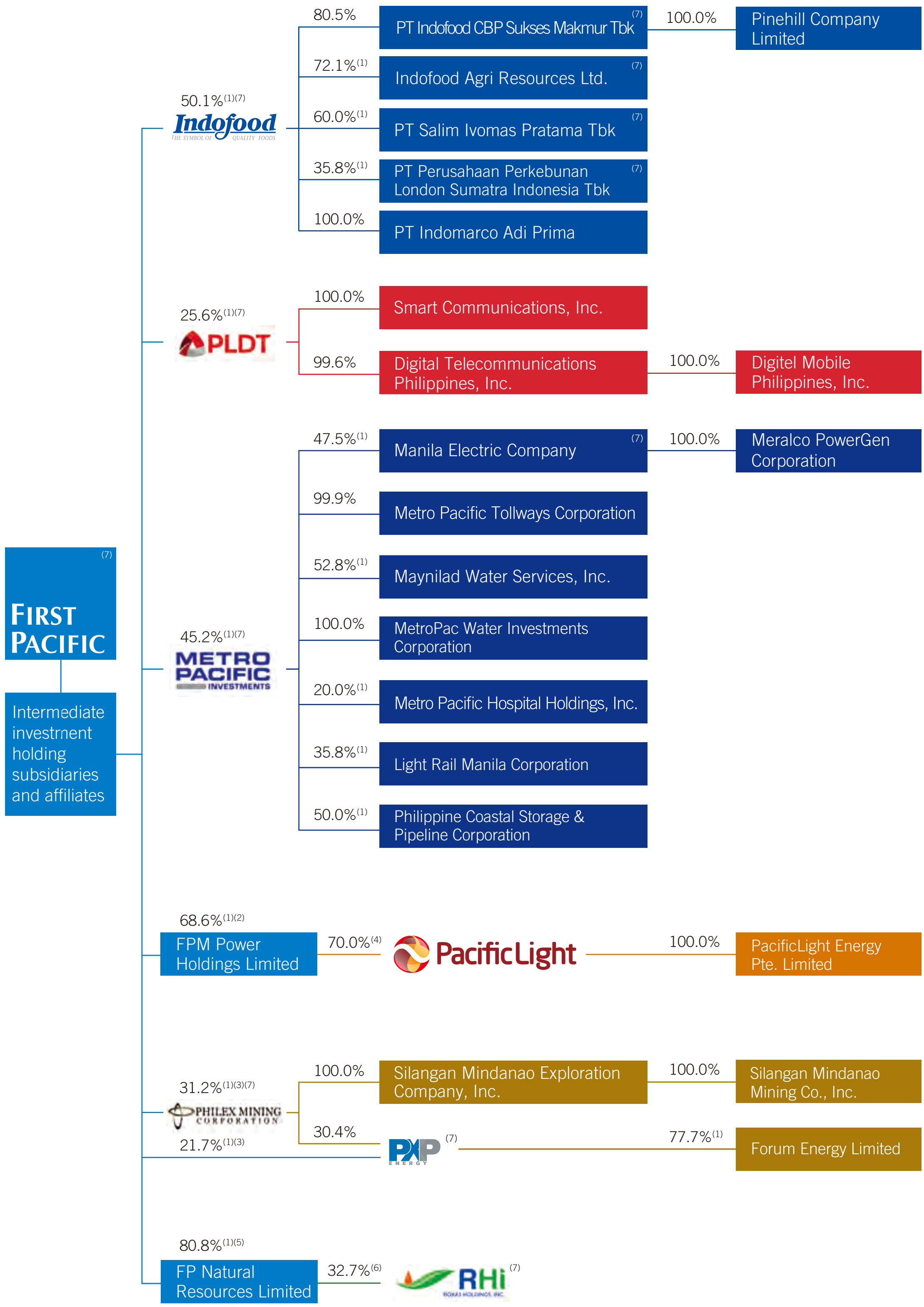
Sector	:	Consumer Food Products
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	1.5 billion
Particulars of outstanding shares held	:	Common shares of Peso 1 par value
Economic/voting interest	:	26.4%(8)(9)/32.7%(9)

(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 30 August 2022



(1) Economic interest.
(2) Includes a 8.6% effective economic interest in FPM Power held through First Pacific's indirect interests in Meralco.
(3) Two Rivers, a Philippine affiliate of First Pacific, holds additional 15.0% and 6.7% economic interests in Philex and PXP, respectively.
(4) Meralco through its wholly-owned subsidiary MGen holds the remaining 30.0% interest in PLP.
(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

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WORLD GREEN ORGANISATION Green Office Awards Labelling Scheme

ECO-Healthy WORKPLACE

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