FIRST PACIFIC

First Pacific Company Limited

Stock Code: 00142

Annual Report 2024

Creating
Long-term Value
in Asia

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:

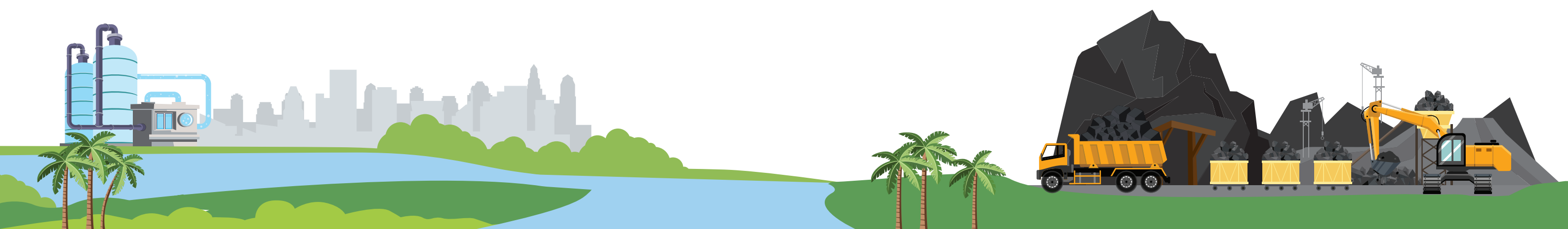
- Delivering dividend/distribution returns to shareholders
- Delivering share price/value appreciation of First Pacific
- Making further investments in value-enhancing businesses, taking into consideration all relevant criteria, including Environmental, Social and Governance ("ESG") factors to better 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 three-fold:

- Identify undervalued or underperforming assets with strong growth potential and possible synergies
- Help 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



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First Pacific's investment portfolio is centered on 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 producer of the global instant noodle brand *Indomie* while PLDT is the dominant integrated telecommunications and digital services provider in the Philippines with the largest fixed broadband network and the largest and most modern wireless network in the country. MPIC is a leading infrastructure investment and management company in the Philippines, with holdings in the country's largest electricity distributor, toll road operator, water distributor, and healthcare group. MPIC also holds investment in real estate, light rail, and agribusiness.

First Pacific also holds investments in PacificLight Power Pte. Ltd. ("PLP"), Philex Mining Corporation ("Philex"), and PXP Energy Corporation ("PXP"). PLP operates 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, and PXP is an upstream oil and gas company with a number of service contracts 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 28 March 2025, First Pacific's economic interest in Indofood is 50.1%, in PLDT 25.6%, in MPIC 49.9%, in FPM Power Holdings Limited ("FPM Power") 69.5%[1], in Philex 31.2%[2], and in PXP 29.3%[2][3].

(1) Includes a 9.5% 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 5.5% economic interests in Philex and PXP, respectively.

(3) Includes a 11.5% effective economic interest in PXP held through First Pacific's indirect interests in Philex.

Ten-year Statistical Summary

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Results (US$ millions)										
Turnover	**10,057.2**	10,510.7	10,304.9	9,103.2	7,130.5	7,585.0	7,233.3	7,037.9	6,779.0	6,437.0
Profit for the year	**1,603.3**	1,341.4	1,049.6	895.7	667.6	121.1	608.7	561.3	517.8	418.9
Profit/(loss) attributable to owners of the parent	**600.3**	501.2	391.6	333.3	201.6	(253.9)	131.8	120.9	103.2	80.6
Contribution from operations	**776.5**	701.5	593.3	506.4	409.7	395.6	393.9	420.5	400.2	426.5
Recurring profit	**672.5**	603.8	508.8	426.5	321.2	290.0	289.5	300.0	264.9	287.5
Ordinary share distributions/dividends	**138.9**	124.7	119.1	104.2	81.0	75.2	74.8	74.7	74.5	74.2
Per Ordinary Share Data (U.S. cents)										
Basic earnings/(loss)	**14.15**	11.82	9.20	7.72	4.65	(5.85)	3.04	2.80	2.42	1.89
Basic recurring earnings	**15.85**	14.24	11.96	9.88	7.40	6.68	6.68	6.96	6.21	6.74
Distributions/dividends	**3.27**	2.95	2.82	2.43	1.86	1.73	1.73	1.73	1.73	1.73
Equity attributable to owners of the parent	**92.27**	86.93	77.72	77.09	72.27	67.41	71.02	74.32	72.68	71.93
Total assets	**673.95**	644.87	600.98	620.85	620.12	503.64	481.38	471.08	402.07	402.93
Tangible assets	**414.27**	390.13	366.95	379.22	383.21	372.50	359.45	361.58	300.82	305.12
Net cash flows from operating activities	**41.13**	40.79	33.42	28.82	23.86	33.51	16.91	17.96	17.11	15.21
Financial Ratios										
Gross margin (%)	**36.34**	32.11	29.66	31.07	32.37	30.11	28.02	29.34	29.57	27.86
Recurring return on average net assets (%)	**14.91**	13.95	11.90	10.62	8.99	10.47	9.00	9.47	9.23	9.24
Recurring return on average equity attributable to owners of the parent (%)	**17.66**	17.29	15.43	13.25	10.59	9.65	9.17	9.47	8.57	8.96
Distribution/dividend payout ratio (%)	**20.65**	20.65	23.40	24.43	25.22	25.93	25.84	25.03	28.12	25.81
Distribution/dividend cover (times)	**4.84**	4.84	4.27	4.09	3.97	3.86	3.87	4.02	3.56	3.87
Distribution/dividend yield (%)	**5.66**	7.40	9.44	6.62	5.87	5.09	4.45	2.53	2.50	2.64
Interest cover (times)	**5.85**	5.37	4.98	4.33	3.99	4.24	4.06	4.31	4.18	3.87
Current ratio (times)	**1.35**	1.32	1.26	1.26	1.24	1.12	1.03	1.32	1.24	1.39
Gearing ratio (times)										
– Consolidated	**0.76**	0.73	0.82	0.74	0.77	0.68	0.78	0.66	0.54	0.64
– Company	**1.58**	1.43	1.20	0.99	0.81	0.76	0.76	0.83	0.75	0.79

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Consolidated Statement of Financial Position Data (US$ millions)										
Total assets	**28,677.9**	27,357.5	25,491.8	26,566.7	26,943.6	21,882.5	20,901.5	20,454.5	17,215.4	17,199.0
Net debt	**9,098.5**	8,450.3	8,493.2	7,865.5	8,205.6	5,978.4	6,783.9	5,731.4	4,338.0	4,667.9
Total liabilities	**16,747.7**	15,790.6	15,126.0	15,953.6	16,315.1	13,124.5	12,191.1	11,712.0	9,181.1	9,864.6
Net current assets	**1,743.0**	1,465.4	1,075.9	1,182.4	1,147.7	525.3	120.2	1,041.0	646.9	1,186.2
Total assets less current liabilities	**23,684.9**	22,764.9	21,383.2	21,941.9	22,112.8	17,385.2	16,761.2	17,198.5	14,493.6	14,130.4
Equity attributable to owners of the parent	**3,926.2**	3,688.0	3,296.5	3,298.6	3,140.0	2,928.7	3,083.6	3,227.1	3,112.0	3,070.2
Total equity	**11,930.2**	11,566.9	10,365.8	10,613.1	10,628.5	8,758.0	8,710.4	8,742.5	8,034.3	7,334.4
Consolidated Statement of Cash Flows Data (US$ millions)										
Net cash flows from operating activities	**1,746.5**	1,730.1	1,424.0	1,245.9	1,036.6	1,455.5	734.1	776.1	731.4	650.0
Capital expenditure	**1,358.4**	1,203.5	1,093.2	1,104.3	1,065.6	1,376.5	1,236.0	1,063.0	696.7	830.8
Other Information (at 31 December)										
Head Office net debt (US$ millions)	**1,337.4**	1,395.9	1,362.4	1,322.2	1,319.5	1,330.6	1,550.2	1,521.8	1,511.3	1,675.3
Number of shares in issue (millions)	**4,255.2**	4,242.3	4,241.7	4,279.1	4,344.9	4,344.9	4,342.0	4,342.0	4,281.7	4,268.5
Weighted average number of shares in issue during the year (millions)	**4,246.5**	4,241.8	4,261.3	4,323.6	4,344.9	4,344.1	4,342.0	4,320.2	4,275.8	4,274.2
Share price (HK$)	**4.51**	3.11	2.33	2.87	2.47	2.65	3.02	5.30	5.42	5.14
Adjusted NAV per share (HK$)	**7.30**	6.98	5.79	7.34	7.23	6.30	7.26	10.26	10.45	9.67
Share price discount to adjusted NAV per share (%)	**38.1**	55.4	59.8	60.9	65.8	57.9	58.4	48.3	48.1	46.8
Market capitalization (US$ millions)	**2,460.4**	1,691.5	1,267.1	1,574.5	1,375.9	1,476.2	1,681.1	2,950.3	2,975.2	2,812.8
Number of shareholders	**4,389**	4,417	4,434	4,452	4,478	4,494	4,500	4,530	4,760	4,796
Number of employees	**105,570**	101,469	101,203	100,120	103,127	101,836	110,394	102,530	94,189	96,446

See pages 213 and 215 for a glossary of terms

Note: In December 2020 the Group classified Global Business Power Corporation ("GBPC") as held for sale as a discontinued operation. As a result, the comparative amounts of (i) turnover and (ii) gross margin for 2017 to 2019 have been restated to reflect this change as the Group had consolidated GBPC since June 2017.

Financial Highlights

US$ 10.1 b
Turnover ▼ 4%

US$ 672.5 m
Recurring profit ▲ 11%

US$ 600.3 m
Reported profit ▲ 20%

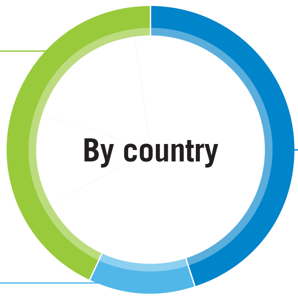
US$ 3.9 b
Equity attributable to owners of the parent ▲ 6%

US$ 28.7 b
Total assets ▲ 5%

US$ 2.5 b
Market capitalization ▲ 45%

Profit Contribution from Operations ▲ 11% to US$ 776.5 m

43%
Indonesia
▲ 17% to US$333.3m



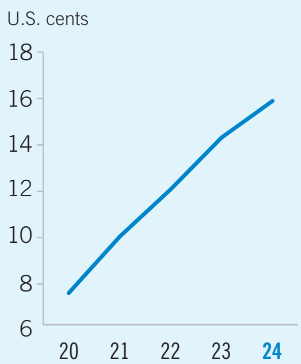
45%
Philippines
▲ 16% to US$346.3m

12%
Singapore
▼ 18% to US$96.9m

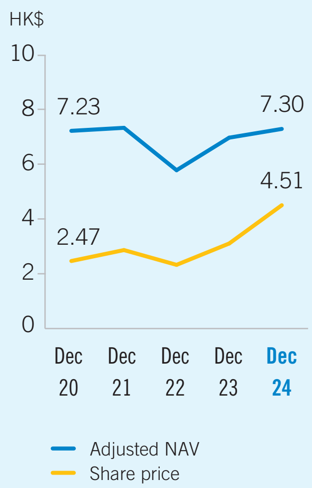
Five-year Data

(Per share)

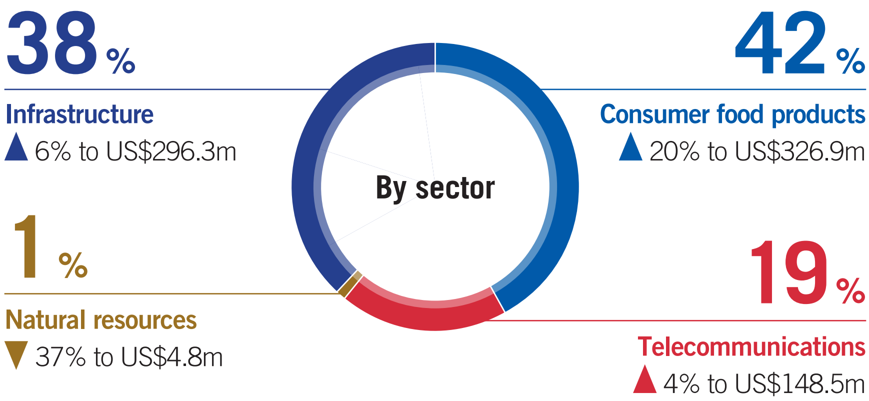
Basic Recurring Earnings

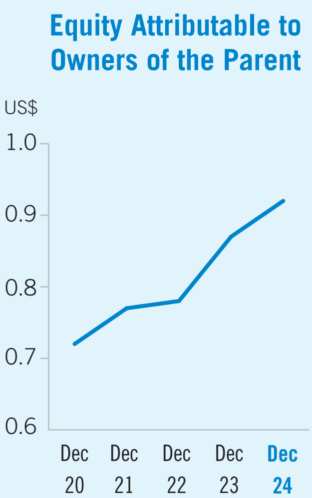


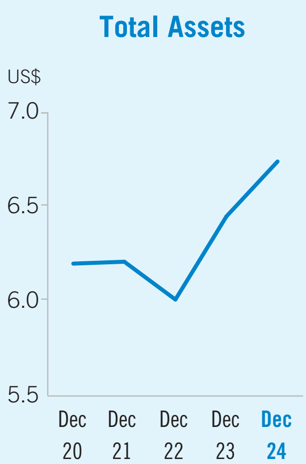
Share Price vs Adjusted NAV



- Distribution at U.S. 3.27 cents per share
- Distribution payout at US$138.9 million
- Head Office net debt at approximately US$1.3 billion
- Head Office dividend and fee income from operating companies at US$305.3 million
- Cash interest cover at approximately 4.0 times







"We continue to be optimistic about the Group's prospects over the medium term, following years of investments in digital services led in particular by Indofood and PLDT."

Dear Fellow Shareholders

Throughout this Annual Report you will read about the operational and financial performance of First Pacific and its operating investments in 2024, a year of record accomplishments for our core holdings, reflected in a recommended record high dividend to shareholders and continuing share price gains.

This comes against a backdrop of stable global growth averaging 3.2% in 2024, led by our largest markets in Indonesia and the Philippines growing at more than 5%. Consumer spending rose to record high levels in Indonesia while unemployment declined. In the Philippines, growth was led by consumers.

While growth in the global economy is expected to throttle back to 2.2% in 2025 and as low as 1.6% in 2026, our markets promise to continue their positive growth rates. We expect to see continuing low inflation accompanied by high consumption and investment, although key domestic and external risks in 2025 include weather disturbances, natural disasters, a slowdown in major economies and the potential for geopolitical tensions spilling over into economic and trade policy.

Against this backdrop we nevertheless expect First Pacific to build on its successes. Our companies will continue to improve productivity, judicious capital expenditure and selective new investments. We continue to be optimistic about the Group's prospects over the medium term, following years of investments in digital services led in particular by Indofood and PLDT. This brings new and valuable opportunities on our markets while strengthening our ability to act rapidly in the face of emerging prospects.

As our Company moves closer to its 50th anniversary in 6 years as a Hong Kong-listed corporation, First Pacific has never been stronger and our prospects brighter than before.

Yours sincerely

Anthoni Salim
Chairman

28 March 2025

> "With our major markets delivering growth of more than 5% in 2024, First Pacific managed to deliver a fourth year in a row of record high earnings."

To Our Dear Shareholders

Against a backdrop of relatively benign economic conditions, with our major markets delivering growth of more than 5% in 2024, First Pacific managed to deliver a fourth year in a row of record high earnings led by our core investments in consumer foods, infrastructure, telecommunications and natural resources.

Contribution from operations was led by MPIC in its first full year as a privately held company. Its power, water, and roads businesses all delivered record highs in revenues and profitability. In fact, all three of our biggest holdings – Meralco, Maynilad, and MPTC – have delivered a doubling in core profit within four years or less.

Indofood, our largest contributor for the past decade, delivered a double-digit increase in contribution to First Pacific with its instant noodles business again leading the way with strong sales growth both domestically and in foreign markets.

PLDT ended 2024 with record high revenues and EBITDA, led by its Individual business with sharply higher ARPUs in its mobile businesses driven by the seemingly insatiable demand for data services, of which PLDT is a paramount provider. Like the Individual business, the Home and Enterprise businesses promise continuing growth while PLDT's fintech investment, Maya, reached profitability in the last month of the year with its market-dominating offerings leading to a surge in bank depositors, balances and loans disbursed. This may be PLDT's most exciting business.

Breaking the trend of record highs, our Singapore power provider PacificLight Power saw its earnings decline as blended non-fuel margins declined year on year in line with the rest of the domestic industry. Looking to the future, PLP was awarded the right to build a 670 megawatt hydrogen-ready Combined Cycle Gas Turbine facility scheduled to begin operations in January 2029, becoming the largest single H-class CCGT plant in Singapore, and the most efficient of its kind.

The continued development of its new gold and copper Silangan Project by Philex Mining will result in production commencing towards late 1st quarter 2026. At the same time, Philex's half-century old Padcal mine saw its mine life extended through 2028, ensuring an overlap of revenues once the Silangan operations starts.

Looking ahead, prospects for continuing earnings growth look encouraging. The markets where we operate are moving in strength but with some potential headwinds. But the managers in our companies have planned well to ensure we remain well placed to continue delivering broad-based earnings growth. I remain confident in the outlook for the Company in the years ahead.

Yours cordially

Manuel V Pangilinan
Managing Director and Chief Executive Officer

28 March 2025

FIRST PACIFIC

Below is an analysis of results by individual company.

Contribution and Profit Summary

For the year ended 31 December US$ millions	Turnover 2024	Turnover 2023	Contribution to Group profit[i] 2024	Contribution to Group profit[i] 2023
Indofood	**7,290.4**	7,338.4	**333.3**	285.1
PLDT[ii]	**–**	–	**148.5**	143.2
MPIC	**1,274.0**	1,103.8	**199.4**	159.8
FPM Power	**1,492.8**	2,029.2	**96.9**	118.8
Philex[ii]	**–**	–	**4.8**	7.6
FP Natural Resources[iii]	**–**	39.3	**(6.4)**	(13.0)
Contribution from Operations[iv]	**10,057.2**	10,510.7	**776.5**	701.5
Head Office items:				
– Corporate overhead			**(20.1)**	(19.4)
– Net interest expense			**(76.9)**	(71.4)
– Other expenses			**(7.0)**	(6.9)
Recurring Profit[v]			**672.5**	603.8
Foreign exchange and derivative (losses)/gains, net[vi]			**(40.2)**	19.5
Non-recurring items[vii]			**(32.0)**	(122.1)
Profit Attributable to Owners of the Parent			**600.3**	501.2

(i) After taxation and non-controlling interests, where appropriate.
(ii) Associated companies.
(iii) RHI's 2024 loss narrowed reflecting the cessation of its loss-making sugar refinery and bioethanol businesses due to extremely difficult operational and market conditions. The divestment of certain assets is ongoing, and the proceeds will mainly be used to settle its obligations.
(iv) Contribution from operations represents the recurring profit contributed to the Group by its operating companies.
(v) Recurring profit represents the profit attributable to owners of the parent excluding the effects of foreign exchange and derivative losses/gains, and non-recurring items.
(vi) Foreign exchange and derivative losses/gains, net represent the net gains/losses on foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair value of derivatives.
(vii) Non-recurring items represent certain items, through occurrence or size, which are not considered as usual operating items. 2024's non-recurring losses of US$32.0 million mainly represent the Group's impairment provision for its investment (US$39.3 million), PLDT's accelerated depreciation for network assets (US$19.0 million) and manpower reduction costs (US$5.6 million), partly offset by MPIC's gains on control of Costa De Madera Corporation ("CDMC") (US$20.8 million) and reversal of impairment provision for investment in Philippine Coastal Storage & Pipeline Corporation ("PCSPC") (US$13.1 million), and PLDT's gains on tower sales (US$3.2 million). 2023's non-recurring losses of US$122.1 million mainly represented the Group's impairment provision for its investment (US$65.7 million), PLDT's and Meralco's write-down of assets (US$63.6 million) and PLDT's manpower reduction costs (US$7.0 million), partly offset by PLDT's gains on tower sales (US$24.4 million).

In 2024, First Pacific sustained double-digit growth in profit contribution from operations and recurring profit to achieve a fourth year in a row of record highs. Despite the impact of rupiah and peso depreciation, the Group's core investee companies delivered strong performances, reaching many record highs.

Turnover down 4% to US$10.1 billion from US$10.5 billion	■ reflecting lower revenues at PLP due to lower average selling prices resulting from stabilization of electricity prices ■ partly offset by higher revenues at MPIC, contributed by higher billed water volume and effective water tariff at Maynilad Water Services, Inc. ("Maynilad"), complemented by higher traffic volume and tolls at Metro Pacific Tollways Corporation ("MPTC")
Recurring profit up 11% to US$672.5 million from US$603.8 million	■ reflecting higher profit contributions from Indofood, MPIC, and PLDT ■ partly offset by lower contribution from PLP due to lower blended non-fuel margin and higher income tax expenses, lower contribution from Philex due to higher cash operating costs, and higher Head Office net interest expenses
Reported profit up 20% to US$600.3 million from US$501.2 million	■ reflecting higher recurring profit ■ lower non-recurring losses associated with lower impairment provision for an investment and write-down of assets ■ partly offset by a non-cash foreign exchange loss mostly associated with PT Indofood CBP Sukses Makmur Tbk's ("ICBP") U.S. dollar denominated bonds due to a 5% depreciation of the closing rupiah exchange rate against the U.S. dollar, in contrast with a corresponding foreign exchange gain for the bonds in 2023

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. dollar. The changes of these currencies against the U.S. dollar are summarized below.

Closing exchange rates against the U.S. dollar At 31 December	**2024**	2023	One year change
Rupiah	**16,162**	15,416	-4.6%
Peso	**57.85**	55.37	-4.3%
S$	**1.366**	1.320	-3.4%

Average exchange rates against the U.S. dollar For the year ended 31 December	**2024**	2023	One year change
Rupiah	**15,882**	15,222	-4.2%
Peso	**57.39**	55.56	-3.2%
S$	**1.338**	1.342	+0.3%

During 2024, the Group recorded net foreign exchange and derivative losses of US$40.2 million (2023: gains of US$19.5 million), which can be further analyzed as follows:

US$ millions	**2024**	2023
Head Office	**(6.0)**	0.9
Indofood	**(46.5)**	9.4
PLDT	**14.1**	9.0
MPIC	**(1.6)**	0.2
FPM Power	**0.4**	(0.1)
Philex	**(0.6)**	0.1
Total	**(40.2)**	19.5

Distributions

First Pacific's Board of Directors declared a final distribution of HK 13.5 cents (U.S. 1.73 cents) (2023: HK 12.5 cents (U.S. 1.60 cents)) per share which brings the total distribution for 2024 to HK 25.5 cents (U.S. 3.27 cents) per share, up 11% from HK 23.0 cents (U.S. 2.95 cents) per share in 2023.

Credit Ratings

As at 28 March 2025, First Pacific credit rating remained at Baa3 with Stable outlook from Moody's Investors Service ("Moody's") and BBB- with Stable outlook from Standard & Poor's Global Ratings ("S&P").

Debt Profile

In 2024, First Pacific refinanced US$400 million of bank loans by utilizing lower-cost long-term banking facilities.

As at 31 December 2024, Head Office gross debt remained at approximately US$1.5 billion with an average maturity at 3.5 years. It includes the Company's only outstanding 7-year unsecured bond of US$350.0 million at 4.375% coupon with maturity on 11 September 2027. Net debt stood at approximately US$1.3 billion. Approximately 54% of the Head Office borrowings were at fixed rates (including interest rate swaps) while floating rate bank loans comprised the remainder. With proactive debt management, the blended average interest rate declined to approximately 5.1% from approximately 5.4% in 2023. All Head Office borrowings are unsecured.

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

Operating Cashflow and Interest Cover

For 2024, Head Office operating cash inflow before interest expense and tax declined 6% to US$286.7 million (2023: US$306.4 million), reflecting the absence of a special dividend from PLDT as in 2023, and lower dividend from PLP, offset by higher regular dividends from PLDT and MPIC in 2024.

Net cash interest expense rose 3% to US$72.1 million from US$70.3 million, reflecting a higher average interest rate resulting from global financial market trends. For the 12 months ended 31 December 2024, the cash interest cover remained healthy at approximately 4.0 times (2023: 4.4 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 risk exposure in dividend income and payments in foreign currencies.

Outlook

With most of First Pacific's core holdings benefitting from strong momentum in earnings growth, the Company is confident that as a group they will improve upon their record-setting performances of 2024 with even better results in 2025. With the medium-term outlook and considering future financial performance and funding needs, First Pacific expects its progressive dividend policy to continue delivering rising cash returns to shareholders over time.

Indofood
THE SYMBOL OF QUALITY FOODS

Profit Contribution

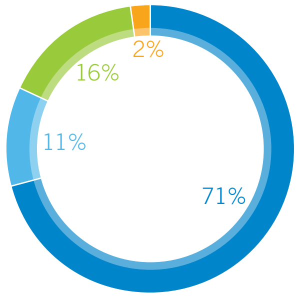
US$ **333.3** million

Despite ongoing global uncertainties and a weaker rupiah in 2024, Indofood maintained strong growth momentum built on its solid fundamentals, effective strategies and favorable commodity prices. All business groups recorded improved performance, with Consumer Branded Products' ("CBP") Noodles division remaining the largest profit contributor.

Indofood's contribution to the Group rose 17% to US$333.3 million (2023: US$285.1 million) principally reflecting higher core profit.

Core profit up 16% to 11.3 trillion rupiah (US$713.8 million) from 9.8 trillion rupiah (US$642.7 million)	■ reflecting higher operating profits of all business groups
Net income up 6% to 8.6 trillion rupiah (US$544.1 million) from 8.1 trillion rupiah (US$535.2 million)	■ reflecting higher core profit ■ partly offset by a non-cash net foreign exchange loss of 2.3 trillion rupiah (US$144.0 million) mostly associated with its U.S. dollar denominated bonds due to a 5% depreciation of the rupiah closing exchange rate against the U.S. dollar, following a foreign exchange gain of 436.1 billion rupiah (US$28.6 million) in 2023
Consolidated net sales up 4% to 115.8 trillion rupiah (US$7.3 billion) from 111.7 trillion rupiah (US$7.3 billion)	■ mainly reflecting strong sales growth at the CBP group
Gross profit margin to 34.7% from 32.3%	■ reflecting sales volume growth at the CBP and Bogasari groups and lower raw material prices ■ higher crude palm oil ("CPO") prices and lower nucleus palm production costs at the Agribusiness group
Consolidated operating expenses up 4% to 17.0 trillion rupiah (US$1.1 billion) from 16.4 trillion rupiah (US$1.1 billion)	■ reflecting higher selling expenses ■ partly offset by operational foreign exchange gain
EBIT margin to 19.9% from 17.6%	■ mainly due to improvement in gross profit margin

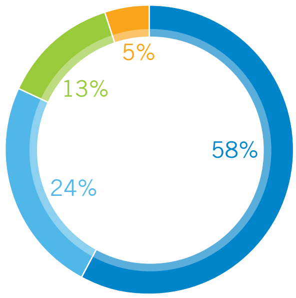
Operating Profit 2024*



	US$ millions
Consumer Branded Products	1,012.6
Bogasari	161.9
Agribusiness	230.8
Distribution	30.8
Total	**1,436.1**

* Before inter-segment elimination and unallocated expenses

Turnover 2024*



	US$ millions
Consumer Branded Products	4,616.6
Bogasari	1,924.0
Agribusiness	1,004.8
Distribution	440.9
Total	**7,986.3**

* Before inter-segment elimination

Debt Profile

As at 31 December 2024, Indofood's gross debt rose 10% to 70.8 trillion rupiah (US$4.4 billion) from 64.5 trillion rupiah (US$4.2 billion) as at 31 December 2023. Of this total, 30% matures in the next 12 months and the remainder matures between January 2026 and April 2052, while 23% was denominated in rupiah and the remaining 77% in foreign currencies. For the 12 months ended 31 December 2024, Indofood's interest coverage ratio was approximately 7.1 times.

In June 2024, Fitch Ratings Inc. maintained ICBP BBB- rating with an upgrade outlook to positive from stable. In November 2024, Moody's upgraded ICBP's rating to Baa2 (stable), reflecting its conservative financial policies and improved credit metrics as well as stable earnings and free cash flow generation.

Dividend

On 28 June 2024, Indofood's Board of Directors declared an annual cash dividend for 2023 of 267 rupiah (U.S. 1.6 cents) (2022: 257 rupiah (U.S. 1.7 cents)) per share to shareholders on record as of 10 July 2024. The dividend was paid on 26 July 2024.

Additional Investments

In 2024, Indofood acquired an additional approximately 10.1 million shares of Indofood Agri Resources Ltd. ("IndoAgri") from the open market for a total consideration of approximately S$3.2 million (US$2.4 million), increasing Indofood's effective interest in IndoAgri to approximately 73.7% from 72.9% at year-end 2023.

From 1 January 2025 to 28 March 2025, Indofood acquired an additional approximately 6.0 million shares of IndoAgri from the open market for a total consideration of approximately S$1.9 million (US$1.4 million), increasing Indofood's effective interest in IndoAgri to approximately 74.1% from approximately 73.7% at year-end 2024.

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 60 plants located in key regions across Indonesia. The CBP group also owns more than 20 manufacturing facilities in Malaysia, Africa, the Middle East, and South-eastern Europe serving overseas markets. In addition, the CBP group also exports its products from Indonesia to over 100 countries globally.

Indofood's Noodles division is one of the world's largest producers of instant noodles and is the market leader in its key markets, serving a population of over a billion consumers in its major markets. Its annual production capacity is more than 37 billion packs, across a broad range of instant noodle varieties.

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

The Snack Foods division has an annual production capacity of approximately 62,000 tonnes, producing modern-style and contemporized traditional snacks, as well as extruded snacks, making it the market leader in the modern snack category in Indonesia.

The Food Seasonings division has an annual production capacity of approximately 260,000 tonnes, manufacturing and marketing a wide range of culinary products, including recipe mixes, seasoning flour, soy sauces, chili sauces, tomato sauces, stock soup and single-spice offerings as well as syrups.

Indofood's Nutrition & Special Foods division is a leading producer in Indonesia's baby food industry. This division has an annual production capacity of approximately 25,000 tonnes, producing baby cereals, baby snacks such as rice puffs, crunchies, crackers and biscuits, pudding, noodle and pasta for infants and toddlers, cereal-based 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 17 factories across Indonesia with a combined annual production capacity of approximately three billion liters.

CBP reported sales growth of 7% to 73.3 trillion rupiah (US$4.6 billion), mainly driven by higher sales volumes in all business segments at home and abroad. CBP's EBIT margin improved to 21.9% from 21.5% mainly due to lower operating expenses.

In 2024, CBP continued to leverage its business model and market leadership to ensure enduring competitiveness and drive profitability via product innovation, expansion of distribution and penetration, and enhancing product and brand visibility. It continues to excite consumers with launches of more than 40 new products domestically and overseas such as Indomie Korean Ramyeon Series and two new flavored milk drinks, Goguma (Korean Sweet Potato) and Dalgona Coffee to meet evolving consumer demands particularly those of the younger generation.

Bogasari

Bogasari is the largest integrated flour miller in Indonesia, operating five 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 slightly to 30.6 trillion rupiah (US$1.9 billion) reflecting a 13% increase in sales volume that was largely offset by a decline in average selling prices following 2023 reduction in wheat prices. Nevertheless, its EBIT margin improved to 8.4% from 7.5%.

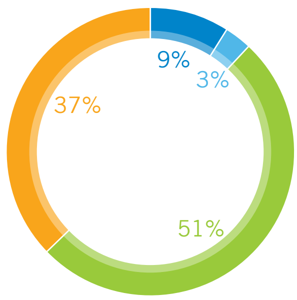
The wheat flour business remains promising in Indonesia, where people currently consume less wheat products than in neighboring countries. Indonesia's growing population size, rising per-capita income and greater urbanization are expected to drive demand growth for flour-based foods such as bread, pizza, and pasta going forward.

Agribusiness

The diversified and vertically integrated Agribusiness group is a producer of palm oil and branded edible oils and fats in Indonesia. Its two divisions, Plantations and Edible Oil and 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 bioethanol operations in Companhia Mineira de Açúcar e Álcool Participações ("CMAA") and agricultural land in Bússola Empreendimentos e Participações S.A.

Despite higher sales recorded by both Plantations and EOF divisions, the sales of the Agribusiness group were flat at 16.0 trillion rupiah (US$1.0 billion). The EBIT margin improved to 23.0% from 13.3% reflecting higher CPO prices and lower nucleus palm production costs.

Age Profile of Oil Palm Plantations



	Hectares
Immature areas	20,890
4 - 6 years	7,924
7 - 20 years	123,792
Above 20 years	88,602
Total	**241,208**

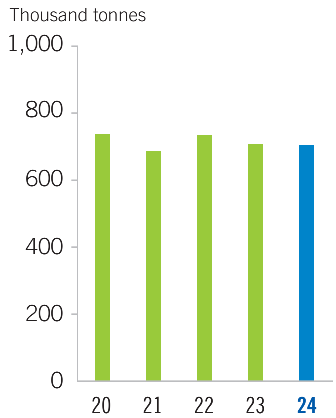
Plantations

In Indonesia, the total planted area declined slightly to 288,649 hectares from 293,429 hectares at year-end 2023, of which oil palm accounted for 84%, while sugar cane, rubber, and other crops accounted for the remaining 16%. This division has a total annual processing capacity of 7.2 million tonnes of fresh fruit bunches ("FFB").

The Plantations division recorded a 10% increase in sales to 12.0 trillion rupiah (US$752.9 million) reflecting higher average selling prices of palm products, partly offset by lower sales volume of CPO and palm kernel-related products of 7% and 14%, respectively arising from timing in the realization of year-end stocks. This division sold 94% of its CPO to EOF division in 2024 compared to 75% in 2023.

At the Plantations division, FFB nucleus production decreased 1% to 2,758,000 tonnes and CPO production was flat at 706,000 tonnes.

CPO Production



CPO prices are expected to remain volatile owing to uncertainties from weather conditions and geopolitical conflicts. However, population and per capita growth in Indonesia remain key drivers of demand growth. The Plantations division will continue to focus on improving operational efficiency, strengthening cost management, driving innovation for elevating plantation productivity, and prioritizing capital investments in critical areas.

In Brazil, the total planted area for sugar cane increased 5% to 129,811 hectares from year-end 2023, of which 56% was owned by CMAA, while contracted third-party farmers accounted for the remainder.

EOF

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

In 2024, this division recorded a 9% increase in sales to 12.3 trillion rupiah (US$776.9 million) as a result of higher sales volume and selling prices of EOF products.

The EOF division is expanding its refining capacity at Tanjung Priok refinery by adding a third production line, capable of processing up to 450,000 tonnes of CPO per year. Upon completion by the second half of 2025, the annual CPO refinery capacity will increase to 2.2 million tonnes. It will continue to drive sales volume growth through competitive pricing strategies and a wide distribution network. It will continue to ensure product availabilities to the increasing population and per capita income growth trends in Indonesia.

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 were flat at 7.0 trillion rupiah (US$440.9 million). The EBIT margin improved slightly to 7.0% from 6.9%.

The Distribution group continues to strengthen its operational excellence to capture emerging opportunities and secure a competitive edge in the market to achieve sustainable growth. Emphasis will be placed on deepening market penetration, particularly in rural areas, as well as managing and developing its distribution channels.

Outlook

Looking ahead, with emerging and developing economies forecast to continue outpacing advanced economies even as economic stability remains a top priority of the new Indonesian government, Indofood is confident of a continuing steady and strong performance in 2025. It will continue to balance its market share with profitability, as well as maintain a healthy balance sheet.

PLDT

Profit Contribution

US$ **148.5** million

The telecommunications landscape is evolving more quickly than ever. PLDT's 2024 performance demonstrated its resilience while capital investments made in its networks proved vital for supporting growing demand for reliable connectivity. This sets a benchmark for PLDT's performance going forward as its market leadership and operation efficiencies will further strengthen through innovation, adoption of new technologies, and segment-specific services offerings and customer care.

PLDT's contribution to the Group rose 4% to US$148.5 million (2023: US$143.2 million), reflecting higher consolidated core net income partly offset by a 3% depreciation of the average peso exchange rate against the U.S. dollar.

Telco core net income up 2% to 35.1 billion pesos (US$612.3 million) from 34.3 billion pesos (US$618.1 million)	■ reflecting higher EBITDA ■ partly offset by higher depreciation and amortization, and higher financing and other costs
Consolidated core net income up 5% to 34.2 billion pesos (US$596.5 million) from 32.5 billion pesos (US$638.3 million)	■ reflecting higher telco core net income ■ share of narrowed losses in Maya Innovations Holdings Pte. Ltd. ("Maya")
Reported net income up 21% to 32.3 billion pesos (US$562.9 million) from 26.6 billion pesos (US$479.0 million)	■ reflecting higher core net income ■ higher gains on derivative financial instruments ■ lower manpower rightsizing expenses ■ offset by a lower gain from the sale and leaseback of telco towers
Consolidated service revenues (net of interconnection costs) up 2% to 194.7 billion pesos (US$3.4 billion) from 191.4 billion pesos (US$3.4 billion)	■ record high service revenues reflecting steadily growth across all key business units ■ Individual, Home and Enterprise service revenues recorded growth of 2%, 1% and 3%, and accounted for 43%, 31% and 25% of consolidated service revenues, respectively ■ data and broadband continued to lead growth, with combined revenues up 5%, representing 88% (2023: 82%) of consolidated service revenues
EBITDA (ex-MRP)* up 4% to 108.5 billion pesos (US$1.9 billion) from 104.3 billion pesos (US$ 1.9 billion)	■ record high EBITDA reflecting higher service revenues and operating efficiency
EBITDA (ex-MRP)* margin stable at 52%	■ reflecting cost escalating despite effective cost management ■ EBITDA (ex-MRP) margin of wireless and fixed line stable at 57% and 49%, respectively

* EBITDA (ex-MRP) excludes manpower rightsizing program, telco tower sale and leaseback related expenses, and EBITDA from discontinued operations

Capital Expenditures

In 2024, capital expenditures declined 8% to 78.2 billion pesos (US$1.4 billion). The ratio of capital expenditure to service revenues decreased to 38% from 42% in 2023, on track towards PLDT's goal of steady reduction in capital spending to support attainment of positive free cash flow.

PLDT continues to roll out and upgrade its fiber network, the most extensive in the Philippines. It reached approximately 1.2 million cable kilometers as at the end of December 2024, of which 1.0 million kilometers was domestic fiber and 0.2 million kilometers was international fiber. Total homes passed by PLDT's fiber optic network rose to 18.5 million, reaching 73% of the country's towns and 91% of its provinces.

Smart Communications, Inc.'s ("Smart") combined 5G and 4G network coverage reached approximately 97% of the Philippine population.

Capital expenditure guidance for 2025 is further lowered to 68 billion pesos to 73 billion pesos, which includes investment in network upgrades, coverage, and capacity to drive revenue growth while supporting continuing growth in data traffic, artificial intelligence ("AI") adoption in operations, AI-ready data center business, and submarine cable systems.

Debt Profile

As at 31 December 2024, PLDT's consolidated net debt increased to 273.0 billion pesos (US$4.7 billion) from 239.8 billion pesos (US$4.3 billion) at year-end 2023, with net debt to EBITDA at 2.52 times. Total gross debt rose to 283.6 billion pesos (US$4.9 billion) from 256.9 billion pesos (US$4.6 billion), with an average maturity at 6.6 years. 14% of gross debt was denominated in U.S. dollars, with only 5% of total debt unhedged after taking into account available currency hedges and U.S. dollar cash allocated for debt service. Debt maturities are well spread with 50% of total debt due to mature beyond 2030. 41% of the total are fixed-rate loans. The average pre-tax interest cost for the year rose to 5.1% from 4.6% for the full year 2023 due to a high-interest rate environment.

As at the end of December 2024, PLDT's credit ratings remained at investment grade at Moody's (Baa2) and S&P (BBB).

Dividends

On 27 February 2025, the PLDT Board of Directors declared a final regular cash dividend of 47 pesos (US$0.81) (2023: 46 pesos (US$0.83)) per share payable on 3 April 2025 to shareholders on record as of 13 March 2025.

Together with an interim regular dividend of 50 pesos (US$0.87) per share paid on 11 September 2024, total dividends for 2024 amounted to 97 pesos (US$1.68) per share, representing a 60% payout of its 2024 telco core net income, in line with PLDT's dividend policy.

Service Revenues by Business Segment

Data and broadband, and information and communications technology ("ICT") services remained key drivers of PLDT's performance during the year, accounting for 88% of total service revenues. Mobile data revenues increased 5% to 74.4 billion pesos (US$1.3 billion), Home broadband revenues rose 6% to 56.0 billion pesos (US$1.0 billion), while corporate data and ICT revenues grew 5% to 35.0 billion pesos (US$609.9 million).

In 2024, the Individual business recorded a 2% increase in service revenues to 83.5 billion pesos (US$1.5 billion) of which 89% (2023: 87%) were from mobile data. With a 9% increase in average usage and data traffic, blended average revenue per user rose 9% resulting in a 5% increase in mobile data revenues to 74.4 billion pesos (US$1.3 billion). The total number of active data users grew 6% to 41.3 million as at 31 December 2024.

As at the end of December 2024, the PLDT group registered 59.0 million mobile subscribers – the largest in the Philippines. Among wireless subscribers, approximately 96% were prepaid customers. Supported by the rollout of 5G network over the last few years, Smart's subscribers with 5G devices recorded a 67% growth during the year.

To accelerate revenue growth momentum, Smart will continue its network and capacity upgrades for supporting data consumption growth and further 5G connectivity. It is also adopting artificial intelligence in operations, including AI-driven analytics and aftersales services.

Home segment service revenues rose 1% to 60.7 billion pesos (US$1.1 billion). Driven by new fiber offers, Home's commitment to innovation and continuous fiber coverage expansion, marketing initiatives, and increased focus on quality of service and quality acquisitions to reduce churn, fiber-only revenues grew 6% to 56.0 billion pesos (US$1.0 billion), accounting for 92% (2023: 88%) of total Home service revenues.

The Home business recorded the industry's highest average revenue per user (ARPU) of 1,488 pesos (US$25.9) as over 75% of new accounts selected higher-value plans.

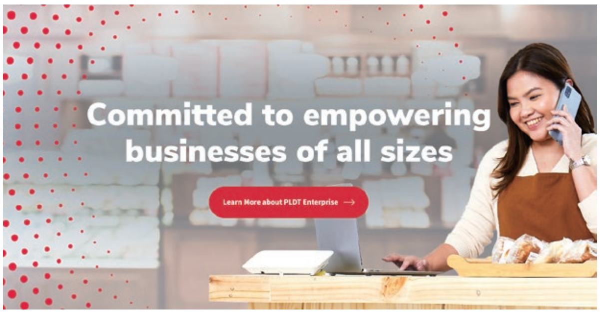
PLDT Home will continue to innovate and expand its offering. It remains dedicated to providing families across the Philippines with reliable and high-quality internet services at home.

In February 2024, PLDT Home launched the Philippines' first ultra-fast connectivity speeds of up to 10 Gbps, making the internet accessible to more homes through affordable and flexible payment solutions on both fiber and fixed wireless technologies.

Other offers include an all-in-one broadband service bundling faster fiber speed, unlimited calls between landline and mobile networks, and mobile-to-mobile calls for up to five enrolled Smart or TNT SIMs, unlimited entertainment via Cignal TV, and prepaid fiber services.

As at the end of December 2024, PLDT Home's fiber subscribers reached 3.4 million.

PLDT Enterprise reported a 3% increase in service revenues to 48.4 billion pesos (US$843.4 million), of which 72% (2023: 72%) were from corporate data and ICT businesses. Revenues from corporate data and ICT increased 5% to 35.0 billion pesos (US$609.9 million), driven by growth at managed IT services, cloud technology services, and data center colocation.



Demand for its core connectivity and ICT services remain strong as managed SD-WAN lines and fiber internet lines registered 23% and 9% growth, respectively. Revenues from Internet of Things (IoT) services increased by 313%, highlighting the potential of next-generation digital services.

ePLDT's cloud services remained a key earnings driver, rising 30%, while managed IT services rose by 48%, reflecting the growing demand for solutions that enhance business efficiency, scalability, and security.

ePLDT's VITRO Inc. has 11 state-of-the-art data center facilities with operational utilization of 75% – the largest network in the Philippines. In 2024, its newest data center VITRO Sta. Rosa, the country's largest and first AI-ready hyperscale data center, was energized and its Data Center Interconnect was activated for seamlessly connected with other major VITRO data center across Metro Manila. VITRO plans to further expand its IT capacity from 38 megawatt ("MW") to 64 MW.

PLDT will continues to invest in critical infrastructure for the Philippines' digital transformation and position VITRO as a key enabler of AI adoption in the country, aiming to better servicing the growing data center demands of enterprises, the public sector, hyperscalers, and AI-driven workloads.

PLDT Enterprise is expanding support to key industries such as mining, manufacturing, and logistics for Mobile Private Network (MPN) deployments, as well as exploring 5G standalone technologies, evaluating network slicing, edge computing, and ultra-reliable low latency for future-ready industry applications.

PLDT has a network of 13 international submarine cable systems for high-speed, low-latency, and resilient connectivity for businesses. The newest Asia Direct Cable connects the Philippines to key Asian markets such as Japan, Singapore, and Hong Kong, has enhanced the country's digital capabilities, and supported the growing demand for bandwidth-intensive applications like cloud services, gaming, and video conferencing.

Fintech Ecosystem – Maya

Maya is the Philippines' leading fintech ecosystem that includes a wallet, a digital bank, and a merchant acquiring business. Maya Bank leads the digital banking industry in the Philippines, with 71% growth in bank customers to 5.4 million in 2024. Total deposit balance and borrowers increased 59% to 39.3 billion pesos (US$679.3 million) and 99% to 1.6 million, respectively, while accumulative life-to-date disbursed loans reached 92.2 billion pesos (US$1.6 billion) as of December 2024. Maya's non-performing loan ratio remains lower than industry averages, reflecting its prudent risk management strategies.

Maya is ranked number one for its digital banking payment processing, merchant acquisition and consumer applications. It has the largest market share in card acquiring and QR code based transactions, has issued over 100,000 Landers Cashback credit cards in just five months from launching. Maya Business Deposit services and Maya Business Advance with custom loan terms support the country's micro, small, and medium-sized enterprises with greater financial flexibility.

Maya Bank achieved positive cashflow in the second quarter of 2024, while the entire Maya group achieved net profitability in the month of December 2024.

Data Collaboration – Kayana

Kayana was established in 2024, focusing on accelerating and standardizing data collaboration across First Pacific Group companies in the Philippines, aiming to develop the most valuable data asset from consolidating data and building foundational platforms.

Bayad and Multipay are operating units of Kayana, offering payment facilitating services to billers, customers, and enterprises, and collecting and mining richer data and insights.

Kayana Digital Factory is partnering with Accenture for developing cutting-edge data products and technical capabilities to unlock the value of the data, to drive growth and accelerate digital transformation internally and among stakeholders.

Outlook

As technology evolves, PLDT is committed not only to navigating the challenges ahead but to actively shaping the opportunities that arise – particularly in AI, big data, and in the transition to a completely digital-native workforce. PLDT remains dedicated to leveraging innovation to drive progress, contribute meaningfully to nation-building, and positively impacting the lives of Filipinos.

Profit Contribution

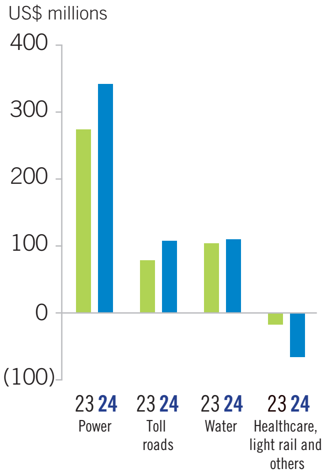
US$ **199.4** million

With core businesses continuing to deliver strong growth, MPIC recorded its highest-ever core net income and contribution from operations in 2024. The 16% increase in contribution from operations to 28.4 billion pesos (US$494.8 million) was driven by strong energy sales growth at Meralco, higher billed water volume and water tariffs at Maynilad, and higher traffic volume and toll rates at MPTC.

MPIC's contribution to the Group rose 25% to a record high US$199.4 million (2023: US$159.8 million), reflecting higher consolidated core net income.

Consolidated core net income up 21% to 23.6 billion pesos (US$411.4 million) from 19.5 billion pesos (US$351.5 million)	■ reflecting a 16% growth in contribution from operations to 28.4 billion pesos (US$494.8 million), mainly driven by strong performance of the power, water, toll roads, and healthcare businesses, and lower MPIC head office net interest expense, partly offset by a higher light rail core net losses ■ a 29% rise in contribution from the power business to 19.7 billion pesos (US$342.6 million) driven by higher volume sold ■ a 9% increase in contribution from the toll roads business to 6.3 billion pesos (US$110.1 million) reflecting growth in domestic traffic volumes and toll rates ■ a 42% growth in contribution from the water business to 6.2 billion pesos (US$108.2 million) reflecting higher billed volumes and higher effective tariffs starting January 2024 ■ MPIC head office net interest expenses decreased 8% to 3.1 billion pesos (US$54.0 million) reflecting higher interest yield from a higher average cash balance
Consolidated reported net income up 41% to 28.2 billion pesos (US$490.7 million) from 19.9 billion pesos (US$358.5 million)	■ reflecting higher consolidated core net income ■ non-recurring gains from the consolidation of CDMC, and reversal of impairment provision on Philippine Coastal Storage & Pipeline Corporation ("PCSPC")
Consolidated revenues up 19% to 73.1 billion pesos (US$1.3 billion) from 61.3 billion pesos (US$1.1 billion)	■ reflecting higher revenues at water, toll roads, and light rail businesses

Contribution from Operations 2024



Debt Profile

As at 31 December 2024, MPIC's consolidated debt increased 18% to 374.7 billion pesos (US$6.5 billion) from year-end 2023, while net debt rose 28% to 331.4 billion pesos (US$5.7 billion). 89% of borrowings was denominated in pesos and fixed-rate borrowings accounted for 86% of the total. The average interest rate increased slightly to 6.31% for 2024 from 6.14% for 2023, debt maturities ranged from 2025 to 2037, of which 50% of total debt is due to mature after 2030.

MPIC head office gross debt declined 5% to 73.0 billion pesos (US$1.3 billion) and net debt decreased 2% to 61.5 billion pesos (US$1.1 billion), of which 90% was denominated in pesos. All borrowings are at fixed rates. The average interest rate increased to 5.41% for 2024 from 5.08% for 2023. 14% of total debt is due to mature in 2030 and beyond.

There is no recourse to MPIC parent company level for the borrowings of its subsidiary or associated companies.

Dividends

On 12 March 2025, MPIC's Board of Directors declared a final cash dividend of 47 pesos (U.S. 0.81 cent) per share payable on 29 April 2025 to shareholders on record as of 1 April 2025. Together with the adjusted interim dividend (for every 500 shares merged into one share) of 50 pesos (U.S. 0.87 cent) per share paid on 19 September 2024, total dividends for 2024 amounted to 97 pesos (U.S. 1.68 cents) per share. It represented a dividend payout ratio of approximately 25% (2023: 30%) of core net income.

Additional Investments/Asset Divestment

On 30 July 2024, Metro Pacific Agro Ventures ("MPAV") completed the acquisition of 100% of Universal Harvester Dairy Farms, Inc. ("UHDFI") for a consideration of 602 million pesos (US$10.5 million). UHDFI operates under the brand name Bukidnon Milk Company and has approximately 1,000 cattle in its farm in Maramag, Bukidnon where it produces and processes fresh milk, flavored milk, yogurt, and cheese products. This investment deepens MPAV's commitment to providing fresh, high-quality dairy products to consumers.

On 2 August 2024, MPTC completed the acquisition of an additional 2.6% equity interest in NLEX Corporation from the Republic of the Philippines for a consideration of 2.5 billion pesos (US$ 43.4 million). Following the transaction, MPTC's effective equity interest in NLEX Corporation increased to 77.7% from 75.1%.

On 27 September 2024, MPTC via its wholly-owned indirect subsidiary PT Metro Pacific Tollways Indonesia Services ("MPTIS") and a 61.3%-owned subsidiary PT Margautama Nusantara ("MUN") completed the acquisition of 24.5% equity interest in PT Jasamarga Transjawa Tol ("JTT") or an approximately 22.9% effective equity interest in JTT for a consideration of approximately 10.4 trillion rupiah (US$679.9 million) with its portion of a maximum additional earn-out payment of 166.7 billion rupiah (US$10.2 million). JTT holds concessions for 13 toll road assets with a combined length of 676 kilometers. Concession periods range from 35 to 50 years with expiration dates between 2044 and 2066. The toll roads link Indonesia's economic centers, major cities, industrial hubs, and tourist areas on an island that is home to a population of approximately 159 million, representing 57% of the country's total.

In 2024, MPHC acquired controlling stakes in four additional hospitals, expanded its hospital portfolio in the Philippines to 27 hospitals. UHBI-Parañaque Doctors Hospital, Inc. is a 94-bed level 2 hospital in Paranaque City, San Francisco Doctors Hospital is a 100-bed facility in San Francisco, Agusan del Sur, Diliman Doctors Hospital, Inc. is a 165-bed hospital in northern Quezon City, while City of General Trias Doctors Medical Center Inc. is a level 2 hospital with 100 authorized beds.

Following the approval by the Philippine Competition Commission on 23 December 2024, on 27 January 2025 Meralco PowerGen Corporation ("MGen"), a wholly-owned subsidiary of Meralco, and Aboitiz Power Corporation ("AP") through a 60%:40% joint venture, Chromite Gas Holdings, Inc., completed the joint acquisition of 67% of two gas-fired power plants of San Miguel Global Power Holdings Corp. ("SMGP") comprising an operational capacity of 1,200 MW in the Ilijan power plant and a new 1,275 MW combined cycle power facility which commenced production in December 2024. MGen and AP also agreed to acquire approximately 100% of a liquefied natural gas ("LNG") import and regasification terminal together with SMGP. The proposed collaboration among the parties is valued at approximately US$3.3 billion enterprise value, with MGen's equity contribution at approximately US$1.3 billion. Asset-level debt financing is being considered.

On 14 March 2025, MPTC completed the acquisition of 55.42% interest in Egis Investment Partners Philippines, Inc. ("EIPPI") from Egis Projects SAS for a total consideration of 5.5 billion pesos (US$95.8 million). EIPPI is a holding company for an approximately 10.5% of NLEX Corporation. Post the transaction, EIPPI became a wholly-owned subsidiary of MPTC which effective interest in NLEX Corporation increased to 83.8% from 78%.

On 14 March 2025, MPTC completed the acquisition of 34% interest in Easytrip Services Corporation ("ESC") from Egis Easytrip Services SAS for a consideration of 1.7 billion pesos (US$30.0 million). Post the transaction, ESC became a wholly-owned subsidiary of MPTC. ESC is primarily engaged in the business of providing services related to electronic toll collection systems in the Philippines, account management and funding and management of all electronic pass issued.

On 20 March 2025, MPIC completed the disposal of its entire 50% interest in PCSPC to an affiliate of global infrastructure investor I Squared Capital ("ISQ").

MPIC Share Buyback and Disposal of interest in MPTC

On 17 January 2025, MPIC completed the purchase of approximately 7.3% of its outstanding common shares from Mit-Pacific Infrastructure Holdings Corporation (“Mit-Pacific”) for a consideration of approximately 11.9 billion pesos (US$213.3 million) via an issuance of MPTC exchangeable bond. The acquired shares were placed into MPIC’s treasury with the result that First Pacific’s economic interest in MPIC increased to 49.9% from 46.3%, while Mit-Pacific’s interest in MPIC declined to 7.8% from 14.5%.

Under the terms of the transaction, MPIC on the same day issued the MPTC exchangeable bond worth approximately 11.9 billion pesos (US$213.3 million) to Mit-Pacific. The MPTC exchangeable bond gave Mit-Pacific an approximately 6.6% economic interest in MPTC. As a result, MPIC’s economic interest in MPTC was reduced to 93.3% from 99.9%.

Mit-Pacific is a joint venture owned as to approximately 50% each by Mitsui & Co., Ltd. and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development.

Power

Meralco is actively executing its strategy of maintaining a balanced mix of regulated and unregulated businesses for assuring maximum stable profit growth. It is the largest electricity distributor in the Philippines, delivering power to users accounting for over half of the country’s gross domestic product. It is also a major power generator with installed capacity of 2,436 MW (net). To meet its low carbon commitments, Meralco plans to contract 1,500 MW of renewable energy supply while its MGen unit is building out its own 1,500 MW of renewable capacity by 2030.

Meralco’s revenues rose 6% to 470.4 billion pesos (US$8.2 billion) largely driven by higher volume sold at its distribution business resulting from demand stimulated by higher average temperatures and continuing increases in economic activities, and higher pass-through transmission charge. Generation and other pass-through charges, distribution, energy fee, and non-electric revenues accounted for 76%, 16%, 5%, and 3%, respectively, of total revenues in 2024.

The volume of electricity sold rose 6% to 54,325 gigawatt hours driven by strong demand growth in the commercial and residential sectors and recovery in the industrial sector. The residential, commercial, and industrial sectors accounted for 36%, 38% and 26%, respectively, of total sales volume in 2024. Residential volume rose 9% due to higher temperatures from extended El Nino impact, while commercial volume increased 7% driven by increasing business activities and business expansions in the real estate, retail and restaurant, and hotel industries. Industrial volume improved 1% reflecting growth in semiconductor, food and beverage, plastics, and non-metallic industries.

Capital expenditures increased 52% to 44.7 billion pesos (US$779.0 million) reflecting network improvements involving new connections, assets renewals and increase load capacity, power poles relocation, land acquisition costs relating to the Terra Solar power plant, development of three solar power plants, and purchase and construction of telco tower facilities.

Power Generation

MGen achieved substantial progress in 2024, through substantial investment in joint ventures in the local liquefied natural gas industry and expansion of its renewable energy portfolio.

As at the end of December 2024, MGen had a total net sellable generation capacity of 2,436 MW in its power generation portfolio. It has Global Business Power Corporation, San Buenaventura Power Limited and MGen Renewable Energy, Inc. in the Philippines, and 58.0% effective interest of PLP in Singapore.

MGen delivered a total of 15,296 gigawatt hours of energy, 7% higher than the previous year, largely due to the addition of two solar projects in Baras and Currimao.

Meralco will continue to invest in its future-ready power distribution network and power generation businesses, while further enhancing operational efficiency and profitability through offering reliable and quality services and affordable energy.

Toll Roads

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

MPTC's toll revenues rose 16% in 2024 to 31.6 billion pesos (US$550.3 million), reflecting higher tolls in all its operating markets and higher traffic growth in the Philippines, and the positive impact of toll collection from the NLEX Connector Road, CALAX Subsection 4 and CAVITEX-C5 South Link in the Philippines. Average daily vehicle entries on MPTC's toll roads increased 1% to over 2.4 million. In the Philippines, fueled by economic and social activities, average daily vehicle entries rose 7% to 703,475. In Indonesia and Vietnam, average daily vehicle entries declined slightly to 1,642,227 and 76,113, respectively.

Capital expenditures rose 19% to 18.2 billion pesos (US$316.5 million) mainly to finance the construction of the C5 South Link Segment 2 and Candaba with both completed in 2024. The construction of CALAX is expected to complete in 2025.

Water

Maynilad is the Philippines' largest water utility in terms of customer numbers, 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.

In 2024, Maynilad's revenues increased 23% to 33.5 billion pesos (US$583.6 million) as a result of 3% growth in billed volumes and the implementation of a 20% tariff increase starting in January 2024.

Capital expenditures rose 40% to 27.6 billion pesos (US$481.0 million), spent largely on the construction, upgrade, and rehabilitation of key water and wastewater treatment facilities, resolving blockages along sewer lines, repairing leaks and replacing aging pipes, and enhancing customer services.

Towards greater operational efficiency and ensuring long-term water security for communities in its concession area, Maynilad reached the final stage of a 330 million pesos (US$5.8 million) project for upgrading and replacing nearly 2 kilometers of aging pipes in South Caloocan. In addition to improving water pressure, this project is expected to recover approximately 2.3 million liters of potable water daily, which would be sufficient to meet the daily needs of around 15,000 households. It also allocated over 686 million pesos (US$11.7 million) to convert the existing sludge lagoons inside La Mesa Compound in Quezon City into a 200-million-liter raw water reservoir. The project can maximize the value of the site, increase water storage capacity, and enhance the reliability of water supply. It is expected to be completed by the end of 2025.

Sewerage and Sanitation Services

Maynilad has invested over 46.4 billion pesos (US$808.5 million) in building and improving wastewater infrastructure in its concession area since 2007. It currently operates 22 sewage treatment plants, two sewage and septage treatment plants, and one septage treatment plant, with a combined treatment capacity of approximately 724,000 cubic meters per day.

During 2024, Maynilad made significant progress in development of its sewerage services. The construction of its flagship project – the 10.5 billion pesos (US$181.5 million) Caloocan-Malabon-Navotas Water Reclamation Facility ("CAMANA") in Caloocan City – achieved 83% completion with full operation expected to take place within 2025. CAMANA will have a daily treatment capacity of up to 205 million liters of wastewater, contributing to the cleanup of Manila Bay and improving waterway health in the area.

The Las Piñas Water Reclamation Facility, a vital wastewater treatment and rehabilitation project for Manila Bay, is 33% completed and is expected to begin operations by July 2026. It has a daily treatment capacity of up to 88 million liters of wastewater, serving approximately 360,000 residents across 20 barangays in Las Piñas City. This 4.84 billion pesos (US$83.7 million) project is financed through a partnership with the Japan International Cooperation Agency and the Development Bank of the Philippines.

Proposed Spin-off and Separate Listing (“the Proposed Offering”) on the Philippine Stock Exchange (“the PSE”)

Maynilad’s franchise agreement requires the offer of at least 30% of its shares to the public before 21 January 2027.

First Pacific was notified by the Stock Exchange of Hong Kong Limited that its Listing Committee had agreed that First Pacific may proceed with the Proposed Offering under Practice Note 15 of the Hong Kong Listing Rules.

On 17 March 2025, Maynilad applied to the Philippine Securities and Exchange Commission (“the SEC”) and the PSE for the Proposed Offering by way of offering, comprising issue of new shares and/or sales of shares by existing shareholders, involving, subject to market conditions, up to 2,457,290,000 shares of Maynilad, representing approximately 30.45% of the enlarged issued share capital of Maynilad. Upon the completion of the Proposed Offering, Maynilad is expected to remain a Philippine affiliate of First Pacific Group companies with its financial results continuing to be consolidated.

The offer price of the Proposed Offering will be up to 20 pesos (US$0.35) per share. The final offer price, the expected offer size and the proceeds to be raised will only be determined after completion of book-building and securing the necessary regulatory approvals.

The proceeds to be received from the Proposed Offering are expected to substantially be used to fund Maynilad’s government-approved capital expenditure program for 2025 and 2026 and general corporate purposes.

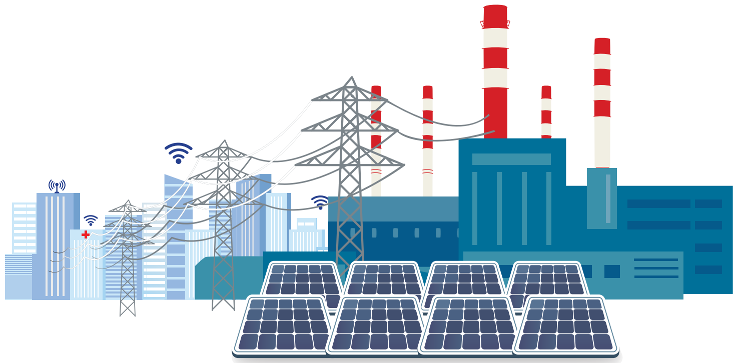
The Proposed Offering is expected to create greater value for First Pacific and its shareholders, and for Maynilad. It will be subject to, among other things, the approvals of relevant authorities (including the SEC and the PSE) and the shareholders of First Pacific, as well as market conditions and other considerations.

Outlook

With the goal of creating long-term value, MPIC remains focused on improving the lives of its customers, growing its businesses and core profitability through investing in service coverage and quality and increasing operational efficiency. The strategic capital investments over recent years will support further volume growth across its core businesses – power, toll roads, and water.

FPM Power /

PacificLight



Profit Contribution

US$ 96.9 million

PLP's 830-MW Jurong Island Power Generation Facility remains one of the most efficient combined cycle power plants operating in Singapore following the launch of commercial operations in 2014.

In 2024, PLP's contribution to the Group decreased 18% to US$96.9 million (2023: US$118.8 million) mainly reflecting lower core net profit.

During the year, average plant availability remained stable at 92.5% (2023: 92.3%). Units 10 and 20 each encountered one forced outage while in 2023 Unit 20 had four, mainly associated with recommissioning after a system upgrade. The completion of system upgrades of Units 10 and 20 raised the total generating capacity to 830 MW from 800 MW and improved system efficiency. The heat rate remained low and the plant highly reliable.

The volume of electricity sold in 2024 was 5,820 gigawatt hours (2023: 5,719 gigawatt hours), of which 95% (2023: 90%) was for contracted sales and vesting contracts, and the remaining 5% (2023: 10%) was sold in the pool market. PLP's generation market share for the year was approximately 9.7% (2023: 9.8%).

Core net profit down 24% to S$300.0 million (US$224.2 million) from S$394.9 million (US$294.3 million)	■ reflecting lower non-fuel margin for electricity sold as retail market prices stabilized ■ higher income tax expenses ■ partly offset by lower finance costs
Net profit down 23% to S$301.6 million (US$225.4 million) from S$391.8 million (US$292.0 million)	■ reflecting lower core net profit
Revenues down 27% to S$2.0 billion (US$1.5 billion) from S$2.7 billion (US$2.0 billion)	■ reflecting lower average selling price due to stabilization of electricity prices ■ lower revenue from sales of gas
Net operating expenses down 1% to S$35.9 million (US$26.8 million) from S$36.1 million (US$26.9 million)	■ reflecting absence of loss on disposal of fixed assets ■ partly offset by higher marketing expenses
EBITDA down 18% to S$412.4 million (US$308.2 million) from S$501.9 million (US$374.0 million)	■ reflecting lower non-fuel margin for electricity sold

Debt Profile

As at 31 December 2024, FPM Power is in a net cash position of US$22.4 million, while gross debt stood at US$146.4 million with most of the debt due to mature by June 2028. All of the borrowings were floating-rate bank loans.

Dividends

In 2024, PLP distributed total dividends of S$264.5 million (US$197.7 million) (2023: S$380.0 million (US$283.2 million)) to its shareholders.

Expansion Initiatives

Hydrogen-Ready 670MW CCGT Plant

On 3 January 2025, the Energy Market Authority ("EMA") of Singapore announced the results of a bidding competition. Awarded PLP the right to build, own, and operate a hydrogen-ready Combined Cycle Gas Turbine ("CCGT") facility with capacity of at least 670 MW on Jurong Island.

Built on a greenfield site, the new plant will include a large-scale Battery Energy Storage System ("BESS") – the first-ever CCGT unit integrated with BESS in Singapore and will be the largest single J/H-class CCGT plant and the most efficient of its kind in the country. It is scheduled to commence operation in January 2029.

On 25 March 2025, PLP entered into an agreement with the consortium comprising Mitsubishi Power Asia Pacific Pte. Ltd. and Jurong Engineering Limited for a project equivalent to approximately US$564.1 million involving design, engineering, supply, procurement, construction, installation, testing and commissioning of the CCGT plant. PLP has the right to purchase additional equipment at an amount up to approximately US$51.8 million.

The project underscores PLP's commitment to cutting-edge solutions that improve system stability while reducing operating costs and environmental impact, as well as enhances PLP's competitiveness and growth trajectory while providing maximum operational flexibility. The EMA of Singapore selected PLP following a rigorous selection process as part of the regulator's policy of ensuring balanced electricity supply based on expected demand growth in Singapore's energy market.

The new plant will be capable of using at least 30% hydrogen from inception and will have the ability to burn 100% hydrogen in the future depending on market and regulatory demands. Its greenfield site on Jurong Island will be able to accommodate a second CCGT unit as well as potential future integration of Carbon Capture, Utilisation, and Storage technology, reinforcing PLP's dedication to long-term decarbonisation strategies.

Fast Start Ancillary Power Services

In May 2024, EMA of Singapore awarded PLP with the right to develop and operate two power units with fast start generation capacity totalling 100 MW under a 25-year ancillary service agreement. They are expected to commence operations in the second quarter of 2025 to help augment Singapore's power services.

Singapore's Pioneer Offshore Solar Import Project

Since 2021, the Group has been working with a consortium comprising Medco Power Global Pte. Ltd., a subsidiary of PT Medco Power Indonesia, a leading Indonesian independent power producer, and Gallant Venture Ltd., a Salim Group company, to develop a project to import solar energy from Bulan Island in Indonesia to Singapore.

In September 2023, the project company, Pacific Medco Solar Energy Pte. Ltd., was granted conditional approval by the EMA of Singapore to import up to 600 MW of solar power. The renewable electricity will be supplied to Singapore via a dedicated subsea cable connection from a solar farm at Bulan Island directly to the Singapore power grid. Applications for the requisite permits in both Singapore and Indonesia, as well as detailed engineering studies, are currently in progress. The project is in line with the Singapore Green Plan 2030 and Singapore's goal to import up to 4.0 gigawatts of renewable electricity by 2035. Upon completion of the development, the first phase of the project is expected to offset over 830,000 tonnes of carbon emissions annually.

Integrating Technology and Innovation in Sustainability

PLP announced on 29 July 2024 that its wholly-owned subsidiary, PacificLight Energy Pte. Ltd. ("PLE"), has entered into a 10- year renewable energy supply contract with Google and Rexus Bioenergy Pte. Ltd. ("RExus"). PLE will offtake 8.6 MW of carbon-free renewable energy generated at RExus's highly efficient waste wood-to-energy plant for Google's data center and operations in Singapore.

RExus's 13.2 MW waste wood-to-energy plant is the first of its kind, designed with circular synergy and with best-in-class technologies including a pilot-scale carbon capture facility to take up its emissions. Energy generated from the plant will be certified with the International Renewable Energy Certificate standard. The integration of sustainable biomass into Singapore's energy mix will provide a reliable and sustainable energy solution and will set a new sustainability standard for the Singapore power industry.

The plant is developed by Sobono Bioenergy Pte. Ltd. ("Sobono Bioenergy") and V8 Environmental Pte. Ltd. through a 50%:50% joint venture with commercial operation expected to commence in early 2026. PLP has 30% interest in Sobono Bioenergy.

Outlook

Singapore's GDP is forecast to increase by 1% to 3% in 2025 with moderate growth in electricity demand. The overall market outlook remains stable. The completion of facility upgrades in 2024 enhanced efficiency and increased energy generation capacity to meet increasing demand aligning with GDP growth. The ongoing renewable energy initiatives support PLP's plan of increasing long-term retail contracts with its customers. The solar import project and the waste wood-to-energy project will accelerate PLP on its path towards becoming a low-carbon energy company.

PHILEX MINING
CORPORATION

Profit Contribution

US$ **4.8** million

The Padcal mine experienced machinery-related operational issues and power outages in 2024 and a decline in gold and copper grades was partly offset by favorable gold and copper prices. The development of the Silangan Project continued.

In 2024, Philex's contribution to the Group declined 37% to US$4.8 million (2023: US$7.6 million), reflecting lower core net income.

Total ore milled at the Padcal mine fell 1% to 6.8 million tonnes. Metal output was held back by a decline in average gold and copper grades by 16% and 6%, respectively, and operational issues. As a result, gold production declined 19% to 30,702 ounces and copper output fell 7% to 19.8 million pounds. The average realized gold and copper prices increased 13% to US$2,172 per ounce and 18% to US$4.47 per pound, respectively.

Core net income down 22% to 746 million pesos (US$13.0 million) from 963 million pesos (US$17.3 million)	■ reflecting higher cash operating costs ■ partly offset by a higher revenue
Net income down 20% to 810 million pesos (US$14.1 million) from 1.0 billion pesos (US$18.3 million)	■ reflecting lower core net income ■ foreign exchange losses from U.S. dollar denominated bank loans resulting from a 3% depreciation of the peso closing exchange rate against the U.S. dollar
Revenue (net of smelting charges) up 6% to 8.2 billion pesos (US$142.6 million) from 7.7 billion pesos (US$139.1 million)	■ higher gold and copper prices, and favorable exchange rates ■ partly offset by lower gold and copper grades, and lower metal output ■ revenues from copper, gold and silver contributed 56%, 43%, and 1% of the total, respectively
EBITDA up 11% to 2.0 billion pesos (US$34.5 million) from 1.8 billion pesos (US$32.1 million)	■ reflecting higher revenue ■ partly offset by higher cash operating costs
Operating cost per tonne of ore milled up 6% to 1,127 pesos (US$19.6) from 1,061 pesos (US$19.1)	■ mainly reflecting higher costs for materials and supplies, and higher depletion, depreciation and amortization
Capital expenditure (including exploration costs) up 130% to 5.3 billion pesos (US$92.4 million) from 2.3 billion pesos (US$40.8 million)	■ mainly reflecting increased capital expenditure for the development of the Silangan Project

The mine life of Philex's major operating mining asset, Padcal mine, was extended for another year to December 2028.

Debt Profile

As at 31 December 2024, Philex had 15.5 billion pesos (US$267.5 million) of borrowings, comprising 6.3 billion pesos (US$109.6 million) of bonds with a 1.5% coupon, and US$119.1 million of U.S. dollar-denominated and 2.2 billion pesos (US$38.8 million) peso-denominated bank loans. The average interest cost for 2024 rose to approximately 8.0% from 6.2% for the full year 2023 due to new borrowings for funding the Silangan Project.

Dividend

On 26 February 2025, the Philex Board of Directors declared a final cash dividend of 0.02 peso (U.S. 0.035 cent) (2023: 0.02 peso (U.S. 0.036 cent)) per share payable on 24 March 2025 to shareholders on record as of 12 March 2025.

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. It is one of the biggest mining projects in the Philippines.

According to the In-Phase Mine Plan feasibility study for the Sta Barbara I (formerly called Boyongan) deposit (Phase 1 of the Silangan Project) completed in January 2022, the mine life and operation for the Sta Barbara I deposit is 28 years. Mineable reserves are estimated at 81 million tonnes with gold grade of 1.13 grams per tonne and copper grade of 0.67%, and recoverable gold and copper of 2.8 million ounces and 993 million pounds, respectively. Mineral resources are estimated at 279 million tonnes with gold grade of 0.70 gram per tonne and copper grade of 0.52%. Initial daily ore production capacity is estimated at 2,000 tonnes and ramping up to 12,000 tonnes by the twelfth year of operation.

Completion of funding requirement

The initial capital expenditure funding requirement for the Silangan Project was completed in February 2024 with a total of US$217.6 million secured. Philex raised 2.65 billion pesos (US$47.6 million) from a Stock Rights Offering in August 2022, along with US$100 million and US$70 million syndicated debt facilities signed in November 2023 and February 2024, respectively, to provide finance for this project. US$102 million of the syndicated debt facilities was availed in June 2024.

Development works in progress

All equipment packages for the Process Plant were awarded in 2024 to both local and overseas suppliers. The major components of the long-lead equipment packages for the Processing Plant are ready for onsite installation. The construction of the tailings storage facility reached 50% completion, with the underground productions lines or drifts to be finished by the third quarter of 2025. Commercial operations are planned to commence in the first quarter of 2026.

PXP

In 2024, petroleum revenue from Service Contract ("SC") 14C-1 Galoc oil field increased 6% to 67 million pesos (US$1.2 million) (2023: 63 million pesos (US$1.1 million)) resulting from a 5% higher total volume lifted of 498,126 barrels from 475,183 barrels in 2023, partly offset by a 1% decline in average crude oil sale prices.

Costs and expenses decreased 11% to 92 million pesos (US$1.6 million) (2023: 103 million pesos (US$1.8 million)), reflecting lower operating costs and overhead.

PXP's core net loss narrowed to 33 million pesos (US$0.6 million) from 43 million pesos (US$0.8 million), reflecting higher petroleum revenue and lower costs and expenses.

PXP Share Swap Transaction

On 10 May 2024, PXP's Board of Directors approved the issuance of 430,243,903 common shares (the "PXP Shares") to Tidemark Holdings Limited ("Tidemark") in exchange for 24,125,383 shares of Forum Energy Limited ("FEL") held by Tidemark ("Tidemark FEL Shares") at an aggregated value of 1.6 billion pesos (US$26.6 million). The issuing price of PXP Shares is 3.62 pesos (U.S. 6.2 cents) per share, in exchange for the Tidemark FEL Shares at 64.6 pesos (US$ 1.10) per share.

The share swap ratio of approximately 17.8 PXP shares for one Tidemark FEL Share ("Share Swap") is supported by an independent valuation report.

The main objective of the transaction is to streamline both PXP's and Tidemark's interest in FEL and in SC 72. It was approved by a majority of PXP shareholders on 8 July 2024. The confirmation by the SEC of the valuation report was obtained on 24 February 2025. The transaction was completed on 18 March 2025. PXP's effective interest in FEL increased to 97.9% from 77.9%, and its effective interest in SC 72 increased to 68.5% from 54.5%, while Tidemark owns 18.0% of PXP. Philex and First Pacific's effective economic interests in PXP were diluted to 24.93% and 23.25%, respectively.

SC 72 and SC 75

FEL, a 77.9%-owned subsidiary of PXP, holds a 70% interest in SC 72 Recto Bank through its wholly-owned subsidiary, Forum (GSEC 101) Limited. The block covers an area of 8,800 square kilometers located in offshore Northwest Palawan, Philippines. PXP holds a 50% interest in SC 75 Northwest Palawan Block, Philippines.

The exploration activities of SC 72 and SC 75 have been suspended for most of the time since 2014 and 2015, respectively, due to Force Majeure declared by the Philippine Department of Energy ("DOE"). The Force Majeure was lifted by the DOE for both service contracts during the period from 14 October 2020 to 5 April 2022. Exploration activities were then suspended again from 6 April 2022 when FEL and PXP received a directive from the DOE to suspend such work. On 11 April 2022, FEL and PXP terminated all the related exploration work and declared Force Majeure for both service contracts.

FEL and PXP will continue to coordinate with the Philippine Government on any possible activities in SC 72 and SC 75. PXP will also explore other potential oil and gas projects in the Philippines.

Outlook

Philex's foremost priority in 2025 is to relentlessly pursue the development of the Silangan Project and commence commercial operation by the first quarter of 2026, marking a new era for Philex and the mining industry in the Philippines.

To maximize the potential of the Padcal mine operations, the exploration of mine opportunities around the vicinity of the Padcal mine will continue. Other projects that would contribute to the growth of the company are ongoing.

Board of Directors and Senior Executives

Board of Directors

Anthoni Salim
Chairman

Age 75, Mr. Salim graduated from Ewell County Technical College in Surrey, England. He is the President and CEO of the Salim Group, President Director and CEO of PT Indofood Sukses Makmur Tbk and PT Indofood CBP Sukses Makmur Tbk, and holds positions as Commissioner and Director in various companies.

Mr. Salim serves on the Boards of Advisors of several multinational companies. He was a member of the GE International Advisory Board and the International Advisory Board of Allianz SE. Mr. Salim is a member of the Food & Agribusiness Advisory Board of Rabobank Asia and, since 2004 the Asia Business Council.

Mr. Salim has served as a Director of First Pacific since 1981 and assumed the role of Chairman in June 2003. He is the father of Mr. Axton Salim.

Manuel V. Pangilinan
Managing Director and Chief Executive Officer

Age 78, Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. In Manila, he worked for Philippine Investment Management Consultants Inc. (PHINMA) in the Philippines, and in Hong Kong with Bancom International Limited and American Express Bank. Thereafter he founded First Pacific in May 1981.

Mr. Pangilinan served as Managing Director of First Pacific since its founding in 1981 until 1999. He was appointed Executive Chairman until June 2003, after which he was named Managing Director and Chief Executive Officer. Mr. Pangilinan holds the positions of President Commissioner of PT Indofood Sukses Makmur Tbk, and PT Nusantara Infrastructure Tbk in Indonesia. In the Philippines, Mr. Pangilinan was once again appointed as President and Chief Executive Officer of PLDT, Inc. and Smart Communications, Inc. in January 2024. He also became the President and Chief Executive Officer of Manila Electric Company (Meralco) effective 1 June 2023. He is the Chairman, President and Chief Executive Officer of Metro Pacific Investments Corporation, PLDT Communications and Energy Ventures, Inc., Chairman of Global Business Power Corporation (GBP), Terra Solar Philippines, Inc. (TSPI), Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, NLEX Corporation, Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Metro Pacific Health Corporation, Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV 5), the Vice Chairman of Roxas Holdings, Inc., and a Director of ePLDT, Inc. and Axelum Resources Corp.

In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani. Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute of Management in 2016, Honorary Doctorate in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School.

In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT-Smart Foundation Inc., One Meralco Foundation Inc., Metro Pacific Foundation Inc, and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College and Co-Chairperson of the Board of Trustees of Stratbase Albert del Rosario Institute and the U.S.– Philippine Society.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation, Inc. and Chairman Emeritus of the Samahang Basketbol ng Pilipinas.

Christopher H. Young
Executive Director

Age 67, Mr. Young graduated from Waid Academy in Fife, Scotland and received a Master of Arts (Honors) degree in Economics from St. Andrews University.

He is currently a Director of PacificLight Power Pte. Ltd., and Roxas Holdings, Inc., and a member of the Advisory Board of PLDT Inc. and the Council of Board Advisors of Metro Pacific Investments Corporation. He also serves as Commissioner of PT Indofood Sukses Makmur Tbk and as a Trustee of IdeaSpace Foundation, Inc.

Mr. Young worked for PricewaterhouseCoopers in London and Hong Kong from 1979 until 1987, at which time he joined First Pacific in Hong Kong as Group Financial Controller. He joined Metro Pacific Corporation in 1995 as Finance Director, a position he held until he joined PLDT as its Chief Financial Advisor in November 1998. Mr. Young returned to First Pacific in 2015 and served as Chief Financial Officer until he retired from the position in July 2022. He joined the First Pacific Board in August 2017.

Professor Edward K.Y. Chen

GBS, CBE, JP

Independent Non-executive Director

Age 79, educated at the University of Hong Kong and Oxford University, Professor Chen is an Independent Non-executive Director of Wharf Holdings Limited. He has served as President of Lingnan University; Professor and Director of the Centre of Asian Studies of the University of Hong Kong; Chairman of Hong Kong's Consumer Council; as an Executive Councillor of the Hong Kong Government; and as a Legislative Councillor.

He was the Chairman of the HKU SPACE Board of Directors and is currently an Honorary Professor of the HKU Business School, a Board Director of the Hong Kong Institute for Monetary Research of the Hong Kong Monetary Authority, and a Fellow of the Hong Kong Institute for the Humanities and Social Sciences at the University of Hong Kong. Professor Chen joined First Pacific's Board in 1993.

Philip Y.H. Fan

Independent Non-executive Director

Age 75, Mr. Fan holds a Bachelor's Degree in Industrial Engineering, a Master's Degree in Operations Research from Stanford University and a Master's Degree in Management Science from Massachusetts Institute of Technology.

Mr. Fan had been an Executive Director of CITIC Pacific Limited in charge of industrial projects in China. Prior to his retirement as the Executive Director and General Manager of China Everbright International Limited, he made significant contributions to the company's leadership position in the Chinese Waste-to-energy industry.

Mr. Fan had received appointments as Independent Board Director from multiple listed companies since retirement from his senior executive position. He was an Independent Director of Goodman Group which is one of world's largest industrial properties groups.

Mr. Fan is also an Independent Non-executive Director of China Everbright Environment Group Limited (formerly China Everbright International Limited), and Sumida Corporation. He joined First Pacific's Board in December 2012.

Madeleine Lee Suh Shin

Independent Non-executive Director

Age 62, Ms. Lee graduated with a Bachelor of Arts Honours in Economics and Accounting from the University of Leeds, UK and holds a Master of Business Administration from the University of Bradford, UK. She obtained her Chartered Financial Analyst qualification in 1989 and was made Fellow of Eisenhower Exchange Fellowship in 2002.

Ms. Lee has spent 39 years in investment management. She worked with the Government of Singapore Investment Corporation, Chase Manhattan, Morgan Grenfell, and was Managing Director at Commerzbank Asset Management Asia. From 2005 to 2007, Ms. Lee was the Deputy Chief Investment Officer of the Endowment Investment Office of the National University of Singapore. In 2008, she founded Athenaeum Limited, a boutique investment manager of Asian Pacific funds. The funds business was sold to Azimut Group in 2016. Since 2018, Athenaeum has focused on investment advisory & consultancy partnerships, Family Offices and Endowment Funds.

Ms. Lee has served on the board of directors of Mapletree Investments Pte Ltd, Aetos Security Pte Ltd, and ECICS Holdings of the Temasek Holdings stable of companies. She was on the Monetary Authority of Singapore's Financial Sector Review Committee on the Liberalisation of the Stockbroking Industry and the Business Development Review Group for the Merged Exchange.

Ms. Lee is currently an Independent Non-executive Director of Guocoland Limited and Greenphyto Limited. She joined First Pacific's Board in September 2015.

Margaret Leung Ko May Yee

SBS, JP

Independent Non-executive Director

Age 72, Mrs. Leung holds a Bachelor's Degree in Economics, Accounting and Business Administration from the University of Hong Kong. She was the Vice-Chairman and CEO of Hang Seng Bank Limited and Managing Director and CEO of Chong Hing Bank Limited. She was also an Independent Non-executive Director of Hong Kong listed Swire Pacific Limited, Hutchison Whampoa Limited, China Construction Bank Limited, Hong Kong Exchanges and Clearing Limited, and Li & Fung Limited. Mrs. Leung was the Chairman of the Board of Governors of Hang Seng Management College and Hang Seng School of Commerce, and a Member of the Advisory Board and Chairman of the Investment Committee of the Hong Kong Export Credit Insurance Corporation.

Mrs. Leung is a non-official member of the Executive Council of the Hong Kong SAR, a non-ex officio member of the Law Reform Commission, a member of the Culture Commission, the Chairman of the Advisory Committee on Arts Development, and a member of the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials, and a Council member and Treasurer of the University of Hong Kong. She is an Independent Non-executive Director of Sun Hung Kai Properties Limited, Agricultural Bank of China Limited, and China Mobile Limited. Mrs. Leung joined First Pacific's Board in December 2012.

Blair C. Pickerell

Independent Non-executive Director

Age 68, Mr. Pickerell holds a BA degree in Political Science and an MA degree in East Asian Studies from Stanford University and an MBA degree from Harvard Business School.

Mr. Pickerell joined Jardine Matheson Holdings Group in 1984 and held various positions at Jardine Matheson Holdings Group and at Jardine Fleming Holdings, including as Managing Director of Jardine Pacific Limited. In 2003, he joined HSBC Investments (Hong Kong) Limited as the Chief Executive, Asia Pacific. From 2007 to 2010, he served as Managing Director and Chief Executive Officer, Asia of Morgan Stanley Investment Management. Mr. Pickerell joined Nikko Asset Management Group in 2010 as Head of Asia and subsequently served as Chairman, Asia until July 2015.

He is currently an Independent Director of Principal Financial Group, Inc. and an Independent Non-executive Director of Link Real Estate Investment Trust, Dah Sing Banking Group Limited, and Dah Sing Bank, Limited.

Mr. Pickerell is also a member of the Supervisory Committee of Tracker Fund of Hong Kong and a member of the International Advisory Council of the Faculty of Business and Economics of The University of Hong Kong.

Mr. Pickerell joined First Pacific's Board in March 2020.

Axton Salim

Non-executive Director

Age 45, Mr. Salim obtained a Bachelor of Science degree in Business Administration from the University of Colorado, USA.

Mr. Salim has had wide exposure across various industries and extensive experience in managing companies in the fast-moving consumer goods sector. He has served in various senior positions since joining the Indofood Group in 2004. Mr. Salim heads the Dairy Division of PT Indofood Sukses Makmur Tbk ("Indofood") and is concurrently a Director of Indofood, PT Indofood CBP Sukses Makmur Tbk and PacificLight Power Pte. Ltd., a Non-executive Director of Indofood Agri Resources Ltd. and Gallant Venture Ltd., as well as a Commissioner of PT Perusahaan Perkebunan London Sumatra Indonesia Tbk and PT Salim Ivomas Pratama Tbk.

Mr. Salim is a Co-Chair of the United Nations Scaling Up Nutrition (SUN) Movement Business Network Advisory Group, a Coordinator of SUN Business Network Indonesia since 2014, an Advisory Board Member of Nanyang Business School since 2020, and Head of Sustainable Development of the Employer's Association of Indonesia since 2024.

Mr. Salim is the son of Mr. Anthoni Salim. He joined First Pacific's Board in March 2020.

Benny S. Santoso

Non-executive Director

Age 66, Mr. Santoso graduated from Ngee Ann College in Singapore. He serves as a Commissioner of PT Indofood Sukses Makmur Tbk, a President Commissioner of PT Nippon Indosari Corpindo Tbk, a Commissioner of PT Fast Food Indonesia Tbk, a Director of PT Indocement Tunggal Prakarsa Tbk and PT Nusantara Infrastructure, Tbk, and as a member of the Advisory Board of PLDT Inc. He joined First Pacific's Board in 2003.

Senior Executives

Joseph H.P. Ng

Chief Financial Officer and Associate Director

Age 62, Mr. Ng received an MBA and a Professional Diploma in Accountancy from Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Ng is a Commissioner of PT Indofood Sukses Makmur Tbk, a Non-executive Director of Philex Mining Corporation and PXP Energy Corporation, and a Director of PacificLight Power Pte. Ltd., which are First Pacific Group subsidiary and associates.

He joined First Pacific in 1988 from PriceWaterhouse's audit and business advisory department in Hong Kong. Mr. Ng was appointed as Chief Financial Officer in August 2022 and has been an Associate Director since April 2019. Previously he was Executive Vice President of Group Finance and served in several senior finance positions within the Group, including as the Group Treasurer, the Head of Finance of the Group's regional telecom division, and as a director of a number of the Group's telecom joint ventures in India, Indonesia, and China.

Marilyn A. Victorio-Aquino

Associate Director

Age 69, Ms. Aquino was educated at the University of Santo Tomas (A.B.) and University of the Philippines (LL.B., cum laude) and qualified as a barrister in the Philippines in 1981. She joined Sycip Salazar Hernandez and Gatmaitan Law Offices in the Philippines in 1980 where she became a partner in 1989. Ms. Aquino's practice focused on banking, finance and securities, construction and infrastructure, investments, mergers and acquisitions, and mining and natural resources.

Ms. Aquino is a Director of PLDT Inc., Philex Mining Corporation, Philex Gold Philippines, Inc., PXP Energy Corporation, Silangan Mindanao Mining Company Inc., Lepanto Consolidated Mining Company, and Philippine Stock Exchange Inc. She was appointed Chief Legal Counsel and Senior Vice President of PLDT in January 2019, was elected Corporate Secretary in January 2022 and appointed Senior Legal Advisor to the Chairman after stepping down as Chief Legal Counsel in January 2025. Ms. Aquino joined First Pacific in 2012.

Ray C. Espinosa

Associate Director

Age 68, Mr. Espinosa has a Master of Laws degree from the University of Michigan Law School and is a member of the Integrated Bar of the Philippines. He was a partner of SyCip Salazar Hernandez & Gatmaitan from 1982 to 2000, a foreign associate at Covington and Burling (Washington, D.C., USA) from 1987 to 1988, and a law lecturer at the Ateneo de Manila School of Law from 1983 to 1985 and 1989.

Mr. Espinosa served as President and Chief Executive Officer of Manila Electric Company (Meralco) until May 2023. He is a Director of Meralco, PLDT Inc. (PLDT), Smart Communications, Inc., Maya Bank Inc., Metro Pacific Investments Corporation, Meralco PowerGen Corporation, Global Business Power Corporation, and PacificLight Power Pte. Ltd. He also serves as an Independent Director of Lepanto Consolidated Mining Company (Lepanto), and EEI Corporation (EEI). He is the Chairman of the Audit Committee and Nomination Committee of Lepanto, a member of the Technology Strategy Committee of PLDT, and the Chairman of the Risk Oversight Committee and a member of the Executive Committee of EEI.

Mr. Espinosa is also a trustee of the Beneficial Trust Fund of PLDT. Mr. Espinosa joined First Pacific in 2013. He is First Pacific Group's Head of Government and Regulatory Affairs and Head of Communications Bureau for the Philippines.

John W. Ryan

Associate Director and Chief Sustainability Officer

Age 59, Mr. Ryan received a Bachelor of Arts degree from the University of Connecticut and completed a Master of Philosophy course on Slavonic and East European Studies at St. Antony's College, Oxford University. He spent several years as a financial journalist, opening and leading Bloomberg's Moscow bureau for five years in the early 1990s and later joining Dow Jones as Bureau Chief over the period 1998–2004 in Moscow and Hong Kong. Mr. Ryan subsequently served as Head of Corporate Communications, Asia Pacific for HSBC's wholesale bank. He joined First Pacific in 2010. Prior to his appointment as Associate Director in April 2019, Mr. Ryan was Executive Vice President of Group Corporate Communications. He is currently a Commissioner of PT Indofood Sukses Makmur Tbk as well as Group Chief Sustainability Officer and Group Chief Investor Relations Officer.

Victorico P. Vargas

Associate Director

Age 72, Mr. Vargas was educated at Ateneo de Manila and University of Santo Tomas.

Prior to his appointment as Associate Director of First Pacific, Mr. Vargas was the President and Chief Executive Officer at Maynilad Water Services, Inc. He joined PLDT in 2000 as its Human Resources Group Head and through his stay at PLDT got involved in managing the PLDT Business Transformation Office, Asset Protection and Management Group, and the PLDT International Carrier Business.

Mr. Vargas is currently the PLDT Senior Consultant & Leadership Transition Officer, Office of the Chairman and President of Kayana Solutions, Inc. (Digico).

He has worked in senior roles at Union Carbide, Pepsico, Colgate Palmolive and Citigroup. He is a Director of Meralco, Smart Communications, Inc., MGen Global Business Power, PLDT Global, Corp., PLDT Subic Telecom, Inc., PLDT Clark Telecom, Inc., Beacon Electric Asset Holdings, Inc., Beacon PowerGen Holdings, Inc., MQuest Ventures, Inc., Cignal TV, Inc., TV5 Network, Inc., Media5 Marketing Corporation, and Metro Pacific Tollways Corporation. Chairman of Hastings Holdings Inc., Philstar Global, Inc., Pilipino Star Ngayon, Inc., Pilipino Star Printing, and Philstar Daily, Inc. The President and member of the Board of Trustees of the First Pacific Leadership Academy, Trustee of the MVP Sports Foundation, PLDT Smart Foundation, Inc., and IdeaSpace Foundation, and the President of the PhilPop Music Fest Foundation.

Mr. Vargas joined First Pacific in January 2016, overseeing First Pacific Group businesses operating in the Philippines and its regions, particularly focused on leading the business transformation of PLDT.

Stanley H. Yang

Associate Director

Age 48, Mr. Yang graduated from the Wharton School of the University of Pennsylvania with a Bachelor of Science degree in Economics. Since joining First Pacific in 2013, he has been leading the company's investment activities including mergers and acquisitions, joint ventures, strategic partnerships, and other business development initiatives across the group.

Mr. Yang is concurrently serving as an Executive Director of Metro Pacific Investments Corporation, where he joined in 2022 as Senior Advisor. He is also a Director of PacificLight Power Pte. Ltd., Philippine Coastal Storage & Pipeline Corporation and mWell, and a Trustee of IdeaSpace Foundation, Inc.

Prior to First Pacific, Mr. Yang was a senior investment banker at Deutsche Bank where he led industrials sector coverage for the Asia region. He previously acted as a director of Deutsche Bank's mergers and acquisitions department based in Asia and earlier in the United States, where he advised multinational and regional companies including corporates, private equity and sovereign wealth funds on their acquisitions, divestments, mergers, and leveraged transactions.

Mr. Yang began his career in New York in 1998, gaining experience in principal investments and corporate finance at major financial institutions until his transfer to Hong Kong in 2007.

Richard P.C. Chan

Executive Vice President
Group Financial Controller

Age 55, Mr. Chan received a BBA (Hons) degree from Hong Kong Baptist University and an MBA from the Chinese University of Hong Kong. He is a Certified Public Accountant (Practising), a CFA charterholder, and a Fellow of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. He has experience in auditing, accounting, finance and management spanning a diverse range of business activities. He has served as a Non-executive Director of Philex Mining Corporation since January 2019, which is a First Pacific Group associate.

Mr. Chan joined First Pacific in 1996 from KPMG. Prior to his appointment as Executive Vice President, Group Financial Controller in April 2019, Mr. Chan was Vice President, Group Financial Controller.

Fiona W.M. Chiu
Executive Vice President
General Counsel and
Company Secretary

Age 43, Ms. Chiu received a Bachelor of Laws (LL.B (Hons.)) from the University of Sheffield, United Kingdom, and a Postgraduate Certificate in Laws from the City University of Hong Kong. Ms. Chiu is a qualified lawyer. She spent 19 years undertaking roles across legal, governance and compliance in Hong Kong. Ms. Chiu has been a Solicitor of the High Court of Hong Kong SAR since December 2006.

She joined First Pacific in May 2022 from Goldman Sachs, where she was an Executive Director in the Compliance Department overseeing their Investment Banking Division's mergers and acquisitions and equity/debt capital markets businesses in Asia Ex-Japan. Prior to that, Ms. Chiu also held senior leadership roles in investment banking and corporate banking compliance at both JP Morgan and HSBC. In particular, Ms. Chiu built the compliance program for JP Morgan's Asia Pacific Global Corporate Banking business from ground up, she also pioneered a number of compliance initiatives amongst peer financial institutions.

Ms. Chiu was a seasoned corporate finance lawyer in private practice prior to becoming a financial services compliance professional.

Ms. Chiu has been appointed as a director on the board of the Hong Kong Chapter of the Association of Corporate Counsel since June 2023. She also Co-chairs the membership engagement committee and sits on the sponsorship committee of the same organisation. Ms. Chiu is also a council member of the Asia Chief Legal Officers' Council, organized by The Conference Board. Ms. Chiu volunteers as a mentor on The Women's Foundation Mentoring Programme in Hong Kong.

Peter T.H. Lin
Executive Vice President
Group Treasury and Tax, and
Group Human Resources

Age 55, Mr. Lin received a MSc in Management Sciences from the University of Southampton and a BSc in Economics and Statistics from Coventry University. He is a Fellow of the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales. Mr. Lin joined First Pacific in 1998 from KPMG where he was a Tax Manager. Mr. Lin has been Executive Vice President, Group Treasury and Tax since 2018 and took on added responsibility for Group Human Resources in 2022.

Sara S.K. Cheung
Senior Vice President
Group Corporate Communications

Age 61, Ms. Cheung received a BA in Business Economics from the University of California, Los Angeles, MBA from Southern Illinois University, Carbondale, and Master of Buddhist Studies from the University of Hong Kong. She has over 30 years experiences in a wide range of listed company activities and corporate events. In 2025, Ms. Cheung took on the added responsibility for Office Administration.

Ms. Cheung joined First Pacific in 1997 from the Public Affairs department of Wharf Limited and Wheelock and Company.

Yvonne W.Y. Lau
Vice President
Company Secretariat

Aged 58, Ms. Lau received a Bachelor of Arts (Hons) degree in Accountancy from City University of Hong Kong. She is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Lau joined First Pacific in 1989.

Eliza Y. Wang
Vice President
Group Finance and
Corporate Development

Age 35, Ms. Wang has worked in Corporate Development overseeing investments and other strategic initiatives of First Pacific since joining in 2015, and has increased her treasury responsibilities in Group Finance since 2022. She received her Bachelor of Commerce with High Distinction co-majoring in Accounting and Finance and was placed on the Dean's List from the Australian School of Business. She graduated from the University of New South Wales where she also received merit scholarships to undertake business studies exchange at the Wharton School of the University of Pennsylvania and social sciences studies exchange at the University of Hong Kong. Prior to joining First Pacific, Ms. Wang came from Deutsche Bank where she worked in the Investment Banking Division covering Consumer, Industrials and Healthcare sectors. She started her career in Sydney with Macquarie Bank as a sponsored Co-op Scholar, in their tollroads infrastructure fund. Ms. Wang is a CFA charterholder.

Corporate Governance Report

Governance Framework

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.

The Corporate Governance Committee reviews the Company's corporate governance practices to ensure its compliance with the Listing Rules, including overseeing Environmental, Social and Governance ("ESG") reporting. As recommended by the Corporate Governance Committee, the Board approves the Company's ESG report for publication on the websites of The Stock Exchange of the Hong Kong Limited (the "SEHK") and of 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 contained in Appendix C1 of the Listing Rules (the "CG Code"). Throughout the year ended 31 December 2024, First Pacific has applied the principles and complied with applicable provisions of the CG Code, save and except for the following:

Code Provision E.1.5: Issuers should disclose, amongst others, details of any remuneration payable to members of senior management by band in their annual reports.

The Company does not disclose details of any remuneration payable to members of senior management by band due to competitive concerns. As a large number of the senior executives employed by the Group are employed in jurisdictions that do not require disclosure of such information, it would create inequality across the Group if only the remuneration of the senior executives at the Head Office were disclosed.

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

As an investment holding company, the Company does not have a separate internal audit department but has a Risk Assessment Committee, consisting of one Executive Director and 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 semi-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 fulfill internal audit and risk management functions and, therefore, does not consider it necessary to maintain a separate internal audit function. The Company will review this need annually.

Corporate Culture

The Board, together with senior management, set the tone of First Pacific's corporate culture and strategic direction. The Corporate Governance Committee is especially tasked with setting the Company's corporate governance and environmental and social responsibility vision, strategy, framework, principles and policies. The Company's corporate culture is thus manifested through framework and policies which have been put in place.

First Pacific strives to create an environment that encourages collaboration, diversity, respect and open communication. We believe that a strong corporate culture is essential to our success in creating value-enhancement for our shareholders and long-term sustainable performance. First Pacific is committed to creating a workplace that is safe, healthy and productive for our employees.

Building a culture is, however, a process that evolves over time and requires constant evaluation. The Company promotes and maintains its culture through regular training, internal corporate governance practice steering group, employee engagement, thematic compliance monitoring, policy reviews, robust financial reporting, whistleblowing channels, stakeholder engagement exercises and an annual board evaluation process.

Taking into account the corporate culture in a range of contexts, the Board considers that the culture, purpose, values and strategy of the Group are significantly aligned.

First Pacific's purpose, values and strategy can be found in its mission, investment criteria and strategy statements on the inside front cover of this Annual Report.

Compliance of the Model Code for Securities Transactions by Directors

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 C3 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 year ended 31 December 2024.

Directors' interest in securities of the Company and its associated corporations as at 31 December 2024 are set out in the Report of the Directors on page 93 of this Annual Report.

Whistleblowing Policy

To promote good governance, the Company has put in place a Whistleblowing Policy, which is intended to assist employees and those who deal with the Group to disclose information relevant to any suspected misconduct, malpractice or irregularity which he/she has become aware of or genuinely suspects that the Group has been or may become involved in. Any suspected cases can be reported through a confidential reporting channel directed to the Chair of the Audit and Risk Management Committee. The policy is regularly reviewed to ensure its effectiveness and is posted on the Company's website (www.firstpacific.com). In 2024, the Company did not receive any disclosure or report under the Whistleblowing Policy.

Anti-Bribery and Corruption Policy

The Company has put in place an Anti-bribery and Corruption Policy, which has been adopted by the Board, assisting staff in identifying circumstances which may lead to or give the appearance of corrupt or unethical business conduct, so as to avoid such conduct which is clearly prohibited. Prompt report of any actual or suspected incident of bribery, corruption, extortion, fraud or similar offences to the Chair of the Audit and Risk Management Committee is required in accordance with procedures set forth in the Whistleblowing Policy for investigation and follow-up. The policy is regularly reviewed to ensure its effectiveness and is posted on the Company's website (www.firstpacific.com).

Board of Directors

As at the date of this Annual Report, the Board comprised ten Directors, of whom two are Executive Directors, three are Non-executive Directors ("NEDs") and five are INEDs. Since five out of our current ten-member Board are INEDs, the Company exceeds the Listing Rule requirements that INEDs shall represent at least one-third of the Board. The composition of our current Board is as follows:

Executive Directors	Non-executive Directors	Independent Non-executive Directors
Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*	**Anthoni Salim**, *Chairman*	**Prof. Edward K.Y. Chen**, *GBS, CBE, JP*
Christopher H. Young	**Benny S. Santoso**	**Margaret Leung Ko May Yee**, *SBS, JP*
	Axton Salim	**Philip Fan Yan Hok**
		Madeleine Lee Suh Shin
		Blair Chilton Pickerell

Board Process

The Board meets at least five times a year to review operational performance and financial plans, discuss and monitor the implementation of strategy and any other significant matters that affect the operations of the Group, and approve matters specifically reserved to the Board for decision. Management regularly attends Board and Board Committee meetings to deliberate on proposals and present updates on operations. Any Director, external advisors and consultants could be invited to participate in specific relevant topics at Board and/or Board Committee meetings, as and when appropriate.

The schedule for Board and Board Committee meetings as well as general meetings is made available to all Directors prior to the end of the preceding year (and updated throughout the year). In addition, notice of at least 14 days will be given for regular Board meetings or Board Committee meetings. For ad-hoc meetings, reasonable notice will be given. Telephone and/or video conference participation can be arranged for any Director who is unable to attend a meeting in person.

Meeting agendas for regular Board meetings are set after consultation with the Chairman and the Executive Directors. All Directors are given an opportunity to include matters in the agenda and have access to the advice and services of the Company Secretary to ensure that Board procedures and all applicable rules and regulations are followed. Adequate and appropriate information in the form of agendas, Board papers and related materials, are provided to the Directors at least three days prior to the scheduled date for regular meetings and at a time agreed for ad-hoc meetings. Chairs of the Board Committees report to the Board following each Board Committee meeting, drawing the Board's attention to issues or matters of which the Board should be made aware of, identifying any matters of significance requiring action or improvement, and making relevant recommendations.

Agendas and meeting papers are circulated largely through an electronic platform to ensure a timely and secure dissemination of information to the Directors while reducing paper usage.

The Company Secretary or her delegate attends all Board and Board Committee meetings. Draft minutes, which recorded those matters considered, decisions reached, concerns raised and dissenting views expressed (if any) at the meetings, are circulated for review and comment as soon as practicable post meeting. Final versions of the minutes are sent to the Board and Board Committee members for records. All signed minutes of the Board and Board Committee meetings are kept by the Company and are open for inspection by any Director.

In addition to the regular financial performance reports that are presented at the regular Board meetings, the Directors are provided with monthly financial and business updates to keep them abreast of the Group's latest performance, financial position and prospects. Prior to the publication of the Company's announcements on the websites of the SEHK and the Company, the Company Secretary seeks the Board's approval and following publication, notifies the Board to keep the Directors apprised of the Group's development. In 2024, all INEDs also participated in a site visit due diligence trip in Indonesia to better understand the Group's Indonesian operations.

The Board conducts evaluation on its performance and effectiveness annually with a view to identifying areas for improvement and further enhancement. The Board evaluation questionnaire was reviewed and updated in 2024 to reflect latest corporate governance trends. A meeting between the INEDs and the Chairman in the absence of Executive Directors, NEDs and management was held in June 2024.

Under the Bye-laws of the Company, a Director should not vote or be counted in the quorum in respect of any contract, arrangement, transaction or other proposal in which he/she or his/her close associate(s) is/are materially interested.

Board Evaluation

The Company believes that good corporate governance involves a strong and effective Board, one that understands its role and responsibilities, provides leadership and strategic guidance for the Company, establishes effective controls, oversees management and sets the Company's culture, values and standards. In this respect, it is essential to conduct regular evaluation of the performance and effectiveness of the Board. These evaluations are overseen by the Corporate Governance Committee and the results are presented to the Board.

As with the previous year, the Company conducted an internal Board evaluation for 2024 (the "2024 Board Evaluation") in the form of a questionnaire (revised in 2024) to assess the performance and effectiveness of the Board as a whole and each of its committees, including open-ended questions intended to solicit individual Director's views on relevant issues. Based on feedback received, on the whole, the respondents responded positively to questions regarding (i) the roles and functions of the Board and their responsibilities as Directors; (ii) the alignment of the Company's culture with its purpose, values and strategy; (iii) having sufficient opportunity to oversee performance of the Company; (iv) the Company's internal controls and risk management systems; (v) current Board composition; (vi) Board meeting arrangements; (vii) training and support received; and (viii) working with each other and with management. These results largely align with positive Board evaluation results of previous years.

Based on the findings of the 2024 Board Evaluation, the Corporate Governance Committee and the Board considered that the Board performed effectively during the year ended 31 December 2024.

Directors' Attendance

The Board held five regular meetings during the year. The attendance records of the Board and Board Committee meetings as well as the AGM and SGM held in 2024 are shown in the following table, noting that there was no meeting held by the Ad Hoc Selection Committee during the year. The overall attendance rate of Directors at Board and Board Committee meetings was approximately 95%. The high attendance record at the Board and Board Committee meetings in 2024 demonstrates our Directors' strong commitment to the Company.

	Meetings held in 2024 (Number of meetings attended/eligible to attend)							
	Board	Audit and Risk Management Committee[2]	Nomination Committee	Remuneration Committee	Corporate Governance Committee	Finance Committee	2024 AGM[2]	SGM[2]
Total number of meetings held	5[1]	4	1	1	2	2	1	1
Non-executive Chairman								
Anthoni Salim	5/5	–	1/1	0/1[3]	–	–	1/1	0/1
Executive Directors								
Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*	5/5	–	0/1	–	–	2/2	1/1	0/1
Christopher H. Young	5/5	–	–	–	–	–	1/1	1/1
Non-Executive Directors								
Benny S. Santoso	5/5	–	–	–	–	–	1/1	1/1
Axton Salim	5/5	–	–	–	2/2	2/2	1/1	1/1
Independent Non-Executive Directors								
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	5/5	4/4	1/1	1/1	–	2/2	1/1	1/1
Margaret Leung Ko May Yee, *SBS, JP*	5/5	4/4	–	–	2/2	2/2	1/1	1/1
Philip Fan Yan Hok	5/5	–	1/1	1/1	2/2	2/2	1/1	1/1
Madeleine Lee Suh Shin	5/5	4/4	1/1	–	2/2	2/2	1/1	1/1
Blair Chilton Pickerell	5/5	–	–	–	1/2	2/2	1/1	0/1
Average attendance rate	100%	100%	80%	67%	90%	100%	100%	70%

Notes:

(1) Included a combined Board meeting and Board strategic session held during the year.

(2) Representatives of the independent auditor attended certain Audit and Risk Management Committee meetings, the 2024 AGM and the SGM held during the year.

(3) Due to other engagements, Mr. Anthoni Salim appointed Mr. Christopher H. Young, an Executive Director, to act as his alternate to attend the Remuneration Committee meeting held during the year.

Board Diversity

The Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The Board has a balance of skills and experience appropriate to oversee the Group's businesses.

Members of the Board come from different backgrounds, with a diverse range of academic, business and professional expertise. Brief biographical information of each of our Directors is set out in the section "Board of Directors and Senior Executives" on pages 36 to 39 of this Annual Report.

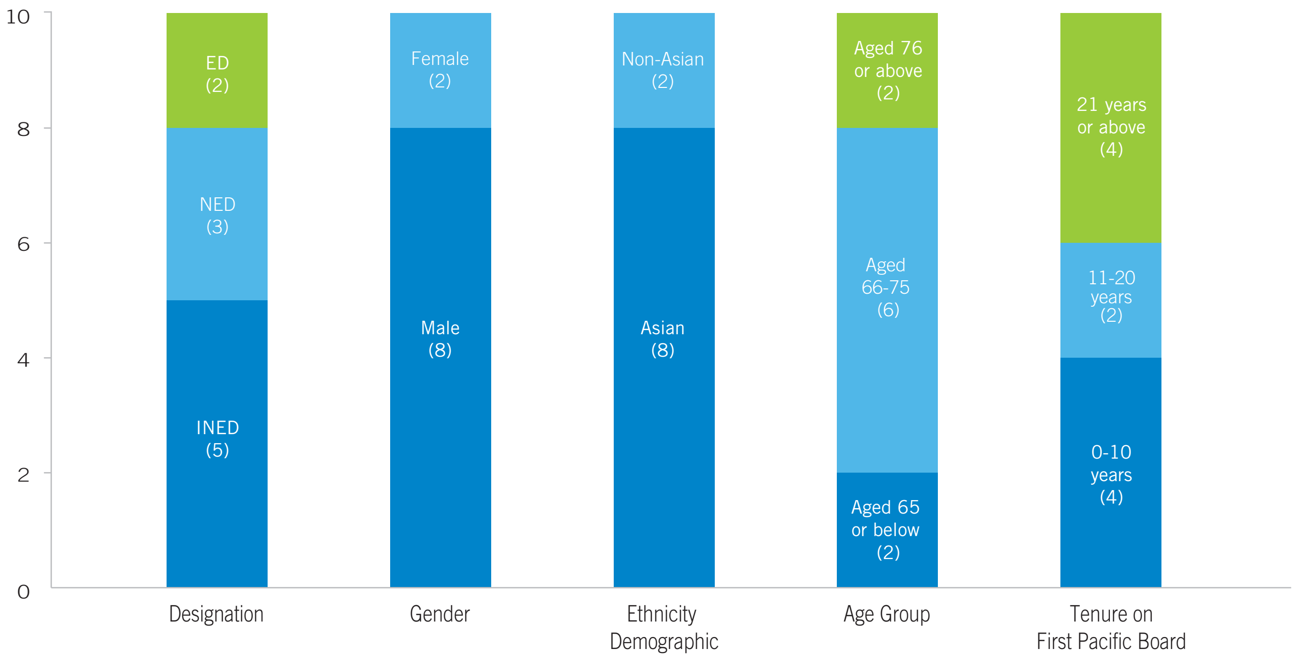
The Board considers that its diversity is a vital asset to its businesses. The Board has adopted a Board Diversity Policy (the "Board Diversity Policy"), which is available on the Company's website (www.firstpacific.com). Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational backgrounds, ethnicity, professional experience, skills, knowledge and length of service. The Company is committed to maintaining a minimum representation of 20% of either gender at Board level. Currently, 20% of the Directors are female and 80% are male. The Company will review from time to time the diversity target of the Board.

Assisted by the Nomination Committee, the Board reviews the Board Diversity Policy annually. During the year, the Board, through the Nomination Committee, reviewed and considered that the Board Diversity Policy is effective.

The Company remains committed to meritocracy in the boardroom, which requires a diverse and inclusive culture where Directors believe that their views are heard, their concerns are attended to and they serve in an environment where bias, discrimination and harassment are not tolerated. While building a company's culture is a process that evolves over time, the Directors have regular reflection on the Company's culture and evaluate whether it aligns with the purpose, values and strategy of the Company in the ever-changing environment. The Board also embeds a robust culture of compliance to ensure rule and regulatory compliance.

An analysis of the Board's current composition and diversity is set out in the following chart:

Number of Directors



Skills and Experience

Workforce Diversity

First Pacific is committed to upholding, protecting and embracing staff members with diverse backgrounds, culture and gender. The Company maintains a highly diverse workforce; in terms of gender diversity, as at 31 December 2024, 50% of the Company's staff members (including senior management) were female and 50% were male. In order to attract and retain candidates from the widest possible pool of available talent, the Diversity and Equal Opportunity Policy will be applied in the recruitment and promotion processes of the Group. The Company has also implemented programs that assist staff members in their personal growth and skills to prepare them for potential promotions to senior management positions. For more details of gender diversity at the workforce level, please refer to the standalone 2024 ESG report available on the websites of the SEHK and of the Company.

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer of the Company are separate and performed by different individuals, with a clear division of responsibilities.

Currently, Mr. Anthoni Salim, a NED, is the Chairman of the Company and Mr. Manuel V. Pangilinan, an Executive Director, is the Managing Director and Chief Executive Officer of the Company. The division of responsibilities between the Chairman and the Chief Executive Officer of the Company (who is also the Managing Director) are set out in the First Pacific Code.

Responsibilities of Directors

The Board is responsible for the success of the Company by directing and supervising its affairs in a responsible and effective manner. Each Director has a duty to act in good faith and in the best interests of the Company. Directors are expected to devote sufficient time and attention to performing their duties and responsibilities. The Directors are aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated. The functions performed by the Board include, but are not limited to, formulating the overall corporate strategy and direction, deciding all significant financial (including major investment decisions) and operational issues, and all other functions reserved to the Board set out in the First Pacific Code and the Company's constitutional documents.

Management is responsible for the day-to-day management of the Company's operations, execution of business plans, strategies and policies formulated and adopted by the Board under the leadership of the Managing Director and Chief Executive Officer. The Board may from time-to-time delegate certain functions to management, if and when considered appropriate. In addition, there are regular meetings with the senior management of subsidiaries and associated companies at which operating strategies and policies are formulated, discussed and settled.

The Company has adopted and implemented the following mechanisms to ensure independent views and input are available to the Board, the implementation and effectiveness of which are reviewed by the Board on an annual basis:

- having half of the Board seats represented by INEDs with a broad range of skills, experience, backgrounds and knowledge, and having INEDs share their valuable insight with the Board for promoting the best interests of the Company and its shareholders;
- having appropriate Board and Board Committee structure and composition in place;
- holding annual meeting between the Chairman and all INEDs without the presence of other Directors or senior management provides an effective platform for the Chairman to listen to independent views on various issues concerning the Group;
- having the Nomination Committee to review the independence of all INEDs;
- arranging separate independent professional advice to Directors, upon reasonable request, to assist them to discharge their duties; and
- holding annual evaluation of the Board's effectiveness.

The Company has arranged appropriate Directors' and officers' liability insurance coverage to protect Directors and officers of the Group against potential personal legal liabilities.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board, which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. INEDs who, and whose close associates, have no material interest in the transaction should be present at that Board meeting.

Appointment and Re-election of Directors

The Company uses a formal, considered and transparent procedure for the appointment of new Directors. Before a prospective Director's name is formally proposed, opinions of the existing Directors (including the NEDs and INEDs) will be solicited. The proposed appointment will first be reviewed by the Nomination Committee, taking into account the balance of skills, knowledge, experience and diversity of the Board. Upon recommendation by the Nomination Committee, the proposed appointment will then be reviewed and, if thought fit, approved by the Board after due deliberation.

In accordance with the Company's Bye-laws and the First Pacific Code, every Director, including NEDs and INEDs and those appointed for a specific term, shall be subject to retirement by rotation at least once every three years. A retiring Director is eligible for re-election at the AGM. Mr. Manuel V. Pangilinan, Prof. Edward K.Y. Chen, Mrs. Margaret Leung Ko May Yee and Mr. Christopher H. Young will retire by rotation and, being eligible, offer themselves for re-election at the forthcoming AGM.

Each year, the Nomination Committee receives an annual confirmation of each INED's independence. The independence of the INEDs has been assessed in accordance with the guidelines set out in Rule 3.13 of the Listing Rules. As a standard corporate governance practice, each Nomination Committee member, who is an INED, abstains from assessing his/her own independence.

In 2024, the Nomination Committee affirmed and the Board concurred, that all the INEDs continued to demonstrate strong independence in judgment, free from any business or other relationship which could interfere with their ability to discharge their duties effectively, and are therefore considered independent. As part of the on-going independence assessment process, each INED is required to inform the Company as soon as practicable if there is any change in circumstances affecting his/her independence. No such notification was received during 2024.

Other than Mr. Anthoni Salim, who is the father of Mr. Axton Salim, none of the Directors have any financial, business, family, or other material/relevant relationship with each other. NEDs (including INEDs) have the same duties of care and skill and fiduciary duties as Executive Directors. The biographies of Directors are set out in the section "Board of Directors and Senior Executives" on pages 36 to 39 of this Annual Report.

Succession Planning

The Board recognizes the importance of having continuity in the senior management (including Directors), maintaining leaders with appropriate skills and experience to support the delivery of the Group's strategic initiative and priorities. In order to mitigate the succession planning risk, the Company has made it a regular Board agenda item and to review progress on an annual basis. The Group has also continued the search process to identify potential talents from within and outside the Group for succession planning across the Group.

In December 2024, the SEHK announced to impose a hard cap of INEDs' tenure for nine years, after which they are no longer considered independent. An INED with a maximum tenure of nine years may re-serve as an INED of the same issuer after a three-year cooling-off period. As the SEHK allows listed issuers to comply with the new rule by phased implementation over a transition period of six years after the implementation date on 1 July 2025, the Company's Ad Hoc Selection Committee, the Nomination Committee and the Board are committed to working on the retirement arrangements and succession plan of the Company's long-serving INEDs to ensure smooth implementation of the new rule and smooth transition of the Company's INEDs.

Directors' Training and Continuous Professional Development

Directors undertake continuous professional development and training to ensure that they have a proper understanding of the Company's operations and business and are fully aware of their responsibilities under applicable laws, rules and regulations.

During the year, training on latest regulatory developments of ESG reporting was arranged, at the Company's expense, for Directors and management. In addition, the Directors received from the Company Secretary periodic updates on applicable key legal and regulatory developments.

The training and professional development undertaken by the Directors during the year is as follows:

	Types of training	
Name	**Attending or giving talks at training course/seminars/ conference/forums/briefings**	**Reading materials on various topics***
Non-executive Chairman		
Anthoni Salim	✓	✓
Executive Directors		
Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*	✓	✓
Christopher H. Young	✓	✓
Non-executive Directors		
Benny S. Santoso	✓	✓
Axton Salim	✓	✓
Independent Non-executive Directors		
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	✓	✓
Margaret Leung Ko May Yee, *SBS, JP*	✓	✓
Philip Fan Yan Hok	✓	✓
Madeleine Lee Suh Shin	✓	✓
Blair Chilton Pickerell	✓	✓

* Topics include the Company's business, corporate governance matters, Directors' duties and responsibilities and latest developments regarding the Listing Rules and other applicable legal and regulatory requirements

Board Committees

The Board has six Board Committees, namely the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee, Corporate Governance Committee, Finance Committee and Ad Hoc Selection Committee, in order to assist the Board in carrying out its responsibilities. The composition of these Board Committees is set out as follows:

Name	Audit and Risk Management Committee	Nomination Committee	Remuneration Committee	Corporate Governance Committee	Finance Committee	Ad Hoc Selection Committee
Non-executive Chairman						
Anthoni Salim		✓	✓			✓
Executive Directors						
Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*		✓			✓	
Christopher H. Young						
Non-Executive Directors						
Benny S. Santoso						
Axton Salim				✓	✓	
Independent Non-Executive Directors						
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	✓	✓	✓(C)		✓	✓
Margaret Leung Ko May Yee, *SBS, JP*	✓			✓(C)	✓(C)	✓
Philip Fan Yan Hok		✓(C)	✓	✓	✓	✓(C)
Madeleine Lee Suh Shin	✓(C)	✓		✓	✓	✓
Blair Chilton Pickerell				✓	✓	

(C) = Chairman of the Board Committee
✓ = member of the Board Committee

Each of these Board Committees has specific terms of reference, which set out in detail their respective authorities and duties. Each Board Committee regularly reviews its terms of reference and effectiveness. The latest terms of reference of the Board Committees are available on the websites of the SEHK (www.hkexnews.hk) and of the Company (www.firstpacific.com).

All Board Committees are comprised of a majority of INEDs and chaired by an INED. The Board Committees report to the Board following each committee meeting, drawing the Board's attention to significant issues or matters of which the Board should be aware of, identifying any matters in respect of which it considers requiring action or improvement, and making relevant recommendations. Board Committees may invite any Director, senior executive, consultant or other relevant party to provide advice in this respect, if necessary.

Audit and Risk Management Committee

Reporting to the Board, the Audit and Risk Management Committee holds regular meetings to assist the Board in discharging its responsibilities for effective financial reporting controls, risk management and internal control. The committee monitors the integrity of the Company's financial statements, financial reports and accounts and reviews significant financial reporting judgements contained therein. It reviews, makes recommendations and reports to the Board on findings relating to financial statements, reports and accounts, risk management and internal control systems. The committee also oversees the Company's relationship with the independent auditor and makes recommendations to the Board on the appointment and re-appointment of independent auditor. It is empowered to review and monitor the independent auditor's independence and objectivity and the effectiveness of the audit process. The Audit and Risk Management Committee, through its oversight over the audit and/or risk management committees of the Company's major investee companies, monitors risk management and internal control matters of such companies.

The Audit and Risk Management Committee meets at least four times a year and is provided with sufficient resources enabling it to discharge its duties. It meets with the Company's independent auditor at least twice a year and holds a separate session in the absence of management.

The Audit and Risk Management Committee, which is chaired by an INED, comprises three members, all of whom are INEDs. The composition of the committee is set out in the section headed "Board Committees" on page 51 of this Annual Report.

During the year, the Audit and Risk Management Committee held four meetings. The attendance record of each committee member is shown in the section headed "Directors' Attendance" on page 46 of this Annual Report. Major work performed by the Audit and Risk Management Committee during the year was as follows:

- reviewed and recommended for approval by the Board the Company's annual results and consolidated financial statements for the year ended 31 December 2023 and the related documents, financial reporting and audit issues noted by the Company's independent auditor;
- reviewed and recommended for approval by the Board the Company's interim results and condensed consolidated financial statements for the six months ended 30 June 2024 and the related documents, financial reporting and accounting issues noted by the Company's independent auditor;
- reviewed the report from the Risk Assessment Committee on First Pacific's Head Office risk matrix on a semi-annual basis; considered and discussed ESG risks;
- regularly reviewed the Group's continuing connected transactions and usage of annual caps; conducted annual review pursuant to Rule 14A.55 of the Listing Rules;
- considered the 2024 audit plan for the First Pacific Group and approved the audit fee for 2024; reviewed and considered the non-assurance services fees for 2024;
- reviewed the engagement of the Company's independent auditor, its independence and objectivity, and the effectiveness of the audit process;
- recommended the re-appointment of independent auditor for shareholders' approval at the 2024 AGM;
- reviewed the results of the 2024 IT audit on financial reporting conducted by Ernst & Young;
- reviewed and recommended for approval by the Board the enhancements to the FP Risk Management Policy and Procedures;
- reviewed new and revised accounting standards and the impact on the Group's financial statements;
- reviewed the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, and their training programs and budgets; and
- exercised oversight over (i) the Group's financial reporting, risk management and internal control systems; and (ii) the audit and/or risk management committees of the Company's major investee companies.

Nomination Committee

The Nomination Committee assists the Board in discharging its responsibility of reviewing the structure, size and composition of the Board with reference to the Company's Board Diversity Policy and the CG Code. The committee makes recommendations on any proposed changes to the Board to complement the Company's strategy. It also makes recommendations to the Board on the selection of individuals nominated for directorships, the appointment or re-appointment of Directors and succession planning for Directors and senior management. The committee's duties also include regularly reviewing the time required from a Director to perform his/her responsibilities, assessing the independence of INEDs and reviewing their annual confirmations on independence, and reviewing the implementation and effectiveness of Company's mechanisms to ensure independent views and input are available to the Board on an annual basis.

The Nomination Committee, which is chaired by an INED, comprises five members with the INEDs constituting the majority of the committee. The composition of the committee is set out in the section headed "Board Committees" on page 51 of this Annual Report.

During the year, the Nomination Committee held one meeting. The attendance record of each committee member is shown in the section headed "Directors' Attendance" on page 46 of this Annual Report. Major work performed by the Nomination Committee during the year was as follows:

- reviewed the composition, size and structure of the Board and Board Committees, having regard to (i) the expertise, time commitment, skills and experience of the members; (ii) the Board Diversity Policy; (iii) the CG Code; and (iv) the First Pacific Code;
- reviewed the Board Diversity Policy and its implementation and effectiveness;
- reviewed the mechanisms put in place to ensure independent views and input are available to the Board;
- assessed the independence of each of the INEDs;
- endorsed to the Board for its approval the nomination of Mr. Manuel V. Pangilinan, Mr. Christopher H. Young, Prof. Edward K.Y. Chen and Mrs. Margaret Leung Ko May Yee for re-election as Directors at the 2025 AGM, having considered their respective contributions, skills, experience and expertise, as well as assessing their independence (for INEDs); and
- considered succession planning arrangements for the Board and senior management.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the Company's policy and structure for all Directors and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy. The committee reviews and approves, with delegated responsibility, the remuneration packages of individual Executive Directors and senior management and makes recommendations to the Board relating to the remuneration of the NEDs (including the INEDs). It also oversees matters relating to the Company's share schemes under Chapter 17 of the Listing Rules.

In determining the Company's remuneration policy, the Remuneration Committee takes into account the Company's business objectives, people strategy, short-term and long-term performance, business and economic conditions, market practices and benchmarks, and compliance and risk controls to ensure remuneration aligns with business and individual performance, promotes effective risk management and facilitates retention of quality personnel by providing remuneration packages that remain competitive within respective markets and are commensurate with respective roles and responsibilities.

The Remuneration Committee, which is chaired by an INED, comprises three members with the INEDs constituting the majority of the committee. The composition of the committee is set out in the section headed "Board Committees" on page 51 of this Annual Report.

During the year, the Remuneration Committee held one meeting. The attendance record of each committee member is shown in the section headed "Directors' Attendance" on page 46 of this Annual Report. Major work performed by the Remuneration Committee during the year was as follows:

- made recommendations to the Board on the Company's policy and structure for Directors' and management's remuneration; assessed the performance of Executive Directors and reviewed performances of senior executives;
- reviewed and approved Executive Director's and senior management's remuneration proposals with reference to the Board's corporate goals and objectives; determined, with delegated responsibility, the remuneration of individual Executive Directors and management members;
- reviewed and endorsed the 2025 salary budget and 2024 discretionary bonus proposals for approval by the Board. No Director was involved in deciding his own remuneration at the meeting of the Remuneration Committee; and
- reviewed and discussed the Company's current long-term incentive plan with a view to consider and adopt a new and revised plan in 2025 after expiry of the current plan.

Corporate Governance Committee

The Corporate Governance Committee is responsible for developing and reviewing the Company's policies and practices on corporate governance and makes recommendations to the Board, reviewing and monitoring the training and continuous professional development of Directors and senior management, and reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements. The committee also develops, reviews and monitors the Company's Code of Conduct applicable to Directors and employees and reviews the Company's compliance with the CG Code and the First Pacific Code and disclosure requirements for the corporate governance report. It also oversees matters relating to sustainability and ESG strategy, policies, practices and reporting.

The Corporate Governance Committee, which is chaired by an INED, comprises five members with the INEDs constituting the majority of the committee. The composition of the committee is set out in the section headed "Board Committees" on page 51 of this Annual Report.

During the year, the Corporate Governance Committee held two meetings. The attendance record of each committee member is shown in the section headed "Directors' Attendance" on page 46 of this Annual Report. Major work performed by the Corporate Governance Committee during the year was as follows:

- reviewed the Company's policies and practices on corporate governance and approved the amendments to the Code of Conduct and various policies of the Company;
- reviewed the Company's compliance with the CG Code and the First Pacific Code;
- reviewed and recommended for approval by the Board the publication of the 2023 Corporate Governance Report;
- discussed and considered the preliminary readiness analysis in respect of the initiatives of corporate governance reform proposed by the SEHK;
- reviewed and recommended for approval by the Board the publication of the 2023 ESG report, reviewed the proposed plan for 2024 ESG reporting, monitored and discussed the latest regulatory developments in ESG and guidance for the Company's 2024 ESG reporting;
- reviewed the results of the Board evaluation exercise for 2023 and considered the proposals for the 2024 Board Evaluation;
- considered ESG targets and roadmap for 2025;
- reviewed and discussed ESG risks as identified by the Audit and Risk Management Committee;
- reviewed the implementation and effectiveness of the Company's Shareholders' Communication Policy;
- reviewed the latest regulatory developments in corporate governance and ESG; and
- reviewed and recommended for approval by the Board the editorial amendments to the Terms of Reference of the Corporate Governance Committee, the Model Code and the First Pacific Code.

Finance Committee

The Finance Committee assists the Board in reviewing the Company's investment strategies, key financial operations and decisions, as well as capital raising and liability management plans.

The Finance Committee, which is chaired by an INED, comprises seven members with the INEDs constituting the majority of the committee. The composition of the committee is set out in the section headed "Board Committees" on page 51 of this Annual Report.

During the year, the Finance Committee held two meetings. The attendance record of each committee member is shown in the section headed "Directors' Attendance" on page 46 of this Annual Report. Major work performed by the Finance Committee during the year was as follows:

- reviewed and monitored the Group's major investments;
- reviewed the long-term business plans and key strategic priorities of the Company and its major investee companies;
- reviewed and considered the Group's M&A and strategic initiatives;
- reviewed the Company's 2023 financial results and regularly monitored the Company's 2024 financial performance and forecasts;
- reviewed and discussed the Company's distribution policy;
- reviewed and discussed the Company's 2025 budget and its 2025 financial and cash flow forecasts; and
- considered and reviewed the Company's liability management and refinancing plan for 2025.

Ad Hoc Selection Committee

The Ad Hoc Selection Committee reports to the Board and the Nomination Committee, and is responsible for identifying and making recommendations to the Nomination Committee and the Board on suitable candidates for any appointment as additional INEDs of the Company.

The Ad Hoc Selection Committee comprises a majority of INEDs, and is chaired by an INED. The composition of the committee is set out in the section headed "Board Committees" on page 51 of this Annual Report. The committee meets on an ad hoc basis, at such times as may be required for the performance of its responsibilities. During the year, there was no meeting for the Ad Hoc Selection Committee.

Directors' Service Contracts

No Director has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

Disclosure of Inside Information

The Company has put in place a policy for the disclosure of inside information in compliance with the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), which has been uploaded to the website of the Company (www.firstpacific.com). The policy sets out the procedures for the handling and dissemination of inside information in a timely manner so as to allow shareholders, staff and other stakeholders to understand major developments within the Company and its major investee companies. The framework and its effectiveness are subject to review on a regular basis in accordance with established procedures.

Distribution Policy

First Pacific strives to deliver a progressive distribution policy over time. The aim of this policy is to steadily increase or at least maintain the Hong Kong dollar value of distributions per share annually. Prospective distributions, however, remain dependent on the financial performance and funding needs of the Company.

The distributions are paid to our shareholders twice a year through one interim distribution in respect of the six months ended 30 June and a final distribution in respect of the full year ended 31 December. Details of the distribution payment in respect of the current financial year, including the distribution payment date, can also be found on the Company's website (www.firstpacific.com).

Financial Reporting

In order to enable the Directors to present a balanced, clear and comprehensive assessment of the Company's performance, financial position and prospects to its shareholders, financial reports with adequate information and explanations are prepared by the Company's management and sent to the Board on a timely and regular basis.

Directors' Responsibility for the Financial Statements

The Companies Ordinance (Chapter 622 of the Laws of Hong Kong) requires the Directors to prepare financial statements for each financial year that give a true and fair view of the Company's state of affairs as at the end of the financial year and of its results and cash flows for the year then ended. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and apply them on a consistent basis, making judgments and estimates that are prudent, fair and reasonable;
- state the reasons for any significant departure from relevant accounting standards; and
- prepare the financial statements on a going concern basis, unless it is not appropriate to presume that the Company will continue in business for the foreseeable future.

The Directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

Auditor's Remuneration

An analysis of auditor's remuneration in respect of audit and non-audit services is as follows:

US$ millions	2024	2023
Auditor's remuneration		
– Audit services	**4.6**	4.3
– Non-audit services[(i)]	**1.1**	0.5
Total	**5.7**	4.8

(i) Pertained to due diligence, review of continuing connected transactions, ESG advisory service, and other transactions relating to the Group's business development

Company Secretary

All Directors have access to the advice and services of the Company Secretary, who is an employee of the Company and reports to the Executive Directors on Board governance matters. The Company Secretary is also responsible for ensuring that Board procedures are followed and applicable rules and regulations are complied with, facilitating communications among Directors as well as with shareholders and management and induction of new Directors and Directors' professional training.

The Company Secretary's biography is set out on page 42 of this Annual Report. The Company Secretary has confirmed that she has fulfilled all the required qualifications, experience and training requirements under the Listing Rules as at 31 December 2024.

Constitutional Documents

No changes have been made to the Company's memorandum of association and Bye-laws during the year ended 31 December 2024 and thereafter until the date of this Annual Report. The latest memorandum of association and Bye-laws of the Company are available on the websites of the SEHK (www.hkexnews.hk) and of the Company (www.firstpacific.com).

Shareholders Engagement

Effective Communication

First Pacific encourages an active and open dialogue with all of its shareholders, private and institutional, large and small. The Board acknowledges that its role is to represent and promote the interests of the Company as a whole and that its members are accountable to shareholders for the performance and activities of the Company. First Pacific is always responsive to the views and requests of its shareholders.

The formal channels of communicating with shareholders are the annual and interim reports, published announcements, shareholders' circulars, shareholder meetings and press releases. The annual and interim reports seek to communicate developments in the Company's businesses to shareholders and the wider investor community. All of these initiatives are designed to better inform shareholders and potential investors about the Company's activities and strategic direction. In order to promote effective communication, the Company also maintains a website (www.firstpacific.com) which includes information relating to the Group and its businesses.

The AGM is the principal forum for formal dialogue with shareholders. The Company's Chairman, Executive Directors, Chairs of Board Committees or other Directors, are present at the AGM either in person, by teleconference or video conference, in order to answer questions from shareholders about specific resolutions proposed at the meeting and also about the Group in general.

Other than the 2024 AGM, the Company convened an SGM on 22 August 2024 during which shareholders approved the Company's major transaction in respect of the investment by the First Pacific Investor Group (comprised PT Margautama Nusantara, an indirect majority-owned subsidiary of MPTC, and PT Metro Pacific Tollways Indonesia Services, a wholly-owned indirect subsidiary of MPTC) for approximately 24.5% equity interest in PT Jasamarga Transjawa Tol, a company principally engaged in the management, security and operation of the Trans-Java Toll Road Segments in Java, Indonesia with a total length of approximately 676 kilometres.

Voting by Poll

All voting at general meetings is conducted by poll. At the 2024 AGM and SGM, all resolutions tabled at the respective meeting were voted on and approved by poll. Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong, was engaged as scrutineer to ensure the votes were properly counted.

Shareholders' Communication Policy

The Company places considerable importance in ensuring reliable, effective and timely communications with shareholders and other stakeholders of the Company. The Company has put in place a Shareholders' Communication Policy (the "Shareholders' Communication Policy") which sets out the Company's principle of maintaining an effective ongoing dialogue with shareholders and different means of two-way communication between the Company and shareholders. The policy is reviewed by the Board on an annual basis to ensure its effective implementation and is available on the Company's website (www.firstpacific.com).

During the year, the Board undertook review on the Shareholders' Communication Policy and its effectiveness was confirmed, considering multiple channels were in place and adopted to reflect the current best practice in communications and engagement with shareholders and other stakeholders

Calling a Special General Meeting

Shareholders holding, at the date of the deposit of the requisition, not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition to the Company, to require a SGM to be called by the Board for the transaction of any business specified in such requisition.

The requisition:

- must be in writing and state the purposes of the meeting;
- must be signed by all the shareholders concerned;
- may consist of several documents in like form each signed by one or more shareholders concerned; and
- may either be deposited at the principal office of the Company at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong in hard copy form or sent by email to companysecretary@firstpacific.com.

Details of the abovementioned procedures are set out in a document titled "Rights and Procedures for Shareholders to Convene Meetings/Put Forward Proposals" available on the Company's website (www.firstpacific.com).

Putting Forward Proposals at General Meetings

Shareholders can request to circulate a resolution at a general meeting or circulate a statement (of not more than one thousand words) in connection with a proposed resolution or the business to be dealt with at a general meeting; the number of shareholders necessary for such requisition shall be:

(a) shareholders representing not less than one-twentieth of the total voting rights of all shareholders having, at the date of the requisition a right to vote at the meeting to which the requisition relates; or
(b) not less than one hundred shareholders of the Company.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, either at the principal office of the Company at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong in hard copy form or sent by email to companysecretary@firstpacific.com in the case of:

(a) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
(b) any other requisition, not less than one week before the meeting.

Details of the abovementioned procedures are set out in a document titled "Rights and Procedures for Shareholders to Convene Meetings/Put Forward Proposals" available on the website of the Company (www.firstpacific.com).

Further, a shareholder may propose a person other than a Director of the Company for election as a Director of the Company at a general meeting at which elections to the office of directors are to be considered. For such purpose, the shareholder must send to the Company's principal office (for the attention of the Company Secretary) (i) a written notice of intention to propose a resolution at the general meeting; and (ii) a notice signed by the proposed candidate of his/her willingness to be elected, together with that candidate's information as required to be disclosed under the Listing Rules and such other information as required by the Company, and the candidate's written consent to the publication of personal data. Such notice must be sent within a period of not less than seven days before the date of the general meeting. Procedures for shareholders to propose a person for election as a Director of the Company are also available on the website of the Company (www.firstpacific.com).

Putting Enquiries to the Board

Shareholders may send enquiries requiring the Board's attention to the Company Secretary at the Company's principal office located at 24th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong in hard copy form or by email to companysecretary@firstpacific.com. Questions concerning the procedures for convening or putting forward proposals at an AGM or SGM may also be put to the Company Secretary in the same manner.

Connected Transactions and Continuing Connected Transactions

1. Connected Transactions

The following transactions constituted connected transactions of the Group under the Listing Rules during the year ended 31 December 2024:

(a) Acquisition of interest in MPIC and disposal of interest in MPTC

On 26 September 2024, MPIC entered into the framework agreement (the "Framework Agreement") with Mit-Pacific Infrastructure Holdings Corporation ("Mit-Pacific"), a then existing 14.5% shareholder of MPIC and a joint venture owned as to approximately 50% each by Mitsui & Co., Ltd ("Mitsui") and Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development. Pursuant to the Framework Agreement:

(i) MPIC agreed to buy back, and Mit-Pacific agreed to sell, 4,577,448 common shares of MPIC held by Mit-Pacific (the "Buyback Shares"), representing approximately 50% of the outstanding common shares of MPIC held by Mit-Pacific or approximately 7.3% of the total outstanding common shares of MPIC as at 26 September 2024, for an aggregate consideration of approximately Pesos 11.9 billion (equivalent to approximately US$213.3 million), representing Pesos 2,600 (equivalent to approximately US$46.6) per Buyback Share, in cash (the "MPIC Buyback"); and

(ii) MPIC agreed to issue, and Mit-Pacific agreed to subscribe for, the exchangeable bond proposed to be issued by MPIC to Mit-Pacific at closing in accordance with the terms of the Framework Agreement (the "Exchangeable Bond") and to be evidenced by way of an exchangeable bond instrument executed by MPIC as the issuer in favour of Mit-Pacific as the bondholder, for an aggregate subscription price of approximately Pesos 11.9 billion (equivalent to approximately US$213.3 million), in cash. The Exchangeable Bond shall be exchangeable for the exchange shares of 1,495,258 fully paid common shares of MPTC held by MPIC, representing, as at the issue date of the Exchangeable Bond, approximately 6.6% economic interest in MPTC upon exercise of the exchange right attaching to the Exchangeable Bond by Mit-Pacific in full.

The transactions contemplated under the Framework Agreement are expected to deepen strategic cooperation between MPIC and Mit-Pacific at the operational level whilst maintaining collaboration across the Group. Toll roads represent one of multiple sectors across MPIC's portfolio where Mitsui has the global network and key industry relationships to support the Group's long-term growth strategies. The transactions would also have the effect of reducing MPIC's total shares outstanding, which increases the ownership percentage in MPIC for the other shareholders.

As at 26 September 2024, Mit-Pacific held approximately 14.5% of MPIC's outstanding common shares, and, therefore, is a connected person of the Company at the MPIC level. Accordingly, the entering into the Framework Agreement and each of the transactions contemplated thereunder constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

In addition to the information disclosed in the Company's announcement dated 26 September 2024, the Company would like to provide Shareholders with supplemental information on the elaboration on the basis of determination of the subscription price for the Exchangeable Bond, as described in the said announcement. Capitalized terms not otherwise defined in this section shall have the same meanings as defined in the said announcement.

The subscription price for the Exchangeable Bond is approximately Pesos 11.9 billion (equivalent to approximately US$213.3 million). The Exchangeable Bond shall entitle Mit-Pacific to exchange for all (in the case of a mandatory exchange) Exchange Shares of 1,495,258 common shares of MPTC held by MPIC, representing, as at the issue date of the Exchangeable Bond, approximately 6.6% economic interest in MPTC upon exercise of the exchange right attaching to the Exchangeable Bond in full.

The subscription price was determined after arm's length negotiations between MPIC and Mit-Pacific on normal commercial terms after taking into account: (i) a business review and financial analysis of MPTC; (ii) the reasons for and benefits of the transaction as described in the paragraph headed "Reasons for and Benefits of Entering into the Framework Agreement" in the aforementioned announcement; and (iii) a reference to the value of MPTC based on the market approach using a LTM EV/EBITDA (trailing twelve months enterprise value-to-earnings before interest, taxes, depreciation and amortization) multiple of 14.3 times at the time of negotiation. This multiple was established through a combination of data of other select peer trading comparables collected from the open market, not constituting a profit forecast within the meaning of the Listing Rules. Given the nature of operational toll road concession businesses, MPIC believes that use of the LTM EV/EBITDA multiple is the right valuation metric for the subscription price for the Exchangeable Bond.

The selection of the trading comparables under the market approach followed a rigorous identification process to ensure their alignment with MPTC's business nature, market conditions, regulatory environments, geographical operations and industry dynamics, including the following:

- Principally engaged in the development, management and operation of toll roads in Southeast or South Asia; and
- Positive profit contribution for the year ended 31 December 2023.

The said market comparables and their EV/EBITDA multiples are set forth in the table below:

Market comparables	LTM EV/EBITDA
Bangkok Expressway and Metro Public Company Limited (listed on The Stock Exchange of Thailand)	20.9x
Don Muang Tollway Public Company Limited (listed on The Stock Exchange of Thailand)	7.7x
IRB Infrastructure Developers Ltd (listed on the National Stock Exchange of India)	17.4x
PT Jasa Marga (Persero) Tbk (listed on the Indonesia Stock Exchange)	10.1x
Average	**14.0x**
Median	13.7x
MPTC Subscription Price	**14.3x**

This detailed analysis underpins the rationale for the effective subscription price for Mit-Pacific's 6.6% economic interest in MPTC, ensuring that it aligns with market standards and reflects the intrinsic value of MPTC.

Overall, the transaction represents a strategic alignment of interests and a commitment to enhancing operational efficiencies within the Group. It underscores the Company's dedication to maximizing shareholder value while pursuing growth in key markets across the Asia-Pacific region. Through this transaction, the Group is not only consolidating its position in MPIC, maintaining a strategic relationship with its investment partners, but also reinforcing its broader strategic objectives within the infrastructure sector.

Please refer to the Company's announcement dated 26 September 2024 for details.

(b) Acquisition of interests in EIPPI by MPTC from Egis Projects SAS ("Egis Projects"), acquisition of interest in ESC by MPTC from Egis Easytrip Services SAS ("Egis Easytrip"), and Master Services Agreement ("MLFF MSA") between Egis Projects Philippines, Inc. ("EPPI") and NLEX Corporation ("NLEX Corp.") in relation to the Multi-Lane Free Flow ("MLFF") Tolling Project in Luzon, the Philippines

(i) On 4 October 2024, MPTC entered into the share purchase agreement with Egis Projects and EIPPI (the "EIPPI SPA"), pursuant to which Egis Projects agreed to sell, and MPTC agreed to purchase, 307,560 common shares representing 55.42% of the outstanding capital stock of EIPPI, which owns 10.49% of the outstanding capital stock of NLEX Corp., the principal asset of EIPPI, for a cash consideration of Pesos 5,524 million (equivalent to approximately US$98.1 million) (the "EIPPI Acquisition").

NLEX Corp. holds key toll road concessions in the Philippines which is expected to continue contributing significantly to MPTC's cash flows through its robust cash flow profile over the remaining concession period, thereby further enhancing MPTC's financial performance. The EIPPI Acquisition is also aligned with the development strategy of the Group to invest in infrastructure projects and to focus on existing revenue-generating toll road projects.

As at 7 October 2024, EIPPI owns 10.49% of the outstanding capital stock of NLEX Corp. EIPPI is in turn owned as to approximately 55.42% by Egis Projects and as to approximately 44.58% by MPTC. Accordingly, Egis Projects and EIPPI are able to control the exercise of 10% of the voting power of NLEX Corp. at a general meeting of NLEX Corp. and are therefore substantial shareholders of NLEX Corp. The Group has approximately 46.3% economic interest in MPIC, which in turn owns MPTC as to approximately 99.9%. MPTC directly and indirectly owns NLEX Corp. as to approximately 77.7%. Egis Projects is therefore a connected person of the Company. Accordingly, the entering into of the EIPPI SPA constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

(ii) On 4 October 2024, MPTC entered into the share purchase agreement with Egis Easytrip and ESC (the "ESC SPA"), pursuant to which Egis Easytrip agreed to sell, and MPTC agreed to purchase, 68,000 common shares representing 34% of the outstanding capital stock of ESC for a base purchase price of Pesos 1,648 million (equivalent to approximately US$29.3 million), subject to upward adjustment, in cash (the "ESC Acquisition").

Through the ESC Acquisition, MPTC is expected to gain full ownership of all data and related information associated with the more than 3.9 million customer accounts and subscribers acquired by ESC over the years, which in turn will complement and strengthen MPTC's digitalization program which is geared towards enhancing customer experience while driving optimization of resources and efficiencies.

As at 7 October 2024, Egis Easytrip owns 34% while MPTC owns 66% of the outstanding stock of ESC. Accordingly, Egis Easytrip and MPTC are able to control the exercise of 34% and 66%, respectively, of the voting power of ESC at a general meeting of ESC and are therefore substantial shareholders of ESC. The Group has approximately 46.3% economic interest in MPIC, which in turn owns MPTC as to approximately 99.9%. Egis Easytrip is therefore a connected person of the Company. Accordingly, the entering into of the ESC SPA constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

(iii) On 4 October 2024, NLEX Corp. entered into the MLFF MSA with EPPI, pursuant to which EPPI shall provide turnkey design, engineering, supply, construction, installation, integration, testing, go-live, commissioning, operation, maintenance and related services for a MLFF tolling system on the MPTC toll roads in the Philippines in accordance with the terms of the MLFF MSA, for a contract price of approximately US$133.3 million payable by NLEX Corp. to EPPI in cash over the duration of the contract, subject to adjustments as provided for in the MLFF MSA.

The entering of the MLFF MSA will help integrate MPTC's toll roads in the Philippines into the MLFF tolling system which in turn will provide a platform configurable and scalable where MPTC could integrate its tolling operations and processes to the larger digital ecosystem which could in turn provide expanded opportunities for enhanced customer experience delivery and further efficiencies and savings.

As at 7 October 2024, EPPI is owned as to approximately 99.99% by Egis Projects, a connected person of the Company as described in paragraph (i) above, and, therefore a connected person of the Company. Accordingly, the entering into of the MLFF MSA constituted a connected transaction for the Company under Chapter 14A of the Listing Rules.

Please refer to the Company's announcement dated 7 October 2024 for details.

2. Continuing Connected Transactions

The following transactions constituted continuing connected transactions of the Group under the Listing Rules during the year ended 31 December 2024:

(a) Continuing connected transactions relating to various businesses of the Indofood Group

On 14 October 2022, the Company announced, among other things, the renewal of certain existing continuing connected transactions in respect of various businesses of the Indofood Group, immediately following the expiry on 31 December 2022, for a term of three years from 1 January 2023 to 31 December 2025, and new continuing connected transactions relating to certain businesses of the Indofood Group.

On 25 August 2023, the Company announced (i) the revised annual caps for 2023, 2024 and 2025 in respect of certain of the Indofood Group's previously announced transactions relating to its beverages, dairy and property businesses; (ii) a new continuing connected transaction relating to the Indofood Group's property business and its annual caps for 2024 and 2025; and (iii) the existing continuing connected transactions relating to the Indofood Group's sauce business and their respective annual caps for 2023, 2024 and 2025.

The annual caps for the continuing connected transactions relating to various businesses of the Indofood Group for 2023, 2024 and 2025 were disclosed in the Company's announcements dated 14 October 2022 and 25 August 2023 and the Company's circular dated 24 November 2022.

The Indofood Group and the Company believe that the continuing connected transactions, which are in the ordinary and usual course of business and on commercial terms, are beneficial to the Indofood Group and the Company for the continuing expansion of the Indofood Group's business operations, revenue and operational profitability, the maximization of the production capacities of the distribution network and the increase of worldwide brand awareness of the Indofood Group.

Please refer to the Company's announcements dated 14 October 2022 and 25 August 2023 and the Company's circular dated 24 November 2022 for details.

Applicable particulars of the continuing connected transactions relating to various businesses of the Indofood Group for the year ended 31 December 2024 are set out in Tables A to N below.

A. Transactions relating to the Plantations Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2024 (US$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
PT Salim Ivomas Pratama Tbk ("SIMP") and/or its subsidiaries	PT Sarana Tempa Perkasa ("STP"), an associate of Mr. Anthoni Salim ("Mr. Salim")	STP provides pumping services to SIMP and/or its subsidiaries to load crude palm oil and other derivative products to vessels	1 January 2023	31 December 2025	0.5
SIMP and/or its subsidiaries	PT Cipta Subur Nusa Jaya ("CSNJ"), an associate of Mr. Salim	SIMP and/or its subsidiaries rent infrastructure from CSNJ, and vice versa	1 January 2023	31 December 2025	0.0
SIMP and/or its subsidiaries	PT Rimba Mutiara Kusuma ("RMK"), an associate of Mr. Salim	SIMP and/or its subsidiaries lease heavy equipment and buy building materials and rent office space, trucks and tug boats from RMK; use transportation services from RMK; and purchase road reinforcement services from RMK	1 January 2023	31 December 2025	0.7

A. Transactions relating to the Plantations Business of the Indofood Group (Continued)

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
SIMP and/or its subsidiaries	IndoInternational Green Energy Resources Pte. Ltd. ("IGER") and/or its subsidiaries, an associate of Mr. Salim	SIMP and/or its subsidiaries provide operational services; sell seedlings, fertilizer products and lease office space to IGER and/or its subsidiaries. SIMP and/or its subsidiaries also buy prefabricated housing materials and palm oil and its derivatives products from the IGER and/or its subsidiaries	1 January 2023	31 December 2025	57.1
Indofood and/or its subsidiaries	PT Indomobil Sukses Internasional Tbk ("Indomobil") and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	9.5
SIMP	Shanghai Resources International Trading Co. Ltd. ("Shanghai Resources"), an associate of Mr. Salim	SIMP sells palm oil and its derivative products to Shanghai Resources	1 January 2023	31 December 2025	95.1
SIMP	PT Nippon Indosari Corpindo Tbk ("NIC"), an associate of Mr. Salim	SIMP sells margarine to NIC	1 January 2023	31 December 2025	2.9
Indofood	PT Lajuperdana Indah ("LPI"), an associate of Mr. Salim	Indofood grants an exclusive license of its "Indosugar" trademark relating to sugar to LPI	1 January 2023	31 December 2025	0.5
PT Inti Abadi Kemasindo ("IAK")	LPI, an associate of Mr. Salim	IAK sells packaging materials to LPI	1 January 2023	31 December 2025	0.4
SIMP and/or its subsidiaries	PT Indomarco Prismatama ("Indomaret") and/or its subsidiaries, an associate of Mr. Salim	SIMP and/or its subsidiaries sell cooking oil and margarine to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	75.4
SIMP and/or its subsidiaries	PT IDmarco Perkasa Indonesia ("IDP"), an associate of Mr. Salim	SIMP and/or its subsidiaries sell cooking oil and margarine to IDP	1 January 2023	31 December 2025	0.0
Aggregated amount					**242.1**

B. Transactions relating to the Distribution Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2024 (US$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
PT Indomarco Adi Prima ("IAP")	Indomaret and/or its subsidiaries, an associate of Mr. Salim	IAP sells noodles, seasoning, sauce, snack, milk, baby food, special food, flour, cooking oil, margarine and other third-party products; distributes various consumer products to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	360.1
IAP	PT Fast Food Indonesia Tbk ("FFI"), an associate of Mr. Salim	IAP sells chili and tomato sauces, seasonings and dairy products to FFI	1 January 2023	31 December 2025	1.1
PT Putri Daya Usahatama ("PDU")	Indomaret and/or its subsidiaries, an associate of Mr. Salim	PDU sells noodles, seasoning, sauce, snack, milk, baby food, special food, flour, cooking oil, margarine and other third-party products; distributes various consumer products to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	17.7
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	7.3
Indofood and/or its subsidiaries	PT Sumberdaya Dian Mandiri ("SDM") and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	17.6
IAP	Indomaret and/or its subsidiaries, an associate of Mr. Salim	Indomaret and/or its subsidiaries rent warehouses/building space from IAP	1 January 2023	31 December 2025	0.6
IAP	PT Indolife Pensiontama ("Indolife"), an associate of Mr. Salim	IAP's pension plan assets are managed by Indolife	1 January 2023	31 December 2025	0.1
IAP	LPI, an associate of Mr. Salim	IAP buys sugar from LPI	1 January 2023	31 December 2025	0.0
IAP	IDP, an associate of Mr. Salim	IAP sells noodles, seasoning, sauce, snack, milk, baby food, special food, flour, cooking oil, margarine and other third-party products to IDP. IAP pays commission fee to IDP	1 January 2023	31 December 2025	1.4
Aggregated amount					**405.9**

C. Transactions relating to the Flour Business of the Indofood Group

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
Bogasari	NIC, an associate of Mr. Salim	Bogasari sells flour to NIC	1 January 2023	31 December 2025	14.2
Bogasari	FFI, an associate of Mr. Salim	Bogasari sells flour and spaghetti to FFI	1 January 2023	31 December 2025	0.6
Indofood and/or its subsidiaries	PT Indotek Konsultan Utama ("IKU"), an associate of Mr. Salim	IKU provides consulting services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.1
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	7.4
Indofood and/or its subsidiaries	SDM and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	8.8
Bogasari	Indomaret and/or its subsidiaries, an associate of Mr. Salim	Bogasari sells flour products to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	19.8
Indofood and/or its subsidiaries	Interflour Group Pte. Ltd. ("Interflour") and/or its subsidiaries, an associate of Mr. Salim	Interflour and/or its subsidiaries provide manufacturing services to Indofood and/or its subsidiaries. Indofood and/or its subsidiaries sell flour goods to Interflour and/or its subsidiaries	1 January 2023	31 December 2025	1.2
Indofood and/or its subsidiaries	IDP, an associate of Mr. Salim	Indofood and/or its subsidiaries sell flour goods to IDP	1 January 2023	31 December 2025	0.4
Bogasari	PT Tarumatex, an associate of Mr. Salim	Bogasari rents warehouse from PT Tarumatex	1 January 2023	31 December 2025	0.1
Aggregated amount					**52.6**

D. Transactions relating to the Noodles Business of the Indofood Group

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
Indofood/PT Indofood CBP Sukses Makmur Tbk ("ICBP")	Golden Coast Group Limited ("Golden Coast"), an associate of Mr. Salim	Indofood/ICBP (1) grants a non-exclusive licence in respect of the "Indomie" trademark in certain countries in the Middle East and Africa; (2) provides technical services in connection with instant noodle manufacturing operations in in certain countries in the Middle East and Africa; and (3) sells and supplies ingredients, noodle seasonings and packaging used for instant noodle products to Golden Coast	1 January 2023	31 December 2025	3.8
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	1.9
Indofood and/or its subsidiaries	Shanghai Resources, an associate of Mr. Salim	Indofood and/or its subsidiaries sell noodles products to Shanghai Resources	1 January 2023	31 December 2025	13.9
Aggregated amount					**19.6**

E. Transactions relating to the Insurance Policies of the Indofood Group

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
Indofood and/or its subsidiaries	PT Asuransi Central, Asia ("ACA"), an associate of Mr. Salim	ACA provides vehicle, property and other assets insurance services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	5.9
Indofood and/or its subsidiaries	PT A. J. Central Asia Raya ("CAR"), an associate of Mr. Salim	CAR provides insurance services for personal accident and health to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	3.5
Indofood and/or its subsidiaries	PT Indosurance Broker Utama ("IBU"), an associate of Mr. Salim	IBU provides insurance services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.3
Aggregated amount					**9.7**

F. Transactions relating to the Beverages Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2024 (US$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
PT Anugerah Indofood Barokah Makmur ("AIBM")	SDM and/or its subsidiaries, an associate of Mr. Salim	AIBM uses human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	1.9
AIBM	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to AIBM	1 January 2023	31 December 2025	0.6
Aggregated amount					**2.5**

G. Transactions relating to the Dairy Business of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2024 (US$ million)
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	2.4
Indofood and/or its subsidiaries	SDM and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	0.8
PT Indolakto ("Indolakto")	Indomaret and/or its subsidiaries, an associate of Mr. Salim	Indolakto sells finished goods to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	2.2
Indolakto	NIC, an associate of Mr. Salim	Indolakto sells finished goods to NIC	1 January 2023	31 December 2025	0.4
Indolakto	IKU, an associate of Mr. Salim	IKU provides consulting services to Indolakto	1 January 2023	31 December 2025	–
Aggregated amount					**5.8**

H. Transactions relating to the Revolving Loan Facility of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	Transaction amount for the year ended 31 December 2024 (US$ million)
SIMP	IGER and/or its subsidiaries, an associate of Mr. Salim	SIMP provides a revolving loan facility to IGER and/or its subsidiaries	1 January 2023	31 December 2025	34.7
Aggregated amount					**34.7**

I. Transactions relating to the Customer Relationship Management of the Indofood Group

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	Transaction amount for the year ended 31 December 2024 (US$ million)
Indofood and/or its subsidiaries	PT Transcosmos Indonesia, an associate of Mr. Salim	PT Transcosmos Indonesia provides call center services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.2
Indofood and/or its subsidiaries	PT Data Arts Xperience, an associate of Mr. Salim	Indofood and/or its subsidiaries use digital media buying services from PT Data Arts Xperience	1 January 2023	31 December 2025	0.9
Indofood and/or its subsidiaries	PT PopBox Asia Services ("PopBox Asia"), an associate of Mr. Salim	Indofood and/or its subsidiaries brand on PopBox Asia's lockers	1 January 2023	31 December 2025	0.2
Aggregated amount					**1.3**

J. Transactions relating to the Packaging Business of the Indofood Group

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicle, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	1.1
Indofood and/or its subsidiaries	SDM and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources outsourcing services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	1.0
ICBP – Packaging	NIC, an associate of Mr. Salim	ICBP – Packaging sells packaging materials to NIC	1 January 2023	31 December 2025	0.0
ICBP – Packaging	Indomaret and/or its subsidiaries, an associate of Mr. Salim	ICBP – Packaging sells packaging materials to Indomaret and/or its subsidiaries	1 January 2023	31 December 2025	–
ICBP – Packaging	LPI, an associate of Mr. Salim	ICBP – Packaging sells packaging materials to LPI	1 January 2023	31 December 2025	0.0
Aggregated amount					**2.1**

K. Transactions relating to the Property Business of the Indofood Group

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
PT Aston Inti Makmur ("AIM")	Indomaret and/or its subsidiaries, an associate of Mr. Salim	Indomaret and/or its subsidiaries rent space from AIM	1 January 2023	31 December 2025	0.0
AIM	IDP, an associate of Mr. Salim	IDP rents space from AIM	1 January 2023	31 December 2025	–
AIM	PT Ciptabuana Sukses Lestari, an associate of Mr. Salim	PT Ciptabuana Sukses Lestari rents space from AIM	1 January 2023	31 December 2025	0.3
AIM	Bank INA Perdana, an associate of Mr. Salim	Bank INA Perdana rents space from AIM	1 January 2023	31 December 2025	1.0
AIM	PT Datacenter Indonesia Sukses Perkasa, an associate of Mr. Salim	PT Datacenter Indonesia Sukses Perkasa rents space from AIM	1 January 2024	31 December 2025	0.4
Aggregated amount					**1.7**

L. Transactions relating to the Snack Foods Business of the Indofood Group

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	1.8
Aggregated amount					**1.8**

M. Transactions relating to the Sauce Business of the Indofood Group

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
Indofood and/or its subsidiaries	Indomobil and/or its subsidiaries, an associate of Mr. Salim	Indomobil and/or its subsidiaries sell/rent vehicles, sell spare parts and provide vehicle services to Indofood and/or its subsidiaries	1 January 2023	31 December 2025	0.3
Indofood and/or its subsidiaries	SDM and/or its subsidiaries, an associate of Mr. Salim	Indofood and/or its subsidiaries use human resources services from SDM and/or its subsidiaries	1 January 2023	31 December 2025	0.3
Aggregated amount					**0.6**

N. Transactions relating to the Distribution Business with Substantial Shareholders of the Indofood Group

Parties to the agreement/arrangement: Name of entity of the group	Parties to the agreement/arrangement: Name of connected party and relationship between the parties	Nature of agreement/arrangement	Period covered by the agreement/arrangement: From	Period covered by the agreement/arrangement: To	Transaction amount for the year ended 31 December 2024 (US$ million)
ICBP	Said Bawazir Trading Corp ("SBTC"), a substantial shareholder of a subsidiary of the Indofood Group	ICBP sells noodles products to SBTC as distributor	1 January 2023	31 December 2025	299.9
ICBP	Tasali Jordan Trading Institute ("TJTI"), a substantial shareholder of a subsidiary of the Indofood Group	ICBP sells noodles products to TJTI as distributor	1 January 2023	31 December 2025	39.9
Aggregated amount					**339.8**

(b) Framework Agreement between Maynilad and D.M. Consunji, Inc. ("DMCI")

On 29 December 2023, Maynilad entered into the third renewal agreement (the "Third Renewal Agreement") with DMCI in relation to the framework agreement dated 13 January 2015 in relation to the provision of engineering, procurement and/or construction services (the "Services") provided by DMCI (the "Framework Agreement"), pursuant to which DMCI and Maynilad agreed to further renew the Framework Agreement for a term of three years from 1 January 2024 to 31 December 2026 in order to continue performance of the Services and allow DMCI to continue to submit proposals for business put out to competitive tender by Maynilad. Save for the revised term and new annual caps set for the three years ending 31 December 2024, 2025 and 2026, all other terms and conditions of the Framework Agreement remain in full force and effect.

The annual caps in respect of the Framework Agreement (as renewed by the Third Renewal Agreement) set for the three years ending 31 December 2024, 2025 and 2026 are US$281 million, US$332 million and US$78 million, respectively.

The Group has an approximately 51.3% interest in Maynilad Water Holding Company, Inc. ("MWHC"), the holding company of Maynilad. DMCI Holdings, Inc. ("DMCI Holdings"), being the 27.2% shareholder of MWHC, is a connected person of the Company. DMCI is a subsidiary of DMCI Holdings and is, therefore, a connected person of the Company. Accordingly, the execution of the Third Renewal Agreement constituted a continuing connected transaction for the Company under Chapter 14A of the Listing Rules.

Please refer to the Company's announcement dated 29 December 2023 for details.

Applicable particulars of the transaction amount in respect of the transactions under the Framework Agreement for the year ended 31 December 2024 are set out in the table below.

Parties to the agreement/arrangement			Period covered by the agreement/arrangement		Transaction amount for the year ended 31 December 2024
Name of entity of the group	Name of connected party and relationship between the parties	Nature of agreement/arrangement	From	To	(US$ million)
Maynilad	DMCI, a subsidiary of DMCI Holdings	Total pipe replacement of primary main along Nagan Road, Quirino Ave., and Alabang – Zapote Road from CAA Road to Doña Manuela Avenue in Las Piñas City	7 October 2024	28 June 2026	10.3
Aggregated amount					**10.3**

In respect of the financial year ended 31 December 2024, each of the continuing connected transactions has been subject to annual review by the INEDs of the Company pursuant to Rule 14A.55 of the Listing Rules and confirmation of the auditor of the Company pursuant to Rule 14A.56 of the Listing Rules.

The INEDs of the Company have concluded that each continuing connected transaction has been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, in those instances where there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favorable to the Indofood Group or to Maynilad than terms available to or from (as appropriate) independent third parties;
- in accordance with the relevant agreements governing them, or the relevant written memorandum recording their terms; and
- on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Ernst & Young, the Company's independent auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in accordance with Rule 14A.56 of the Listing Rules.

Risk Management and Internal Control

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 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 financial year ended 31 December 2024, 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.

The key controls and risk management measures undertaken by the investee companies for the year ended 31 December 2024 are summarized below:

Operational Controls

- The Directors and senior executives of the Company actively participate in various Boards of Directors of the investee companies (which includes attending Board Meetings) and such Boards oversee investee companies' investments and financial activities, approve annual budgets, monitor compliance with applicable laws and regulations and the quality of internal and external reporting.

- Prior to investments in new businesses, extensive due diligence regarding the operational, financial, regulatory and ESG aspects and risk management of the concerned businesses are conducted. Risks to investment returns are calibrated and specific measures to manage these risks are also determined.

- Quality and timely monthly management reports and regular Board papers and financial packages, with appropriate analysis of actual operational and financial performance against budgets, forecasts and prior periods, are prepared by the investee companies' management and submitted to their directors for review.

- The management teams of the investee companies continuously evaluate the performances of their businesses and provide periodic operational and financial reforecasts to the Executive Directors and senior executives of the Company for their review.

- The Executive Directors and senior executives of the Company review monthly management reports and conduct regular meetings with the management teams of the investee companies to understand their businesses' actual operational and financial performances against budgets and forecasts, and business risks and strategies.

- To promote good governance, whistleblowing policies and procedures are in place in certain investee companies, which provide stakeholders with clearly defined processes to report concerns to their audit committees about any suspected misconduct, malpractice or irregularity which he/she has become aware of or genuinely suspects that investee companies may have been involved in.

Financial Controls

- The management of each of the investee companies ensures that an efficient capital structure is maintained. Information about the Group's capital management is set out in Note 39 to the Consolidated Financial Statements.
- The finance and treasury teams in each of the investee companies undertake the management of the financial risks relating to foreign exchange, interest rates, liquidity and commodities. Information about the Group's management of its financial risks is set out in the section headed "Financial Review – Financial Risk Management" and Note 39 to the Consolidated Financial Statements.

Compliance Controls

- The Company Secretary and the legal teams in the investee companies undertake the monitoring of compliance with relevant laws, rules and regulations. In some of the regulated businesses, specific regulatory management groups are established to mitigate risks arising from potential differences with regulators in the interpretation of relevant laws, rules and regulations.
- The financial reporting teams and audit committees in the investee companies ensure that the financial statements of their companies comply with relevant regulatory requirements, financial reporting and accounting standards, and that they are based on suitable accounting policies as well as prudent and reasonable judgments and estimates.
- The treasury teams in the investee companies undertake the monitoring of compliance with relevant covenants for their borrowings.

Risk Management

- The Risk Assessment Committee comprises of one Executive Director and senior executives of the Company and oversees the Head Office risk management. The Risk Assessment Committee maintains a Risk Matrix with reference to the probability and potential consequences of major risks identified at the Head Office. The Risk Matrix is reviewed by the Audit and Risk Management Committee and the Board on a semi-annual basis.
- The Company classifies different Head Office risks under four major categories: Strategic Risks, Financial Risks, Operational Risks, and Regulatory and Compliance Risks. The principal risks faced by the Head Office and key controls/mitigation measures include the following:

Key risk categories identified	Key controls/mitigation measures
(i) Strategic	
■ Country and political risk in the Philippines and Indonesia	■ Diversify the investment portfolio across different geographic regions ■ Proactively stay up-to-date on local issues and policies
■ FPC share price	■ Work closely with investee companies to improve their operational performances and facilitate the implementation of their strategic plans ■ Develop an enhanced investment strategy ■ Engagement with institutional investors
■ Acquisitions and additional investments by FPC	■ Limit significant new investments to short-medium term ■ Regularly review the Company's capital allocation policy and new investments ■ Conduct robust investments analysis/modelling and due diligence ■ Develop and monitor the implementation of a comprehensive integration plan ■ Sale of non-core/underperforming investments
(ii) Operational	
■ People risk	■ Regular strategic discussions on succession planning ■ Regular review of the structure, size and composition of the Board by the Nomination Committee ■ Ongoing identification of potential talents from within or outside the Company

Key risk categories identified	Key controls/mitigation measures
(iii) Financial	
■ Currency risks	■ Hedge expected dividends from investee companies and/or non-US$ consideration for or proceeds of acquisitions/divestments ■ Match foreign currency borrowings with corresponding foreign currency investments to mitigate the currency mismatch exposure at the investee companies level
■ Constraints on capital raising	■ Monitor and improve financial ratios ■ Consider selling of non-core assets for capital recycling ■ Diversify financing options
■ Impairment	■ Closely monitor the performance of the investee companies against the investment case for impairment assessment purpose ■ Review the reasonableness of business plans and financial projections of investee companies
(iv) Regulatory and compliance	
■ Cybersecurity risk	■ Strengthen IT security control with stringent IT policies and procedures ■ Provide regular training and IT security alerts to employees ■ Engage independent IT consultant to perform regular reviews of IT system security
■ ESG risks	■ Regularly monitor and review ESG issues, developments and reporting standards ■ Ensure compliance with applicable ESG reporting standards ■ Engage with professional consultants for ESG reporting ■ Regular staff training ■ Engage with investee companies on ESG compliance
■ Regulatory risk	■ Monitor and analyze market changes and assess their potential impact on the businesses and operations of the investee companies ■ Ensure compliance with applicable laws, rules and regulations ■ Publication of regulatory bulletin and internal guidelines for internal circulation ■ Regular staff training

- To ensure effective implementation of risk management and internal control systems, risk management processes are conducted according to the investee companies' prescribed risk management policies and procedures, based on a risk management framework carefully defined for the effective management of risks at all levels across all operating and functional units in the investee companies.

- Telecommunications – The PLDT Board, with the assistance of its Risk Committee, fulfils its oversight responsibilities for the company's assessment and management of enterprise risks. It reviews and discusses with Management PLDT's major risk exposures and the corresponding risk mitigation measures. PLDT's Risk Committee assists the Board in the performance of its functions to: (i) oversee Management's adoption and implementation of a system for identifying, assessing, monitoring and managing key risk areas; (ii) review Management's reports on PLDT's major risk exposures; and (iii) review Management's plans and actions to minimize, control or manage the impact of such risks.

  The Chief Risk Management Officer ("CRMO") is tasked to: (i) plan the overall strategy of the different risk management units of PLDT; (ii) review risk management activities and controls of the operational units; (iii) review internal and external factors that can negatively affect PLDT's risk profile; (iv) influence, and when necessary, challenge material risk decisions and initiatives; (v) monitor that risks are within the bounds of the risk appetite of PLDT; and (vi) review and escalate critical risks to the Management Committee, the Risk Committee and the Board, as necessary, advising them on requisite actions.

The Group Enterprise Risk Management Department ("GRMD") provides support to the CRMO by implementing an integrated risk management program with the goal of identifying, analyzing and managing PLDT's risks to an acceptable level, so as to enhance opportunities, reduce threats, and sustain competitive advantage. The implementation of the enterprise risk management ("ERM") process ensures that critical risks are well understood and effectively managed across all functions and units within PLDT. This is achieved through the operationalization of the Enterprise Risk Management Framework ("ERMF"), which is a standardized approach to risk identification, assessment and management. The ERMF is aligned with the ISO 31000 Risk Management Standard, the Committee of Sponsoring Organizations of the Treadway Commission's Enterprise Risk Management Framework, risk considerations found in the S&P Global Corporate Sustainability Assessment, and Global Reporting Initiative (GRI) Standards. The GRMD manages execution of the Three Lines of Defense Model to ensure that all layers of the organization contribute to managing enterprise risks through the implementation of identified controls and mitigation strategies. The GRMD facilitates the risk assessment exercise of the Management Committee, implements activities to build an effective culture of risk across the organization, and reports significant risk exposures, including business risks, control issues and risk mitigation plans to the Risk Committee. The GRMD Head supervises the ERM process and spearheads the development, implementation, and improvement of ERM processes and documentation, and communicates the top risks and status of implementation of risk management strategies and action plans to the Management Committee, and the Risk Committee.

PLDT's key risks for 2024 together with key controls/mitigation measures that have been executed in response to the risks identified are as follows:

Key risk categories identified	Key controls/mitigation measures
(i) Strategic	
■ Lack of opportunities for strategic growth	■ Transformative initiatives ■ Cost reduction initiatives ■ Stringent review of capital expenditure
(ii) Operational	
■ Increased competition from new market players	■ Business excellence and quality management; culture transformation roadmap ■ Customer lifecycle management initiatives
■ Enterprise data management and governance	■ Data privacy initiatives and staff training ■ Alignment and synchronization of strategies, processes and implementation ■ Asset management
■ Cybersecurity and data privacy	■ Cybersecurity insurance; security risk assessment; incident management protocol and risk assessment; compliance with cybersecurity standards; continued employee education and public awareness
■ Dependency on third parties	■ Vendor management and diversification ■ Enhance compliance management and procuring monitoring
■ Human capital risks	■ Talent strategy ■ Organizational transformation ■ Improve labour relations
■ ESG risks/climate change and natural disasters	■ Materiality assessment and sustainability roadmap ■ Best practices benchmarking ■ Crisis management plan ■ Property insurance
(iii) Financial	
■ Debt serving capacity	■ Build strategic relationship with other enterprises to enhance market position ■ Use of financial tools to manage forex risks
(iv) Regulatory and compliance	
■ Changes in regulatory environment and compliance requirements	■ Strengthen governance practices ■ Continued engagement with relevant government authorities

- Consumer food products – Indofood's ERM is undertaken through a top-down approach that involves the Indofood Board in the evaluation of high-level risks and a bottom-up approach where subsidiaries and business units assess risks specific to their operations. The Corporate ERM team consolidates the key risks to get a holistic view of Indofood's risks, and reports to the Indofood Board and the Audit Committee periodically. The top risks identified for 2024 and key controls/mitigation measures taken by Indofood are set out as follows:

Key risk categories identified	Key controls/mitigation measures
(i) Strategic	
■ Uncertainty of global economic condition risk	■ Closely monitor macro-economic situations and conditions; cost-savings program; prioritize business expenditure
(ii) Operational	
■ Competition risk	■ Monitor market environment; conduct market research; undertake product innovation to meet evolving consumers' needs and preferences; improve product quality; market activities; enhance quality of customer services; cost efficiency program
■ Global warming and climate change risk	■ Maintain adequate stockpile of raw materials; cultivate strong relationships with local and foreign suppliers; establish contingency plans for disasters; insurance coverage against financial loss
■ Cybersecurity and information system risk	■ Implement security platforms with automated controls to detect and prevent cyber attacks and other digital threats; strengthen and upgrade cybersecurity tools; establish IT security policies; conduct IT general controls audits and testing; disaster recovery system to ensure business continuity
■ Raw material and supply chain risk	■ Strengthen supply chain by building strategic relationships with local suppliers; diversification; cost and quality management of commodities and raw materials; price fluctuations scenario analysis
■ Food safety and quality risk	■ Stringent controls across all stages of manufacturing; compliance with standard operating procedures
■ Health and safety risk	■ Implement international standard for occupational health and safety management system; establish safety team; periodic monitoring and audit
■ Publicity and reputation risk	■ Media monitoring; responsive customer call line; contingency communication policy; use of verified social media accounts for announcements
■ Talent and people risk	■ Succession plan; training; management trainee program
(iii) Regulatory and compliance	
■ Sustainability risk	■ Compliance with applicable environmental, employment, health and safety regulations and guidelines; closely monitor environmental management activities; staff training; participate in community development activities

- Infrastructure – MPIC, through its Risk Management Committee ("RMC"), oversees and monitors MPIC Management's adoption of a risk management system. MPIC's RMC has conducted a review of the effectiveness of the MPIC Group's (including its subsidiaries, major associated companies and joint ventures) ERM systems for 2024, covering all material strategic, financial operational and compliance risks.

  Specific key risks identified by MPIC in 2024 and approved by the RMC and key controls/mitigation measures are as follows:

Key risk categories identified	Key controls/mitigation measures
(i) Operational	
■ Project delivery in a non-timely and cost-efficient manner	■ Capital expenditure and project management ■ Contingency budget; contractor management
■ Balancing limited water and energy supply with growing demand	■ Ongoing competitive selection process to ensure power supply requirements are timely ■ Sourcing diversification; build strategic relationships with suppliers ■ Upgrading and improvement works in water treatment plants ■ Initiatives to reduce non-revenue water
■ Cybersecurity risks	■ Centralized group-level driven initiatives on information security and data privacy ■ IT security health checks ■ Strengthen IT governance and infrastructure ■ Regular staff training
■ Extreme weather events and other disasters	■ Business continuity plan and disaster recovery plan ■ Insurance coverage of assets against property damage ■ Contingency budget
■ Shortage of people and skills	■ Succession planning ■ Strength human resources management; salary and incentive review; build staff engagement
■ Aging and deteriorating assets/equipment	■ Regular inspection and safety audits ■ Implement planned maintenance of assets and equipment ■ Conduct structural analysis for and assess structural integrity of assets and equipment
■ Business transformation risks	■ Comprehensive stakeholder management initiatives ■ Close coordination with contractors to address system issues and to ensure timely remedial ■ Ensure availability of spare parts and back-up system
(ii) Financial	
■ Increased debt financing	■ Evaluate refinancing plans and strategies ■ Loan covenants management and monitoring
■ Underperformance of investee companies	■ Optimize contract mix to include exposure to contestable markets for the power segment ■ Initiatives/campaigns to increase road utilization for the toll road segment and ridership for the light rail segment ■ Enhance collection initiatives for the water segment
(iii) Regulatory and compliance	
■ Uncertainties in franchise renewal and extension of concession agreements and more stringent regulatory compliance requirements	■ Proactive engagement with relevant government authorities ■ Ensure fulfillment of concession agreements ■ Strengthen regulatory compliance

- Electricity generation – in order to ensure that it has a robust system of internal controls and risk management framework in place, PLP established an Audit and Risk Committee ("ARC") to oversee the adequacy of internal controls and risk management in the company. The ARC comprises three members of the Board of Directors and meets at least twice a year and whenever there are issues to be discussed. The Head of Risk Management ("HRM") reports to the ARC and manages PLP's risk management process, which includes oversight of the risk register and risk map, audit of internal controls and the whistle-blowing process. To further strengthen independence in the audit of internal controls, an external auditor has been appointed to audit the internal controls established by PLP, who will report its findings to the HRM and the ARC regularly.

  Specific key risks identified by PLP in 2024 and key controls/mitigation measures are summarized as follows:

Key risk categories identified	Key controls/mitigation measures
(i) Operational	
■ Unable to run the generation units at desired capacity to fulfil commercial commitment	■ Stock/equipment management ■ Ensure backup fuel systems are available
■ Delay in operation of the Fast Start Ancillary Service	■ Work with contractors to speed up installation and commissioning activities
■ Business interruptions which may affect staff attendance and/or safety of staff compromised	■ Business continuity plans, emergency response plan and pandemic readiness and response plan ■ Regular training for staff and regular review of emergency response plan ■ Business interruption insurance in place to mitigate losses ■ Conducts regular fire drills
■ Pool prices are lower than budget spark spread and/or cost	■ Strategic timing in securing contracts
■ Potential penalty due to failure in registering the new unit as a generation registered facility	■ Maintain relationships with regulators ■ Secure essential equipment as quickly as possible
■ High attrition of personnel, in particular mid-management level with domain knowledge	■ Review compensation and benefits on an annual basis to ensure their competitiveness within the industry ■ Job rotation and cross-divisional training for staff ■ Implement flexi-work arrangements and promotes work-life balance
■ Cybersecurity attack	■ Annual penetration test and IT vulnerability assessment ■ Annual review of access right ■ Regular staff training on cybersecurity
(ii) Financial	
■ Volatile profit margin as a result of the lack of large and long-term contracts with multinational corporation customers	■ Project cost management ■ Explore opportunities for procurement of green energy supply
■ Persistent high reserve responsibility share, resulting in lower EBITDA and loss of potential revenue from pool sales	■ Channel capacity above contractual obligation to reserve market to mitigate exposure
(iii) Regulatory and compliance	
■ Significant changes in regulations	■ Proactive engagement with regulators ■ Industry association participation

- Natural resources – Philex has undertaken a risk management program for physical, social, ecological and economic risks inherent in its mining business, thereby ensuring a productive and efficient operation. It employs a comprehensive, integrated risk management program, effected across all levels of the organization, with the goal of identifying, analyzing and managing risks to an acceptable level, so as to increase productivity, enhance opportunities, reduce threats, and thus sustain competitive advantage.

  Specific key risks identified by Philex together with the key controls/mitigation measures for 2024 are summarized below:

Key risk categories identified	Key controls/mitigation measures
(i) Operational	
■ Business disruptions due to the occurrence of natural disasters	■ Ensure manpower availability during disruptions ■ Measures to manage business disruptions during typhoon
■ Production safety and the occurrence of accidents	■ Change of development plan ■ Consider retreat plan in the event of unexpected accidents ■ Draw point management
■ Ongoing dispute on IP royalty and the related financial obligations	■ Pursue negotiation and settlement with relevant parties
■ Fluctuations in prices of materials and supplies	■ Continue to lock in negotiated prices of critical parts ■ Widen suppliers' base ■ Source alternative supplies
■ Unscheduled breakdowns of machinery and equipment	■ Machine/equipment maintenance and management
■ Pre-termination and withdrawal of contractor	■ Manpower management ■ Engage additional development contractor
■ Unscheduled breakdowns/failure of old transformers and aging power lines	■ Replace old and unreliable units ■ Regular check and maintenance
■ Failure to secure the necessary access agreements with third parties	■ Maintain relationships with regulators and relevant parties ■ Explore alternative facilities
(ii) Financial	
■ Lower working capital and cash infusion due to non-achievement of budgeted revenues and cash flows	■ Monitor metal prices and use of hedge contracts ■ Effective treasury management
(iii) Regulatory and compliance	
■ Failure to secure the necessary permits and licences	■ Maintain relationships with regulators ■ Frequent follow-up with regulators on applications for the necessary permits and licenses

- Risk assessments are conducted regularly by each investee company's management team and reported to its audit and/or risk committee and its board of directors. The audit and/or risk committees of the investee companies meet with internal and external auditors as well as the investee companies' management teams regularly to communicate on issues regarding the investee companies' risks to ensure accuracy of risk assessment reports and proper implementation of the reported risk mitigation strategies and controls.

During the year ended 31 December 2024, 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.

Remuneration Policy

Details of Directors' remuneration for the year are set out in Note 36 to the Consolidated Financial Statements. The remuneration of senior executives, including Directors, consists of the following:

Salary and Benefits

Salary reflects an executive's experience, responsibility and market competition for talent. Salary adjustments are based on effective management of the Company and on increased responsibility, with consideration of expected economic conditions, cost of living and pay expectations in the market. Benefits principally comprise housing allowance, professional educational support and health care, and are consistent with those provided by comparable companies.

Bonus and Long-term Incentives

Bonuses are based on the achievement of performance targets, and largely correlate with annual recurring profit achievements. Individual staff performance and ESG factors are also taken into account. Long-term incentives comprise monetary payments, share options, and/or share awards that link reward to the achievement of predetermined objectives such as retention of key employees for the Group's operations and future development, and achievement of recurring profit targets. The value of the long-term incentive offered to each executive is related to job grade and contribution to the management of the business.

Fees

It is the Company's policy that it does not pay any fees to the Company's Executive Directors for attending Board or Board Committee meetings, and general meetings of shareholders. As for the Company's NEDs (including the INEDs), they are paid the sum of US$7,000 for each meeting of the Board and each general meeting of shareholders (which he or she shall attend in person or by telephone or video conference call); and the sum of US$6,000 for each meeting of Board Committees (which he or she shall attend in person or by telephone or video conference call).

Pension Contributions

The Company operates defined contribution schemes, in respect of which contributions are determined on the basis of basic salary and length of service.

Financial Review

Financial Performance and Position

Analysis of Consolidated Income Statement

Analysis of the Group's 2024 reported results and comparison with 2023.

For the year ended 31 December US$ millions	2024	2023	% change
Turnover	**10,057.2**	10,510.7	-4.3
Gross profit	**3,654.3**	3,374.6	+8.3
Operating expenses	**(1,418.4)**	(1,351.8)	+4.9
Other operating income and expenses	**(277.1)**	(112.0)	+147.4
Net finance costs	**(455.1)**	(457.8)	-0.6
Share of profits less losses of associated companies and joint ventures	**523.4**	366.3	+42.9
Taxation	**(423.8)**	(477.9)	-11.3
Non-controlling interests	**(1,003.0)**	(840.2)	+19.4
Profit attributable to owners of the parent	**600.3**	501.2	+19.8
Recurring profit	**672.5**	603.8	+11.4

Changes in the consolidated income statement items are explained as follows:

Turnover – decreased by 4.3%, mainly reflecting the lower revenue at PLP (decreased by 26.7% in S$ terms) and the impact of the depreciation in the average rupiah and peso exchange rates against the U.S. dollar of 4.2% and 3.2%, respectively, partly offset by higher revenues at MPIC (increased by 19.2% in peso terms) and Indofood (increased by 3.7% in rupiah terms). The decrease in PLP's revenue mainly reflecting lower average selling prices. The increase in MPIC's revenue mainly reflects tariff increase from its Water business, higher traffic volumes and toll rate increases from its Toll Roads business, and higher ridership and fare increase from its Rail business. The increase in Indofood's revenue mainly reflects strong sales growth at the CBP group.

Gross profit – increased by 8.3%, mainly reflecting the increase in gross profits at Indofood and MPIC. The increase in gross profit margin (2024: 36.3% vs 2023: 32.1%) mainly reflects tariff increase at MPIC's Water business, and higher traffic volumes and toll rate increases from its Toll Roads business, and lower raw material costs at Indofood.

Operating expenses – increased by 4.9%, mainly reflecting the increases in selling and distribution expenses at Indofood and administrative expenses at MPIC.

Other operating income and expenses – increased by 147.4%, mainly reflecting foreign exchange and derivative losses due to the depreciation of the closing exchange rates of the rupiah and the peso against the U.S. dollar of 4.6% and 4.3% in 2024 (the "retranslation effect"), respectively, as compared to foreign exchange and derivative gains due to the appreciation of the closing exchange rate of the rupiah against the U.S. dollar of 2.0% in 2023.

Net finance costs – decreased by 0.6%, mainly reflecting higher interest income from Indofood on higher average cash balance, partly offset by higher finance costs at MPIC on higher average debt balance mainly for the acquisition of 22.9% effective interest in JTT.

Share of profits less losses of associated companies and joint ventures – increased by 42.9%, mainly reflecting higher profit contributions from PLDT and Meralco.

Taxation – decreased by 11.3%, mainly reflecting lower deferred taxation charges at Indofood, partly offset by higher current taxation charges at MPIC.

Non-controlling interests – increased by 19.4%, mainly attributable to higher profits at Indofood and MPIC shared by its non-controlling shareholders.

Profit attributable to owners of the parent – increased by 19.8%, mainly reflecting a higher recurring profit and a lower non-recurring losses, partly offset by foreign exchange and derivative losses in 2024 as compared to gains in 2023.

Recurring profit – increased by 11.4%, mainly reflecting higher recurring profit contributions from Indofood, MPIC and PLDT, partly offset by lower recuring profit contribution from PLP.

Analysis of Consolidated Statement of Financial Position

Analysis of the Group's consolidated statement of financial position at 31 December 2024 compared with 31 December 2023's follows.

At 31 December US$ millions	2024	2023	% change
Property, plant and equipment	**3,634.8**	3,730.3	-2.6
Associated companies and joint ventures	**5,867.3**	5,283.8	+11.0
Goodwill	**3,784.7**	3,967.7	-4.6
Other intangible assets	**7,265.0**	6,839.3	+6.2
Cash and cash equivalents[i]	**3,437.8**	3,161.2	+8.7
Other assets	**4,688.3**	4,375.2	+7.2
Total Assets	**28,677.9**	27,357.5	+4.8
Borrowings	**12,536.3**	11,611.5	+8.0
Other liabilities	**4,211.4**	4,179.1	+0.8
Total Liabilities	**16,747.7**	15,790.6	+6.1
Net Assets	**11,930.2**	11,566.9	+3.1
Equity attributable to owners of the parent	**3,926.2**	3,688.0	+6.5
Non-controlling interests	**8,004.0**	7,878.9	+1.6
Total Equity	**11,930.2**	11,566.9	+3.1

(i) Includes short-term deposits and restricted cash

Changes in the consolidated statement of financial position items are explained as follows:

Property, plant and equipment – decreased by 2.6%, mainly reflecting depreciation expense during the year and the retranslation effect, partly offset by capital expenditure incurred by Indofood, MPIC and PLP.

Associated companies and joint ventures – increased by 11.0%, mainly reflecting MPTC's acquisition of 22.9% effective interest in JTT, and the Group's share of net profits from Meralco, PLDT and Philex, partly offset by dividends declared by associated companies, the retranslation effect, and impairment provision made.

Goodwill – decreased by 4.6%, mainly reflecting the retranslation effect.

Other intangible assets – increased by 6.2%, mainly reflecting MPIC's capital expenditure for its toll roads, water distribution, and rail concession assets, partly offset by the retranslation effect and amortization expense during the year.

Cash and cash equivalents – increased by 8.7%, mainly reflecting operating cash inflows from Indofood, MPIC, and PLP, and dividends from associated companies, partly offset by the Group's payments for capital expenditure, investments, and dividends to non-controlling shareholders of subsidiary companies, the Company's payments for distributions to shareholders, and the retranslation effect.

Other assets – comprising accounts receivable, other receivables and prepayments, inventories, other non-current assets, financial assets at fair value, deferred tax assets, biological assets, investment properties, and assets classified as held for sale, increased by 7.2 %, mainly reflecting higher inventory balance at Indofood and consolidation of Costa De Madera Corporation ("CDMC"), partly offset by the retranslation effect.

Borrowings – increased by 8.0%, mainly reflecting MPIC's net new borrowings for financing its capital expenditure and investments, partly offset by the retranslation effect.

Other liabilities – comprising accounts payable, other payables and accruals, deferred liabilities, provisions and payables, deferred tax liabilities and provision for taxation, increased by 0.8%, mainly reflecting the increase in accrued construction costs on higher capital expenditure on service concession assets at MPIC, partly offset by the retranslation effect.

Equity attributable to owners of the parent – increased by 6.5%, mainly reflecting the Group's net profit for 2024 (US$600.3 million), partly offset by the Company's payments for 2023 final distribution (US$67.9 million) and 2024 interim distribution (US$65.3 million), and the retranslation effect.

Non-controlling interests – increased by 1.6%, mainly reflecting share of profits by non-controlling shareholders, partly offset by the dividends declared to non-controlling shareholders by the Group's subsidiary companies, and the retranslation effect.

Liquidity and Financial Resources

Analysis of Consolidated Statement of Cash Flows

Analysis of the Group's 2024 consolidated statement of cash flows compared with 2023's follows.

For the year ended 31 December US$ millions	2024	2023	% change
Operating Activities			
Net cash flows from operating activities	**1,746.5**	1,730.1	+0.9
Investing Activities			
Dividends received	**328.6**	329.1	-0.2
Net capital expenditure	**(1,348.0)**	(1,175.2)	+14.7
Acquisitions, investments and disposals	**(613.6)**	(637.9)	-3.8
Financing Activities			
Net new borrowings	**1,226.0**	305.8	+300.9
Distributions/dividends paid	**(603.0)**	(559.2)	+7.8
Other financing cash flows	**(156.1)**	341.4	–
Net Increase in Cash and Cash Equivalents	**580.4**	334.1	+73.7
Cash and cash equivalents at 1 January(i)	**2,814.3**	2,457.8	+14.5
Exchange translation	**(107.7)**	22.4	–
Cash and Cash Equivalents at 31 December(i)	**3,287.0**	2,814.3	+16.8

(i) Includes short-term deposits, but excludes short-term deposits with original maturity of more than three months

Changes in the consolidated statement of cash flows items are explained as follows:

Net cash flows from operating activities – increased by 0.9%, mainly reflecting increases in operating cash inflows at Indofood and MPIC from higher operating profits in local currencies, partly offset by the depreciation of the average exchange rates of the rupiah and peso against the U.S. dollar and lower operating cash inflow at PLP.

Dividends received – decreased by 0.2%, mainly reflecting the depreciation of the average exchange rate of the peso against the U.S. dollar, partly offset by higher dividend income from Meralco in local currency.

Net capital expenditure – increased by 14.7%, mainly reflecting higher capital expenditures at Indofood and MPIC, partly offset by the depreciation of the average exchange rates of the rupiah and peso against the U.S. dollar.

Acquisitions, investments and disposals – decreased by 3.8%. 2024's net cash outflow principally relates to MPTC's investments in JTT (US$686.8 million). 2023's net cash outflow principally related to the Group's investment in financial assets at fair value (US$506.1 million) and MPIC's investments in Axelum Resources Corp. ("ARC") (US$69.6 million).

Net new borrowings – increased by 300.9%. 2024's net cash inflow principally relates to net proceeds from borrowings at MPIC (US$1,014.0 million) (mainly for MPTC's investment in JTT) and Indofood (US$241.3 million), partly offset by net repayment of borrowings at PLP (US$15.0 million) and Head Office (US$14.3 million). 2023's net cash inflow principally relates to net proceeds from borrowings at MPIC (US$417.3 million), partly offset by net repayment of borrowings at PLP (US$70.8 million) and Indofood (US$42.6 million).

Distributions/dividends paid – increased by 7.8%. 2024's cash outflow represents the payments of 2023 final and 2024 interim distributions by the Company to its shareholders and the payments of dividends by the Group's subsidiary companies and Philippine affiliates to their non-controlling shareholders. The increase principally reflects increases in distributions paid by the Company, and dividends paid by the Group's subsidiary companies and Philippine affiliates in 2024.

Other financing cash flows – 2024's net cash outflow mainly relates to MPTC's increased investments in PT Nusantara Infrastructure Tbk ("PT Nusantara") (US$59.0 million) and NLEX Corporation (US$46.2 million), the Group's settlement of principal element of lease payments (US$31.0 million) and MPTC's and Maynilad's payment of concession fee payable (US$23.3 million). 2023's net cash inflow mainly relates to proceeds from MPIC's divestment of its interest in MUN (US$214.8 million) and issuance of new common shares (US$193.8 million), partly offset by the Group's increased investment in MPIC (US$56.5 million).

Net Debt and Gearing

(A) Head Office Net Debt

The decrease in net debt is mainly due to the increase in cash and cash equivalents balance reflecting the continued generation of net cashflow from operation, lowered amount of net investments, and lower gross borrowings. The Head Office's borrowings at 31 December 2024 comprise bonds of US$349.1 million (with a face value of US$350.0 million) which are due for redemption in September 2027, and bank loans totaling US$1,108.8 million (with a principal amount of US$1,120.0 million) which are due for repayment between January 2026 and August 2034.

Changes in Head Office Net Debt

US$ millions	Borrowings	Cash and cash equivalents	Net debt
At 1 January 2024	1,466.8	(70.9)	1,395.9
Movement	(8.9)	(49.6)	(58.5)
At 31 December 2024	**1,457.9**	**(120.5)**	**1,337.4**

Head Office Cash Flow

For the year ended 31 December US$ millions	2024	2023
Dividend and fee income	**305.3**	324.1
Head Office overhead expense	**(18.6)**	(17.7)
Net cash interest expense	**(72.1)**	(70.3)
Tax paid	**(0.7)**	(0.2)
Net Cash Inflow from Operating Activities	**213.9**	235.9
Net investments[(i)]	**(17.8)**	(148.5)
Financing activities		
– Distributions paid	**(133.2)**	(119.0)
– (Repayment of)/new borrowings, net	**(14.3)**	8.7
– Others[(ii)]	**1.0**	(2.8)
Net Increase/(Decrease) in Cash and Cash Equivalents	**49.6**	(25.7)
Cash and cash equivalents at 1 January	**70.9**	96.6
Cash and Cash Equivalents at 31 December	**120.5**	70.9

(i) 2024 net investments include an additional investment in Maya, an associated company of PLDT, an investment for a renewable energy project in Singapore, and funding to the trustee in respect of investments for the long service payment and long-term incentive trusts. 2023 net investments mainly represented additional investments in MPIC through the participation in a tender offer of MPIC shares in September 2023 and subscription of MPIC's new common shares in November 2023, and additional investment in Maya.

(ii) Mainly due to proceeds from issuance of new shares upon the exercise of share options, partly offset by the payments for lease liabilities and to the trustee for the share purchase scheme.

(B) Group Net Debt and Gearing

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

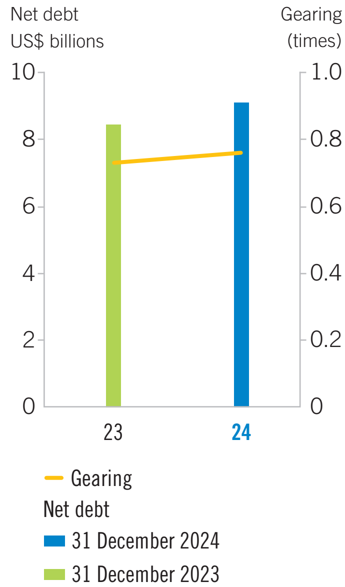
Consolidated

US$ millions	Net debt/ (cash)[i] 2024	Total equity/ (deficit) 2024	Gearing (times) 2024	Net debt/ (cash)[i] 2023	Total equity/ (deficit) 2023	Gearing (times) 2023
Head Office	**1,337.4**	**847.8**	**1.58x**	1,395.9	976.1	1.43x
Indofood	**1,985.5**	**6,556.8**	**0.30x**	2,327.1	6,353.0	0.37x
MPIC	**5,726.1**	**5,163.1**	**1.11x**	4,668.6	5,053.0	0.92x
FPM Power	**(22.4)**	**343.8**	**–**	(15.1)	333.7	–
FP Natural Resources	**71.9**	**(70.9)**	**–**	73.8	(44.3)	–
Group adjustments[ii]	**–**	**(910.4)**	**–**	–	(1,104.6)	–
Total	**9,098.5**	**11,930.2**	**0.76x**	8,450.3	11,566.9	0.73x

Associated Companies

US$ millions	Net debt[i] 2024	Total equity 2024	Gearing (times) 2024	Net debt[i] 2023	Total equity 2023	Gearing (times) 2023
PLDT	**4,694.5**	**2,017.9**	**2.33x**	4,309.6	1,993.6	2.16x
Philex	**197.4**	**563.3**	**0.35x**	96.0	572.2	0.17x

Net Debt and Gearing



(i) Includes short-term deposits and restricted cash.
(ii) Group adjustments mainly represent 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 the Company's equity reflecting the payment of distributions to shareholders, partly offset by a decrease in its net debt due to the continued generation of net cashflow from operation, lowered amount of net investments and lower gross borrowings.

Indofood's gearing decreased because of a decrease in its net debt as a result of its operating cash inflow, net of its payments for capital expenditures and investment in mutual funds, coupled with an increase in its equity as a result of profit less dividend paid during the year.

MPIC's gearing increased because of an increase its net debt as a result of its payments for the acquisition of 22.9% effective interest in JTT, capital expenditures and concession fees, partly offset by an increase in its equity as a result of profit less dividend paid during the year.

FPM Power's net cash position reflects PLP's operating cash inflow. The increase in its equity reflecting profit less dividend paid during the year.

FP Natural Resources' net debt decreased because of the depreciation of the peso against U.S. dollar during the year. The increase in its deficit mainly reflects RHI's loss recorded during the year.

The Group's gearing increased to 0.76 times because of a higher net debt level mainly as a result of the Group's payments for capital expenditures and investments, net of operating cash inflow, partly offset by an increase in the Group's equity reflecting the Group's profit less distributions/dividends paid during the year.

PLDT's gearing increased mainly because of an increase in its net debt reflecting its capital expenditures. Philex's gearing increased mainly because of an increase in its net debt to fund capital expenditures for the development of the Silangan project.

Maturity Profile

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

Consolidated

	Carrying amounts		Nominal values	
US$ millions	**2024**	2023	**2024**	2023
Within one year	**2,548.7**	2,195.3	**2,564.2**	2,199.9
One to two years	**795.2**	415.1	**801.4**	418.6
Two to five years	**3,136.8**	2,789.4	**3,157.3**	2,810.6
Over five years	**6,055.6**	6,211.7	**6,101.9**	6,251.6
Total	**12,536.3**	11,611.5	**12,624.8**	11,680.7

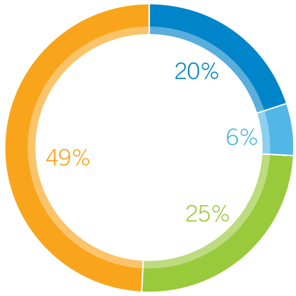
The change in the Group's debt maturity profile from 31 December 2023 to 31 December 2024 mainly reflects a shift in long-term borrowings among the different maturity periods for Indofood and MPIC, Head Office's refinancing of US$310.0 million loans in April 2024 with new long-term borrowings, Maynilad's issuance of Blue Bonds in July 2024 of Pesos 9.0 billion (US$155.6 million) due 2029 and Pesos 6.0 billion (US$103.7 million) due 2034, and the Group's net new borrowings. RHI's borrowings of Pesos 4.3 billion (US$74.4 million) were classified as current liabilities at 31 December 2024 due to certain covenant compliance issues.

Associated Companies

	PLDT				Philex			
	Carrying amounts		Nominal values		Carrying amounts		Nominal values	
US$ millions	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Within one year	**403.5**	210.3	**409.7**	216.8	**50.0**	34.0	**50.0**	34.0
One to two years	**269.5**	413.8	**274.6**	419.5	**119.7**	112.9	**125.9**	119.1
Two to five years	**1,285.3**	1,135.7	**1,297.6**	1,150.6	**–**	18.0	**–**	18.0
Over five years	**2,909.2**	2,841.9	**2,920.0**	2,853.3	**97.9**	–	**100.0**	–
Total	**4,867.5**	4,601.7	**4,901.9**	4,640.2	**267.6**	164.9	**275.9**	171.1

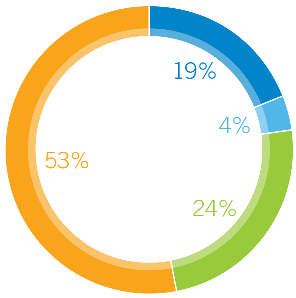
The change in PLDT's debt maturity profile from 31 December 2023 to 31 December 2024 mainly reflects new borrowings arranged to finance capital expenditures and/or refinance its loan obligations which were utilized for service improvements and expansion programs. The increase in Philex's debt reflects new borrowings arranged to finance the development of the Silangan project.

Maturity Profile of Consolidated Debt 2024



	US$ millions
Within one year	2,548.7
One to two years	795.2
Two to five years	3,136.8
Over five years	6,055.6
Total	**12,536.3**

Maturity Profile of Consolidated Debt 2023



	US$ millions
Within one year	2,195.3
One to two years	415.1
Two to five years	2,789.4
Over five years	6,211.7
Total	**11,611.5**

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 is also exposed to foreign currency risk in relation 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 from 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 NAV mainly relate to investments denominated in the rupiah and peso. Accordingly, any change in these currencies, against their respective 31 December 2024 exchange rates, would have an effect on the Group's NAV in U.S. dollar terms.

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

Company	Basis	**Effect on adjusted NAV** US$ millions	**Effect on adjusted NAV per share** HK cents
Indofood	(i)	20.9	3.84
PLDT	(i)	12.4	2.27
MPIC	(ii)	13.1	2.41
Philex	(i)	1.3	0.24
PXP	(i)	0.3	0.05
Head Office – Other assets	(iii)	1.2	0.22
Total		**49.2**	**9.03**

(i) Based on quoted share prices at 31 December 2024 applied to the Group's economic interests.
(ii) Based on the tender offer price for MPIC delisting of Pesos 5.2 per share (or Pesos 2,600 per share after 500:1 reverse stock split in September 2024).
(iii) Mainly represents Silangan Mindanao Exploration Co., Inc. ("SMECI")'s convertible notes.

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	4,950.5	1,521.0	5,807.1	146.4	111.3	**12,536.3**
Cash and cash equivalents(i)	(1,175.5)	(1,349.3)	(721.8)	(100.1)	(91.1)	**(3,437.8)**
Net Debt	3,775.0	171.7	5,085.3	46.3	20.2	**9,098.5**
Representing:						
Head Office	1,348.2	–	(9.7)	–	(1.1)	**1,337.4**
Indofood	2,372.7	(297.5)	–	(4.0)	(85.7)	**1,985.5**
MPIC	127.5	469.2	5,022.4	–	107.0	**5,726.1**
FPM Power	(72.7)	–	–	50.3	–	**(22.4)**
FP Natural Resources	(0.7)	–	72.6	–	–	**71.9**
Net Debt	3,775.0	171.7	5,085.3	46.3	20.2	**9,098.5**

Associated Companies

US$ millions	US$	Peso	Total
Net Debt			
PLDT	622.9	4,071.6	**4,694.5**
Philex	68.6	128.8	**197.4**

(i) Includes short-term deposits and restricted cash.

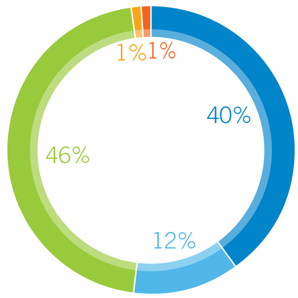
Details of changes in Head Office net debt are set out on page 83.

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

US$ millions	Total US$ exposure	Hedged amount	Unhedged amount	Profit effect of 1% change in currency	Group net profit effect
Head Office(i)	1,348.2	–	1,348.2	–	**–**
Indofood	2,372.7	–	2,372.7	23.7	**9.3**
MPIC	127.5	–	127.5	1.3	**0.4**
FPM Power	(72.7)	–	(72.7)	(0.7)	**(0.3)**
FP Natural Resources	(0.7)	–	(0.7)	–	**–**
PLDT	622.9	(290.0)	332.9	3.3	**0.6**
Philex	68.6	–	68.6	0.7	**0.2**
Total	4,466.5	(290.0)	4,176.5	28.3	**10.2**

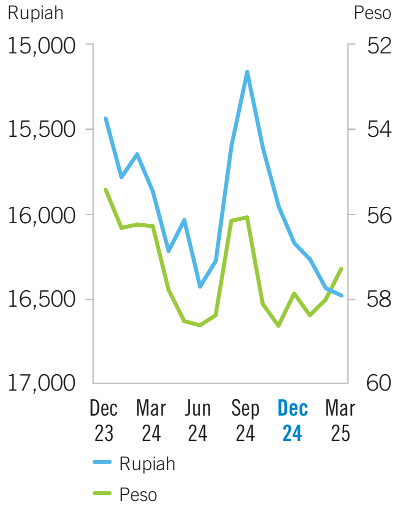
(i) As the Group reports its results in U.S. dollars, unhedged U.S. dollar net debt at Head Office does not give rise to any exchange exposure.

Analysis of Total Borrowings by Currency

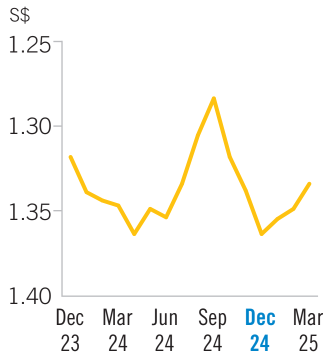


	US$ millions
US$	4,950.5
Rupiah	1,521.0
Peso	5,807.1
S$	146.4
Others	111.3
Total	**12,536.3**

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



Singapore Dollars Closing Rates Against the U.S. Dollars



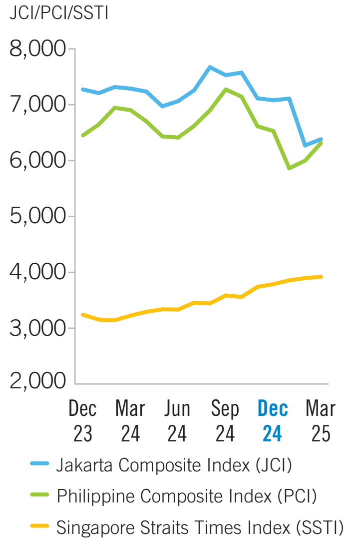
Equity Market Risk

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 market 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 2023	7,273	6,450	3,240
At 31 December 2024	**7,080**	**6,529**	**3,788**
Change during 2024	-2.7%	+1.2%	+16.9%
At 28 March 2025	6,511	6,147	3,972
Change during 1 January 2025 to 28 March 2025	-8.0%	-5.9%	+4.9%

Stock Market Indices



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

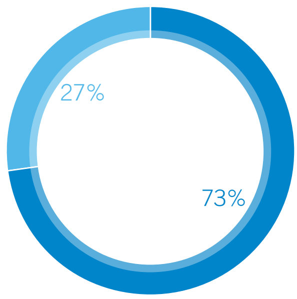
US$ millions	Fixed interest rate borrowings(i)	Variable interest rate borrowings(i)	Cash and cash equivalents(ii)	**Net debt/ (cash)**
Head Office	795.0	662.9	(120.5)	**1,337.4**
Indofood	2,735.5	1,645.1	(2,395.1)	**1,985.5**
MPIC	5,599.6	877.4	(750.9)	**5,726.1**
FPM Power	–	146.4	(168.8)	**(22.4)**
FP Natural Resources	22.7	51.7	(2.5)	**71.9**
Total	9,152.8	3,383.5	(3,437.8)	**9,098.5**

Associated Companies

US$ millions	Fixed interest rate borrowings(i)	Variable interest rate borrowings(i)	Cash and cash equivalents(ii)	**Net debt**
PLDT	1,986.4	2,881.1	(173.0)	**4,694.5**
Philex	148.5	119.1	(70.2)	**197.4**

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

Interest Rate Profile



	US$ millions
Fixed	9,152.8
Variable	3,383.5
Total	**12,536.3**

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	662.9	6.6	**6.6**
Indofood	1,645.1	16.4	**6.4**
MPIC	877.4	8.8	**3.1**
FPM Power	146.4	1.5	**0.5**
FP Natural Resources	51.7	0.5	**0.2**
PLDT	2,881.1	28.8	**5.5**
Philex	119.1	1.2	**0.4**
Total	6,383.7	63.8	**22.7**

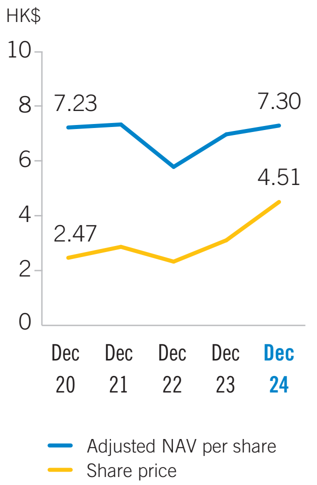
Adjusted NAV Per Share

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

At 31 December US$ millions	Basis	**2024**	2023
Indofood	(i)	**2,094.4**	1,839.3
PLDT	(i)	**1,236.8**	1,276.1
MPIC	(ii)	**1,312.4**	1,371.0
FPM Power	(iii)	**370.0**	370.0
Philex	(i)	**128.8**	154.8
PXP	(i)	**27.6**	39.6
Head Office – Other assets	(iv)	**150.5**	139.2
– Net debt		**(1,337.4)**	(1,395.9)
Total Valuation		**3,983.1**	3,794.1
Number of Ordinary Shares in Issue (millions)		**4,255.2**	4,242.3
Value per share – U.S. dollars		**0.94**	0.89
– HK dollars		**7.30**	6.98
Company's closing share price (HK$)		**4.51**	3.11
Share price discount to HK$ value per share (%)		**38.2**	55.4

(i) Based on quoted share prices applied to the Group's economic interests.
(ii) Based on tender offer price for MPIC delisting of Pesos 5.2 per share (or Pesos 2,600 per share after 500:1 reverse stock split in September 2024).
(iii) Represents investment cost.
(iv) Mainly represents SMECI's convertible notes and the Company's investments in Maya.

Share Price vs Adjusted NAV Per Share



Statutory Reports, Consolidated Financial Statements and Notes to the Consolidated Financial Statements

Contents

Statutory Reports

Report of the Directors

The Directors present their report and the audited financial statements of First Pacific Company Limited (the Company) and its subsidiary companies (together, the "Group") (the "Consolidated Financial Statements") for the year ended 31 December 2024.

Principal Business Activities, Geographical Market Analysis of Operations and Business Review

First Pacific Company Limited is a Hong Kong-based investment holding company with operations located in Asia-Pacific. The Company's principal investments are in consumer food products, telecommunications, infrastructure and natural resources. During the year, there were no significant changes in the nature of the Group's principal business activities.

An analysis of the Group's turnover and segmental information for the year is set out in Note 4 to the Consolidated Financial Statements, and a summary of its principal investments is set out on pages 217 and 218.

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group, and an indication of likely future development in the Group's business, can be found in the "Chairman's Letter", the "Managing Director and Chief Executive Officer's Letter", the "Review of Operations", and the "Corporate Governance Report" sections set out on pages 6 to 35 and pages 43 to 79 of this Annual Report. The Group's environmental policies and performance are set out in the Company's 2024 ESG report that will be available on the websites of the SEHK and the Company. Those discussions form part of this Report of the Directors.

Incorporation

The Company was incorporated on 25 May 1988 in Bermuda with limited liability.

Share Capital, Shares Held for Share Award Scheme and Share Options

Details of movements in the Company's share capital, shares held for share award scheme and share options issued by the Group during the year, together with their reasons, are set out in Notes 28, 29 and 36(D) to the Consolidated Financial Statements.

Reserves

Details of movements in the reserves of the Group and the Company during the year are set out in the Consolidated Financial Statements on page 103 and page 211, respectively.

Purchase, Sale or Redemption of Listed Securities of the Company

During the year ended 31 December 2024, the independent trustee managing the Company's share award scheme bought on the SEHK a total of 4,288,000 shares (2023: 1,400,000 shares) of the Company at an aggregate consideration of approximately HK$13.1 million (US$1.6 million) (2023: HK$3.9 million (US$0.5 million)) at the cost of the Company.

Save as disclosed above, during the year ended 31 December 2024, neither the Company, nor any of its subsidiary companies, has purchased, sold or redeemed any of the Company's listed securities.

Results and Appropriations

The consolidated results of the Group for the year ended 31 December 2024 and the Group's consolidated financial position at that date are set out in the Consolidated Financial Statements on pages 100 to 102.

An interim distribution of HK12.00 cents (U.S. 1.54 cents) (2023: HK10.50 cents or U.S. 1.35 cents) per ordinary share, totaling US$65.3 million (2023: US$56.8 million), was paid on 30 September 2024. The Directors recommended the payment of a final distribution of HK13.50 cents (U.S. 1.73 cents) (2023: HK 12.50 cents or U.S. 1.60 cents) per ordinary share, totaling US$73.6 million (2023: US$67.9 million). The total distribution per ordinary share for 2024 equals to HK25.50 cents (U.S. 3.27 cents) (2023: HK 23.00 cents or U.S. 2.95 cents), totaling US$138.9 million (2023: US$124.7 million).

Charitable Contributions

In 2024, the Group made charitable contributions totaling US$10.4 million (2023: US$15.7 million).

Property, Plant and Equipment

Details of movements in the Group's property, plant and equipment during the year are provided in Note 10 to the Consolidated Financial Statements.

Borrowings

Details of the borrowings of the Group are provided in Note 25 to the Consolidated Financial Statements.

Distributable Reserves

At 31 December 2024, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended) amounted to US$1,165.5 million (2023: US$1,298.7 million), representing the Company's contributed surplus account. In addition, the Company's share premium account of US$32.4 million (2023: US$27.0 million) may be distributed in the form of fully paid bonus shares.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Directors

The names and biographical details of the Directors of the Company who held office during the year and up to the date of this report are set out on pages 36 to 39. Details of the remuneration policy and other details are provided in the Corporate Governance Report on page 79 and Note 36(A) to the Consolidated Financial Statements, respectively.

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 2024 Interim Report are set out below:

- Mr. Axton Salim was appointed as a director of PLP on 1 September 2024.
- Mr. Blair Chilton Pickerell ceased to be the chairman and director of The Harvard Business School of Hong Kong on 27 September 2024.

Interests of Directors in the Company and its Associated Corporations

As at 31 December 2024, 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 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 the 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)	45.25	–
Manuel V. Pangilinan	2,243,078(P)	0.05	–
Christopher H. Young	8,385,189(P)	0.20	–
Benny S. Santoso	478,500(P)(ii)	0.01	1,914,000
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	3,903,559(P)(iii)	0.09	–
Margaret Leung Ko May Yee, *SBS, JP*	3,045,652(P)(iv)	0.07	–
Philip Fan Yan Hok	10,547,152(P)(v)	0.25	1,914,000
Madeleine Lee Suh Shin	1,557,000(P)(vi)	0.04	–
Blair Chilton Pickerell	1,276,000(P)(vii)	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 in which Anthoni Salim directly holds 100% of its 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. Santoso's interests in 159,500 awarded shares granted pursuant to the Company's Share Award Scheme as adopted by the Board of Directors on 19 March 2013 (the "Share Award Scheme") which remain unvested.

(iii) It included Prof. Chen's interests in 319,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.

(iv) It included Mrs. Leung's interests in 319,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.

(v) It included Mr. Fan's interests in 159,500 awarded shares granted pursuant to the Share Award Scheme which remain unvested.

(vi) It included Ms. Lee's interests in 319,000 awarded shares granted pursuant to the Share Award Scheme which remain unvested.

(vii) It included Mr. Pickerell's interests in 159,500 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

- 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 1,189,583,430 IndoAgri shares(C) (85.22%)* 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) (80.46%)* through the Company's group companies.

- Manuel V. Pangilinan owned (a) an indirect interest of 4,481,690 common shares(C) (7.10%)* in MPIC through his controlled corporation other than the Company; (b) 348,104 common shares(P) (0.16%)* 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) (0.08%)* in Philex; (d) 1,603,465 common shares(P) (0.08%)* in PXP; (e) 70,000 common shares(P) (including 5,000 awarded shares granted but remain unvested) (less than 0.01%)* in Meralco; (f) 61,547 common shares(P) (less than 0.01%)* in RHI; (g) 1,000 common shares(P) (less than 0.01%)* in Axelum Resources Corp.; and (h) 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.

(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 31 December 2024.

Save for those disclosed above, as at 31 December 2024, 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 31 December 2024 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 31 December 2024, representing approximately 26.68% of the Company's issued share capital at that date, by way of 502,058,994 ordinary shares of the Company held, representing approximately 11.80% 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 31 December 2024, representing approximately 18.57% 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 31 December 2024, representing approximately 18.57% 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 93. Anthoni Salim, Chairman of the Company, indirectly owns 83.84% of the issued share capital of FPIL-Liberia and, accordingly, 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 31 December 2024, representing approximately 14.88% 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 31 December 2024, the Company has not received any other notification from Brandes of any change to such holding.

(f) Northern Trust Corporation ("Northern Trust"), a United States incorporated company, notified the Company that it held, through its controlled corporation, 223,352,383 ordinary shares of the Company (lending pool) as at 23 August 2024, representing approximately 5.26% (lending pool) of the Company's issued share capital at that date. At 31 December 2024, the Company has not received any other notification from Northern Trust of any change to such holding.

Other than as disclosed above, as at 31 December 2024 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.

Transactions, Arrangements or Contracts of Significance

Except for the connected transactions and continuing connected transactions set out in the Corporate Governance Report on pages 58 to 70, and the related party transactions set out in Note 37 to the Consolidated Financial Statements, there were no transactions, arrangements, or contracts of significance in relation to the Company's business to which the Company or its subsidiary companies were parties, and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Apart from as disclosed above, none of the Directors nor a connected entity of a Director had any direct or indirect interest in any assets which have been acquired, disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to the Company or any of its subsidiary companies at the end of the year or at any time during the year.

Directors' Rights to Acquire Shares or Debentures
Apart from as disclosed under the heading "Interests of Directors in the Company and its Associated Corporations" above, "Shares Held for Share Award Scheme" and "Share Options" in Notes 29(A) and 36(D)(a) to the Consolidated Financial Statements, at no time during the year was the Company or any of its subsidiary companies a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors of the Company or their spouses or minor children had any right to subscribe for securities of the Company, or had exercised any such right during the year.

Summary Financial Information
A summary of the published results, assets and liabilities, and various information and financial ratios of the Company and the Group for the last ten financial years, as extracted from the audited Consolidated Financial Statements and restated/reclassified as appropriate, is set out on pages 2 and 3. This summary does not form part of the audited Consolidated Financial Statements.

Major Customers and Suppliers
In 2024, sales to the Group's five largest customers accounted for less than 30% of the total sales for the year, whereas purchases from the Group's five largest suppliers accounted for 37% (2023: 44%) of the total purchases for the year of which purchases from the largest supplier included therein accounted for 9% (2023: 13%) of the total purchases.

Connected Transactions and Continuing Connected Transactions
Connected transactions and continuing connected transactions required to be disclosed in accordance with Chapter 14A of the Listing Rules, are disclosed in the Corporate Governance Report on pages 58 to 70.

Sufficiency of Public Float
Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued shares were held by the public at both 31 December 2024 and the date of this report.

Directors' and Officers' Liability Insurance
The Bye-laws of the Company provide that subject to the provisions of the relevant statutes, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto, and no Director shall be liable for any loss, damages or misfortune that may happen to be incurred by the Company in the execution of the duties of his office or in relation thereto. During the year, the Company has maintained appropriate Directors' and officers' liability insurance for all Directors and officers of the Company and its related companies, save in those instances where individual companies have maintained their own coverage.

Employment Policy
The Company has a policy of non-discrimination in respect of the age, religion, gender, gender identity or expression, sexual orientation, race, ethnicity, national origin, disability, family or marital status, dependents, genetics, social origin, or political views of employees and prospective employees. This ensures that individuals are treated equally, given their skills and abilities, in terms of career development and opportunities.

Auditor
Ernst & Young retire and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board of Directors

Chiu Wing Man, Fiona
General Counsel and Company Secretary

Hong Kong
28 March 2025

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Independent Auditor's Report

TO THE SHAREHOLDERS OF FIRST PACIFIC COMPANY LIMITED
(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of First Pacific Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 100 to 212, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

TO THE SHAREHOLDERS OF FIRST PACIFIC COMPANY LIMITED (continued)
(Incorporated in Bermuda with limited liability)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill allocated to noodles cash generating unit ("CGU") and concession assets not yet available for use allocated to Toll Roads CGUs	
Goodwill allocated to noodles CGU and concession assets not yet available for use allocated to Toll Roads CGUs (collectively, the "Intangible Assets") were carried in the Group's consolidated statement of financial position as at 31 December 2024 amounted to US$3,231.7 million and US$1,240.3 million, respectively. In accordance with HKAS 36 Impairment of Assets, the Group is required to test goodwill and concession assets not yet available for use for impairment at least on an annual basis. The Intangible Assets and their carrying amounts were allocated to the Group's respective CGUs for impairment testing. Impairment was determined by assessing the recoverable amount of the CGU to which each of the Intangible Assets relates and whether the recoverable amount of the CGU was less than the carrying amount. For the year under review, the recoverable amounts of the respective CGUs have been determined based on value-in-use calculations using cash flow projections specific to each CGU and applying discount rates which reflected specific risks relating to the relevant CGUs. The impairment testing of the Intangible Assets required management to make significant assumptions and estimates that would affect the reported amounts of the Intangible Assets and related disclosures in the consolidated financial statements. Related disclosures are included in notes 3, 13 and 14 to the consolidated financial statements.	Our audit procedures in relation to impairment assessment of the Intangible Assets included: ■ understood the methodologies of the impairment assessment, including the involvement of the management's specialists; ■ evaluated the competence, capabilities, independence and objectivity of management's specialists; ■ evaluated the methodologies, assumptions and estimates used by the Group. In particular, for each relevant CGU, we assessed the historical accuracy of the prior years' assumptions and estimates, and obtained an understanding of the latest developments of the Group and its business environment; ■ assessed the key assumptions, including discount rate, expected market development and long-term growth rates, with the assistance from our valuation experts with relevant expertise and with external information sources; and ■ evaluated the management's assessment about the reasonably possible change in the relevant key assumptions.

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report (continued)

TO THE SHAREHOLDERS OF FIRST PACIFIC COMPANY LIMITED (continued)
(Incorporated in Bermuda with limited liability)

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit and Risk Management Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

TO THE SHAREHOLDERS OF FIRST PACIFIC COMPANY LIMITED (continued)
(Incorporated in Bermuda with limited liability)

We communicate with the Audit and Risk Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit and Risk Management Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ms. Chiu, Caroline Su Yuen.

Ernst & Young
Certified Public Accountants
Hong Kong
28 March 2025

Consolidated Financial Statements

Consolidated Income Statement

For the year ended 31 December US$ millions	Notes	2024	2023
Turnover	4	**10,057.2**	10,510.7
Cost of sales		**(6,402.9)**	(7,136.1)
Gross Profit		**3,654.3**	3,374.6
Selling and distribution expenses		**(783.3)**	(749.0)
Administrative expenses		**(635.1)**	(602.8)
Other operating income and expenses	5(A)	**(277.1)**	(112.0)
Interest income		**152.3**	116.3
Finance costs	5(B)	**(607.4)**	(574.1)
Share of profits less losses of associated companies and joint ventures		**523.4**	366.3
Profit before Taxation	5	**2,027.1**	1,819.3
Taxation	6	**(423.8)**	(477.9)
Profit for the Year		**1,603.3**	1,341.4
Profit Attributable to:			
Owners of the Parent	7	**600.3**	501.2
Non-controlling Interests		**1,003.0**	840.2
		1,603.3	1,341.4
Earnings Per Share Attributable to Owners of the Parent (U.S. cents)	8		
Basic		**14.15**	11.82
Diluted		**14.14**	11.81

Details of the distribution proposed for the year are disclosed in Note 9 to the Consolidated Financial Statements.

The Notes on pages 106 to 212 form an integral part of the Consolidated Financial Statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December US$ millions	2024	2023
Profit for the Year	**1,603.3**	1,341.4
Other Comprehensive (Loss)/Income		
Items that are or may be Reclassified to Profit or Loss:		
Exchange differences on translating foreign operations	**(531.9)**	112.1
Unrealized losses on debt investments at fair value through other comprehensive income ("FVOCI")	**(0.3)**	(7.6)
Unrealized gains on cash flow hedges	**20.7**	18.7
Realized gains on cash flow hedges	**(13.1)**	(11.2)
Income tax related to cash flow hedges	**(1.2)**	(2.0)
Share of other comprehensive (loss)/income of associated companies and joint ventures	**(20.3)**	1.9
Items that will not be Reclassified to Profit or Loss:		
Changes in fair value of equity investments at FVOCI	**(45.9)**	(10.0)
Actuarial losses on defined benefit pension plans	**(0.1)**	(10.4)
Share of other comprehensive loss of associated companies and joint ventures	**(11.8)**	(57.9)
Other Comprehensive (Loss)/Income for the Year, Net of Tax	**(603.9)**	33.6
Total Comprehensive Income for the Year	**999.4**	1,375.0
Total Comprehensive Income Attributable to:		
Owners of the parent	**373.2**	465.3
Non-controlling interests	**626.2**	909.7
	999.4	1,375.0

Consolidated Statement of Financial Position

US$ millions	Notes	At 31 December 2024	At 31 December 2023
Non-current Assets			
Property, plant and equipment	10	**3,634.8**	3,730.3
Biological assets	11	**19.5**	20.9
Associated companies and joint ventures	12	**5,867.3**	5,283.8
Goodwill	13	**3,784.7**	3,967.7
Other intangible assets	14	**7,265.0**	6,839.3
Investment properties	15	**22.6**	12.5
Accounts receivable, other receivables and prepayments	16	**107.3**	118.7
Financial assets at fair value	17	**501.8**	565.2
Deferred tax assets	18	**78.7**	112.7
Other non-current assets	19	**660.2**	648.4
		21,941.9	21,299.5
Current Assets			
Biological assets	11	**70.0**	49.7
Inventories	20	**1,319.1**	1,087.7
Accounts receivable, other receivables and prepayments	16	**1,302.0**	1,208.3
Financial assets at fair value	17	**591.5**	528.2
Restricted cash	21	**113.6**	315.4
Cash and cash equivalents and short-term deposits	22	**3,324.2**	2,845.8
		6,720.4	6,035.1
Assets classified as held for sale	23	**15.6**	22.9
		6,736.0	6,058.0
Current Liabilities			
Accounts payable, other payables and accruals	24	**1,930.6**	1,814.9
Short-term borrowings	25	**2,548.7**	2,195.3
Provision for taxation	26	**162.0**	169.3
Current portion of deferred liabilities, provisions and payables	27	**351.7**	405.9
		4,993.0	4,585.4
Liabilities directly associated with the assets classified as held for sale	23	**–**	7.2
		4,993.0	4,592.6
Net Current Assets		**1,743.0**	1,465.4
Total Assets Less Current Liabilities		**23,684.9**	22,764.9
Equity			
Issued share capital	28	**42.6**	42.4
Shares held for share award scheme	29	**(1.4)**	(1.2)
Retained earnings		**3,422.5**	2,829.8
Other components of equity	30	**462.5**	817.0
Equity attributable to owners of the parent		**3,926.2**	3,688.0
Non-controlling interests	31	**8,004.0**	7,878.9
Total Equity		**11,930.2**	11,566.9
Non-current Liabilities			
Long-term borrowings	25	**9,987.6**	9,416.2
Deferred liabilities, provisions and payables	27	**1,252.3**	1,260.1
Deferred tax liabilities	18	**514.8**	521.7
		11,754.7	11,198.0
		23,684.9	22,764.9

The Notes on pages 106 to 212 form an integral part of the Consolidated Financial Statements.

On behalf of the Board of Directors

MANUEL V. PANGILINAN
Managing Director and Chief Executive Officer

CHRISTOPHER H. YOUNG
Executive Director

28 March 2025

Consolidated Statement of Changes in Equity

		Equity attributable to owners of the parent											
US$ millions	Notes	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Other comprehensive loss (Note 32)	Differences arising from changes in equities of subsidiary companies	Capital and other reserves	Contributed surplus	Retained earnings	Total	Non-controlling interests	Total equity
At 1 January 2023		42.4	(2.2)	26.7	9.0	(1,025.4)	487.4	12.6	1,417.7	2,328.3	3,296.5	7,069.3	10,365.8
Profit for the year		–	–	–	–	–	–	–	–	501.2	501.2	840.2	1,341.4
Other comprehensive (loss)/income for the year		–	–	–	–	(35.9)	–	–	–	–	(35.9)	69.5	33.6
Total comprehensive (loss)/income for the year		–	–	–	–	(35.9)	–	–	–	501.2	465.3	909.7	1,375.0
Purchase of shares under share award scheme	29	–	(0.5)	–	–	–	–	–	–	–	(0.5)	–	(0.5)
Shares vested under share award scheme	29	–	1.5	–	(1.4)	–	–	–	–	(0.1)	–	–	–
Issue of shares upon the exercise of share options	36(D)	–	–	0.3	(0.1)	–	–	–	–	–	0.2	–	0.2
Employee share-based compensation benefits		–	–	–	1.6	–	–	–	–	–	1.6	–	1.6
Acquisition and dilution of interests in subsidiary companies, net		–	–	–	–	(1.7)	50.0	–	–	–	48.3	302.1	350.4
Acquisition of a subsidiary company		–	–	–	–	–	–	–	–	–	–	3.3	3.3
Recognition of a financial liability on non-controlling interests' put option		–	–	–	–	–	(4.4)	–	–	–	(4.4)	(17.0)	(21.4)
2022 final distribution paid		–	–	–	–	–	–	–	(62.2)	–	(62.2)	–	(62.2)
2023 interim distribution paid	9	–	–	–	–	–	–	–	(56.8)	–	(56.8)	–	(56.8)
Transfer of fair value reserve upon disposal of equity investments at FVOCI		–	–	–	–	(0.4)	–	–	–	0.4	–	–	–
Capital contributions from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	40.8	40.8
Dividends declared to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(429.3)	(429.3)
At 31 December 2023		42.4	(1.2)	27.0	9.1	(1,063.4)	533.0	12.6	1,298.7	2,829.8	3,688.0	7,878.9	11,566.9
At 1 January 2024		42.4	(1.2)	27.0	9.1	(1,063.4)	533.0	12.6	1,298.7	2,829.8	3,688.0	7,878.9	**11,566.9**
Profit for the year		–	–	–	–	–	–	–	–	600.3	600.3	1,003.0	**1,603.3**
Other comprehensive loss for the year		–	–	–	–	(227.1)	–	–	–	–	(227.1)	(376.8)	**(603.9)**
Total comprehensive (loss)/income for the year		–	–	–	–	(227.1)	–	–	–	600.3	373.2	626.2	**999.4**
Purchase of shares under share award scheme	29	–	(1.6)	–	–	–	–	–	–	–	(1.6)	–	**(1.6)**
Shares vested under share award scheme	29	–	1.4	–	(1.3)	–	–	–	–	(0.1)	–	–	**–**
Issue of shares upon the exercise of share options	36(D)	0.2	–	5.4	(0.8)	–	–	–	–	–	4.8	–	**4.8**
Employee share-based compensation benefits		–	–	–	0.6	–	–	–	–	–	0.6	–	**0.6**
Acquisition and dilution of interests in subsidiary companies, net		–	–	–	–	(0.1)	(9.1)	–	–	–	(9.2)	(103.8)	**(113.0)**
Acquisition of a subsidiary company		–	–	–	–	–	–	–	–	–	–	31.4	**31.4**
Remeasurement of a financial liability on non-controlling interests' put option		–	–	–	–	–	3.6	–	–	–	3.6	7.0	**10.6**
2023 final distribution paid	9	–	–	–	–	–	–	–	(67.9)	–	(67.9)	–	**(67.9)**
2024 interim distribution paid	9	–	–	–	–	–	–	–	(65.3)	–	(65.3)	–	**(65.3)**
Capital contributions from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	26.0	**26.0**
Dividends declared to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(461.7)	**(461.7)**
Others		–	–	–	–	7.5	–	–	–	(7.5)	–	–	**–**
At 31 December 2024		**42.6**	**(1.4)**	**32.4**	**7.6**	**(1,283.1)**	**527.5**	**12.6**	**1,165.5**	**3,422.5**	**3,926.2**	**8,004.0**	**11,930.2**

The Notes on pages 106 to 212 form an integral part of the Consolidated Financial Statements.

Consolidated Statement of Cash Flows

For the year ended 31 December US$ millions	Notes	**2024**	2023
Profit Before Taxation		**2,027.1**	1,819.3
Adjustments for:			
Finance costs	5(B)	**607.4**	574.1
Depreciation	5(C)	**316.6**	340.9
Provisions for impairment losses, net		**160.8**	214.0
Amortization of other intangible assets	5(C)	**113.9**	120.5
Loss on disposal of property, plant and equipment, net	5(A)	**22.6**	4.1
Write-down of inventories to net realizable value	5(C)	**5.9**	7.5
Employee share-based compensation benefit expenses		**0.6**	1.6
Share of profits less losses of associated companies and joint ventures		**(523.4)**	(366.3)
Interest income		**(152.3)**	(116.3)
Gains on control of a subsidiary company	5(A)	**(44.9)**	–
Gain on changes in fair value of biological assets, net	5(A)	**(20.0)**	(0.8)
Dividend income from financial assets at FVOCI	5(A)	**(13.5)**	(16.0)
Gain on disposal of an associated company	5(A)	**(3.7)**	(4.0)
Others (including unrealized foreign exchange difference)		**192.1**	(56.2)
		2,689.2	2,522.4
Increase in accounts receivable, other receivables and prepayments		**(127.9)**	(152.8)
(Increase)/decrease in inventories		**(168.1)**	84.7
Increase in accounts payable, other payables and accruals		**171.1**	45.0
Net cash generated from operations		**2,564.3**	2,499.3
Interest received		**122.7**	115.6
Interest paid		**(554.7)**	(540.2)
Taxes paid		**(385.8)**	(344.6)
Net Cash Flows From Operating Activities		**1,746.5**	1,730.1

continued/...

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December US$ millions	Notes	2024	2023
Dividends received from associated companies		**309.3**	308.9
Decrease/(increase) in restricted cash		**189.9**	(205.4)
Dividends received from financial assets at FVOCI		**13.5**	16.0
Disposal of property, plant and equipment		**10.4**	28.3
Disposal of an associated company	33(A)	**7.7**	5.5
Dividend received from a joint venture		**5.8**	4.2
Investments in other intangible assets		**(896.4)**	(940.6)
Investments in associated companies	33(B)	**(692.7)**	(69.6)
Payments for purchases of property, plant and equipment		**(444.9)**	(244.5)
Investments in financial assets at fair value	33(C)	**(89.0)**	(506.1)
Investments in biological assets		**(17.1)**	(18.4)
Acquisition of subsidiary companies	33(D)	**(9.2)**	(3.2)
(Increase)/decrease in short-term deposits with original maturity of more than three months		**(7.1)**	132.0
Purchases of investment properties		**(6.7)**	(1.1)
Increased investments in associated companies		**(5.0)**	(1.1)
Increased investment in a joint venture		**(1.5)**	(20.0)
Disposal of assets classified as held for sale	33(E)	**–**	16.1
Disposal of financial assets at FVOCI		**–**	7.7
Proceeds from redemption of a joint venture's preference shares	33(F)	**–**	4.3
Disposal of a subsidiary company	33(G)	**–**	3.0
Net Cash Flows Used in Investing Activities		**(1,633.0)**	(1,484.0)
Proceeds from new bank borrowings and other loans	33(K)	**4,162.0**	3,802.6
Capital contributions from non-controlling shareholders		**26.0**	40.8
Proceeds from the issue of shares upon the exercise of share options		**4.8**	0.2
Repayment of bank borrowings and other loans	33(K)	**(2,936.0)**	(3,496.8)
Dividends paid to non-controlling shareholders by subsidiary companies	33(K)	**(469.8)**	(440.2)
Distributions paid to shareholders	33(K)	**(133.2)**	(119.0)
Increased investments in subsidiary companies	33(H)	**(120.8)**	(59.5)
Principal portion of lease payments	33(K)	**(31.0)**	(27.8)
Payments for concession fees payable	33(K)	**(23.3)**	(18.9)
Repayment of loan from a non-controlling shareholder	33(K)	**(9.2)**	–
Payments for purchase of shares under a long-term incentive plan		**(1.6)**	(0.5)
Repurchase of a subsidiary company's shares	33(I)	**(1.0)**	(1.5)
Proceeds from issuance of shares by subsidiary companies	33(J)	**–**	408.6
Net Cash Flows From Financing Activities		**466.9**	88.0
Net Increase in Cash and Cash Equivalents		**580.4**	334.1
Cash and cash equivalents at 1 January		**2,814.3**	2,457.8
Exchange translation		**(107.7)**	22.4
Cash and Cash Equivalents at 31 December		**3,287.0**	2,814.3
Representing			
Cash and cash equivalents and short-term deposits as stated in the consolidated statement of financial position	22	**3,324.2**	2,845.8
Less: short-term deposits with original maturity of more than three months		**(37.2)**	(31.5)
Cash and Cash Equivalents at 31 December		**3,287.0**	2,814.3

The Notes on pages 106 to 212 form an integral part of the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

1. Corporate and Group Information

First Pacific Company Limited ("First Pacific" or the "Company") is a Hong Kong-based investment holding company with operations located in Asia-Pacific. Its principal business interests relate to consumer food products, telecommunications, infrastructure, and natural resources.

The Company is a limited liability company incorporated in Bermuda. As at 31 December 2024, the address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company's ordinary shares are listed on the SEHK. Its shares are also available for trading in the United States through ADRs (Level 1).

The Group comprises the Company and its subsidiary companies. Details of the principal subsidiary companies of the Company which, in the opinion of the Directors, materially affect the results or net assets of the Group, are set out on pages 217 and 218.

2. Basis of Preparation and Summary of Material Accounting Policies

(A) Basis of Preparation

The Consolidated Financial Statements have been prepared in accordance with HKFRSs (which include all HKFRSs, HKASs and HK(IFRIC)-Ints) issued by the HKICPA, and the disclosure requirements of the Hong Kong Companies Ordinance. The Consolidated Financial Statements also comply with the applicable disclosure provisions of the Listing Rules. The Consolidated Financial Statements have been prepared on a historical cost basis, except for biological assets, investment properties, financial assets/liabilities at fair value, derivative financial instruments, and pension scheme assets which, as disclosed in the accounting policies below, are stated at fair value. Assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. These Consolidated Financial Statements are presented in U.S. dollars and all values are rounded to the nearest million ("US$ millions") with one decimal place except when otherwise indicated.

(B) Amendments Adopted by the Group

The Group has adopted the following revised HKFRSs, which were relevant to the Group, for the first time for the current year's financial statements.

HKAS 1 Amendments	"Classification of Liabilities as Current or Non-current"
HKAS 1 Amendments	"Non-current Liabilities with Covenants"
HKAS 7 and HKFRS 7 Amendments	"Supplier Finance Arrangements"
HKFRS 16 Amendments	"Lease Liability in a Sale and Leaseback"

HKAS 1 Amendments "Classification of Liabilities as Current or Non-current" (the "2020 Amendments") clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The HKAS 1 Amendments "Non-current Liabilities with Covenants" (the "2022 Amendments") further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position of the Group.

The Group's adoption of the above pronouncements has had no material effect on either the profit attributable to owners of the parent for the years ended 31 December 2024 and 2023 or the equity attributable to owners of the parent at 31 December 2024 and 31 December 2023.

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

(C) Issued But Not Yet Effective HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but not yet effective in the Consolidated Financial Statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKAS 21 Amendments	"Lack of Exchangeability"(i)
HKFRS 9 and HKFRS 7 Amendments	"Amendments to the Classification and Measurement of Financial Instruments"(ii)
HKFRS 9 and HKFRS 7 Amendments	"Contracts Referencing Nature-dependent Electricity"(ii)
HKFRS 10 and HKAS 28 Amendments	"Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"(iv)
HKFRS 18	"Presentation and Disclosure in Financial Statements"(iii)
HKFRS 19	"Subsidiaries without Public Accountability: Disclosures"(iii)
Improvements to HKFRSs	"Annual Improvements to HKFRS Accounting Standards – Volume 11"(ii)

(i) Effective for annual periods beginning on or after 1 January 2025
(ii) Effective for annual periods beginning on or after 1 January 2026
(iii) Effective for annual periods beginning on or after 1 January 2027
(iv) No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKAS 21 Amendments specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application of the amendments is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognized as an adjustment to the opening balance of retained earnings or to the cumulative amount of translation differences accumulated in a separate component equity, where appropriate, at the date of initial application.

HKFRS 9 and HKFRS 7 Amendments "Amendments to the Classification and Measurement of Financial Instruments" clarify the date on which a financial asset or financial liability is derecognized and introduce an accounting policy option to derecognize a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at FVOCI and financial instrument with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained earnings (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted.

HKFRS 9 and HKFRS 7 Amendments "Contracts Referencing Nature-dependent Electricity" only apply to contracts that reference nature-dependent electricity and clarify the application of the "own-use" requirements for in-scope contracts. The amendments to HKFRS 9 "Financial Instruments" will now allow an entity designating a contract referencing nature-dependent electricity as the hedging instrument in a hedge of forecast electricity transactions, to designate a variable nominal amount of forecast electricity transactions as the hedged item. HKFRS 7 "Financial Instruments: Disclosures" has been amended to require disclosures relating to contracts that have been excluded from the scope of HKFRS 9 as a result of the amendments. In such cases, an entity must disclose in a single note:

- Information about the contractual features that expose the entity to variability in an underlying amount of electricity and the risk that the entity would be required to buy electricity during a delivery interval where it cannot use it.
- Information about unrecognized contractual commitments arising from such contracts.

- Qualitative and quantitative information about the effects on the entity's financial performance for the reporting period interval where it cannot use it.

The HKFRS 7 disclosure amendments must be applied when the HKFRS 9 amendments are applied. The clarifications regarding the "own-use" requirements must be applied retrospectively without using hindsight, but the guidance permits hedge accounting to be applied prospectively to new hedging relationships designated on or after the date of initial application.

HKFRS 10 and HKAS 28 Amendments address an inconsistency between the requirements in HKFRS 10 "Consolidated Financial Statements" and in HKAS 28 "Investments in Associates and Joint Ventures" in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognized in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the income statement, including specified totals and subtotals. Entities are required to classify all income and expenses within the income statement into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", which is renamed as HKAS 8 "Basis of Preparation of Financial Statements". As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 "Statement of Cash Flows", HKAS 33 "Earnings per Share" and HKAS 34 "Interim Financial Reporting". In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRSs. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 "Consolidated Financial Statements", cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRSs. Earlier application is permitted.

"Annual Improvements to HKFRS Accounting Standards – Volume 11" set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- HKFRS 7: The amendments updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted.

- HKFRS 9: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognize any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted.

- HKFRS 10: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de factor agents of the investor, which removes inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted.

- HKAS 7: The amendments replace the term “cost method” with “at cost” in paragraph 37 of HKAS 7 following the prior deletion of the definition of “cost method”. Earlier application is permitted.

The Group is currently analyzing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Consolidated Financial Statements. Other than that, the Group does not expect the other new or revised HKFRSs will have a significant impact on the results of operations, financial position, or presentation of the Consolidated Financial Statements.

(D) Material Accounting Policies

(a) Basis of consolidation

(I) Basis of consolidation

The Consolidated Financial Statements for the year ended 31 December 2024 comprise the Company and its subsidiary companies (together referred to as the “Group”) and the Group’s interests in associated companies and joint ventures.

A subsidiary company is an entity, directly or indirectly, controlled by the Company. Control exists when the Company has exposure, or rights, to variable returns from its involvement with the entity and the ability to use its power over the entity to affect the amount of those returns. Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: (i) the contractual arrangement with the other vote holders of the investee, (ii) rights arising from other contractual arrangements, (iii) the Group’s voting rights and potential voting rights and (iv) other factors which enable the Company to direct the relevant activities of the investee unilaterally, such as the existence of control, through majority representatives appointed, over the board of directors of the investee by the Company. Potential voting rights that are substantive (i.e., practically exercisable by the Company considering all facts and circumstances), where applicable to certain Philippine affiliates of the Company, are taken into account in determining whether an entity should be consolidated. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes in the elements of control described above.

The results of subsidiary companies are included in the consolidated income statement from the effective date of acquisition, being the date on which the Group obtains control, or up to the effective date of disposal, as appropriate. Adjustments are made to bring into line any dissimilar accounting policies that may exist. All significant intra-group transactions and balances within the Group are eliminated on consolidation. Total comprehensive losses are attributed to the non-controlling interests even if it results in a deficit balance. Non-controlling interests represent the interests of non-controlling shareholders not held by the Group in the results and net position of the Company’s subsidiary companies.

A change in the ownership interest of a subsidiary company, without a change of control, is accounted for as an equity transaction. For an unexercised put option held by a non-controlling shareholder of the Group’s subsidiary company, which allows the non-controlling shareholder to sell all of its interest in the Group’s subsidiary company to the Group under certain specific circumstances, the Group continues to recognize the non-controlling interest, including an update to reflect allocations of profit or loss, allocation of changes in other comprehensive income and dividends declared for the reporting period, as required by HKFRS 10 “Consolidated Financial Statements”. However, the carrying amount of the non-controlling interest is derecognized at the end of each reporting period and the difference between the derecognized non-controlling interest and changes in measurement of a financial liability recognized in relation to the put option is recorded in equity as an equity transaction. See Note (I) for details of the accounting policies in relation to the financial liability recognized in relation to the put option.

If the Group loses control over a subsidiary company, it derecognizes the related assets (including goodwill), liabilities, any non-controlling interests, and the exchange reserve, and recognizes the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group’s share of components previously recognized in other comprehensive income is reclassified to profit or loss or retained earnings, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

(II) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. This method involves allocating the consideration transferred to the vendor to the fair value of the identifiable assets acquired, with liabilities and contingent liabilities assumed at the date of acquisition. The consideration transferred is measured at the aggregate of the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's net identifiable assets or at fair value. All acquisition-related costs are recognized as expenses in profit or loss.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

For step acquisitions, the Group's previously held equity interests are remeasured at the fair value at their acquisition date and any resulting gain or loss is recognized in profit or loss or other comprehensive income, as appropriate. Contingent consideration is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognized in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and any fair value of the Group's previously held equity interest in the acquiree over the net fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed. If the sum of this consideration and other items is lower than the net fair value of the identifiable assets acquired, liabilities and contingent liabilities assumed, the difference is recognized in profit or loss after reassessment as a gain on bargain purchase. In the case of associated companies and joint ventures, goodwill is included in the carrying amount thereof, rather than as a separately identified asset in the consolidated statement of financial position.

If the initial accounting for business combination can be determined only provisionally by the end of the period in which the combination is effected because the fair values to be assigned to the acquiree's identifiable assets and liabilities can be determined only provisionally, the Group accounts for the combination using provisional amounts. During the measurement period, which is not longer than one year from the acquisition date, the provisional amounts recognized at acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. Goodwill or any gain recognized shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable assets, liabilities or contingent liabilities being recognized or adjusted.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGU, or group of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Impairment is determined by assessing the recoverable amount of the CGU (group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (group of CGUs) is less than the carrying amount, an impairment loss is recognized. An impairment loss recognized for goodwill is not reversed in a subsequent period.

For business combinations involving entities or businesses under common control (a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory), they are accounted for applying the principles of merger accounting which is consistent with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA. The method requires the combined entity to recognize the assets, liabilities and equity of the combining entities or businesses at the carrying amounts (i.e., existing book values from the controlling parties' perspective) in the Consolidated Financial Statements of the controlling party or parties prior to the common control combination. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost at the time of the common control combination to the extent of the controlling party's or parties' interests.

Where goodwill has been allocated to a CGU (group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion retained by the CGU (group of CGUs).

(b) Property, plant and equipment

(I) Freehold land and other property, plant and equipment

Freehold land is stated at cost and is not depreciated. Other property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses, calculated on the straight-line basis at annual rates estimated to write off their book values to residual values (if any) over their expected useful lives. Details of depreciation rates are given as follows:

The principal annual rates of depreciation:

Freehold land	Nil
Buildings	2.5% to 20.0%
Machinery, equipment and vessels	3.3% to 50.0%
Construction in progress	Nil

When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and measured at the lower of its carrying amount and fair value less costs to sell.

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Cost also includes asset retirement obligations, interest on borrowed funds used during the construction period and qualified finance costs from foreign exchange losses related to foreign currency denominated liabilities used to acquire such assets. Major costs incurred in restoring property, plant and equipment to their normal working condition are normally charged to the consolidated income statement. Where the recognition criteria are satisfied, improvements are capitalized and depreciated over their expected useful lives to the Group. When assets are sold or retired, their costs and accumulated depreciation, amortization and impairment losses, if any, are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated income statement.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values (if any), useful lives and the depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

(II) Bearer plants

Bearer plants are living plants used in the production or supply of agricultural produce. They are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

The Group's bearer plants comprise oil palm, rubber, and sugar cane plantations. The Group elects to account for its bearer plants using the cost model under HKAS 16 "Property, Plant and Equipment". Immature bearer plants are accounted for at accumulated cost, which consist mainly of the accumulated cost of land clearing, planting, fertilizing, upkeeping and maintaining the plantations, and allocations of indirect overhead costs up to the time the plants become commercially productive and available for harvest. Costs also include capitalized borrowing costs and other charges incurred in connection with the financing of the development of immature bearer plants. Immature bearer plants are not depreciated.

Immature bearer plants are reclassified to mature bearer plants when they are commercially productive and available for harvest. In general, an oil palm plantation takes about three to four years to reach maturity from the time of planting the seedlings, while a rubber plantation takes about five to six years to reach maturity. A sugar cane plantation takes about a year to reach maturity and can be harvested for an average of three times after the initial harvest.

Mature bearer plants are stated at cost, and are depreciated using the straight-line method over their estimated useful lives of 25 years for oil palm plantations and rubber plantations, and four years for sugar cane plantations. The useful lives and depreciation method are reviewed at each year end and adjusted prospectively, if necessary.

The carrying amounts of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The carrying amount of an item of bearer plants is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is directly included in the profit or loss when the item is derecognized.

Upkeep and maintenance costs are recognized in the profit or loss when they are incurred. The cost of major renovation and restoration is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and is depreciated over the remaining useful life of the related asset.

(c) Asset retirement obligations

The net present value of legal obligations associated with the retirement of an item of property, plant and equipment that resulted from the acquisition, construction, or development of property, plant and equipment is recognized in the period in which the obligations arise. The obligations are reviewed and adjusted, if appropriate, at the end of each reporting period.

(d) Biological assets

The Group's biological assets comprise timber plantations and agricultural produce of the bearer plants, which primarily comprise FFB, oil palm seeds, latex, and sugar cane.

The Group recognizes the fair value of biological assets in accordance with HKAS 41. Biological assets are stated at fair value less costs to sell. Gains or losses arising on initial recognition of biological assets and from the change in fair value of biological assets at each reporting date are recognized in the profit or loss for the period in which they arise.

The Group adopts the income approach to measure the fair value of the biological assets. For the valuation of unharvested produce of oil palm and rubber plantations, the Group has applied the estimated harvest data subsequent to the year end to derive the fair value. For the valuation of sugar cane and oil palm seeds, the Group has applied discounted cash flow models to derive the fair value.

For timber plantations, the Group appoints an independent valuer to determine the fair value of timber trees at the year end and any resultant gains or losses arising from the changes in fair values are recognized in the profit or loss. The independent valuer adopts the income approach for the valuation of timber trees using a discounted cash flow model.

(e) Associated companies and joint ventures

An associated company is an entity in which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associated companies and joint ventures are accounted for in the Consolidated Financial Statements under the equity method, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's investments in associated companies and joint ventures include goodwill (net of any accumulated impairment losses) identified on acquisition. The Group's share of its associated companies' and joint ventures' post-acquisition profits and losses is recognized in the consolidated income statement as the Group's share of profits less losses of associated companies and joint ventures, and its share of post-acquisition other comprehensive income is recognized in the Group's consolidated other comprehensive income and when applicable in the consolidated statement of changes in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

Unrealized gains and losses resulting from transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's investments in the associated companies or joint ventures, except where unrealized losses provide evidence of an impairment of the assets transferred.

Equity accounting is discontinued when the Group's interest in an associated company or a joint venture reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company or joint venture. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associated company or the joint venture (after applying the expected credit loss ("ECL") model to such other long-term interests when applicable (see Note (k)(IV))).

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investments in associated companies and joint ventures. At each reporting date, the Group determines whether there is objective evidence that the investment in an associated company or a joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associated company or joint venture and its carrying value, and then recognizes the loss in the consolidated income statement.

If an investment in an associated company becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, when the Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associated company or joint control over a joint venture, the Group measures at fair value any investment that the Group retains in the former associated company or joint venture. The Group recognizes in the consolidated income statement any difference between (i) the fair value of any retained investment and any proceeds from disposing of part of the interest in the associated company or joint venture and (ii) the carrying amount of the investment at the date when significant influence or joint control is lost.

(f) Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Additions of service concession assets subsequent to business combinations are initially measured at the present value of any additional estimated future concession fee payments pursuant to the concession agreements and/or the costs of rehabilitation works incurred or additional constructions. Service concession assets acquired other than through business combinations include capitalized upfront payments and expenditures directly attributable to the acquisition of the service concession. Payments to governments over the concession period are capitalized at their present value using the incremental borrowing rate determined at inception date and are included as part of the initial recognition of the service concession asset with a corresponding liability recognized as service concession fee payable. Borrowing cost in relation to service concession assets that are considered as qualifying assets forms part of the cost of the service concession asset. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment loss. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite useful lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

The Group's concession assets represent the fair value of concessions of rights granted by governments to charge users for public services provided. The Group's concession assets for the water distribution business are amortized using either the unit of production method or the straight-line method over the term of the concessions. The Group's concession assets for the toll road business are amortized using the unit of production method over the term of the concessions. The Group's brands represent the brands for its various milk related products and are amortized using the straight-line method over their estimated useful lives. The Group's customer list and licenses for the wastewater and sewage treatment business are amortized using the straight-line method over their estimated useful lives. The Group's vesting contract is a commitment to produce a specified quantity of electricity at a specified price, limiting the Group's exposure to volatility in electricity prices and provide certainty on cost recovery for a portion of the electricity generated. The vesting contract is amortized using the straight-line method. The Group's software is amortized using the straight-line method over its estimated useful life.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, or whenever there is an indication that the intangible asset may be impaired. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis from the date of change. The Group's intangible assets with indefinite useful lives mainly consist of the registered brand name, distribution and customer networks, and water licenses of its packaged drinking water business, for which (i) the brand name and licenses can be renewed indefinitely at no significant costs; (ii) the Group has the intention to renew the brand name and maintain the licenses and the networks indefinitely; and (iii) the Group does not expect to incur significant expenses to maintain the future economic benefits that can be generated from these assets.

Intangible assets not yet available for use are tested for impairment annually or more frequently when events or changes in circumstances indicate that the carrying values may be impaired. The intangible assets not yet available for use mainly relate to concession agreements signed with the relevant government authorities as regards to the building and operation of water, toll roads, and rail businesses for which constructions have not been completed.

(g) Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of each reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated income statement in the period in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated income statement in the period of the retirement or disposal.

Transfers are made to (or from) investment properties only when there is a change in use. For a transfer from an investment property to an owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment for owned property and/or accounts for such property in accordance with the policy stated under right-of-use assets for leased property up to the date of change in use.

(h) Fair value measurement

The Group measures its biological assets, investment properties, financial assets classified as FVOCI, contingent consideration, derivative financial instruments, and pension scheme assets at fair value at the end of each reporting period. Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(i) Impairment of non-financial assets

An assessment is made at the end of each reporting period as to whether there is an indication of impairment of assets including property, plant and equipment, other intangible assets and other non-current assets, or whether there is an indication that an impairment loss previously recognized for an asset may no longer exist or may have decreased. If such an indication exists, or when annual impairment testing for an asset is required, the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the consolidated income statement in the period in which it arises.

A previously recognized impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset. However, this is limited and will not give rise to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortization), had no impairment loss been recognized for the asset in prior years.

A reversal of such an impairment loss is credited to the consolidated income statement in the period in which it arises.

(j) Cash and cash equivalents, short-term deposits and restricted cash

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use, whereas short-term deposits are highly liquid money market placements with maturities of more than three months but less than one year from the dates of acquisition. Cash restricted as to use represents cash which is restricted from being exchanged or used to settle a liability.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(k) Financial assets

(I) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI and fair value through profit or loss ("FVPL").

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them. With the exception of accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at FVPL, transaction costs. Accounts receivable that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Turnover and revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at FVPL.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognized on the trade date, that is, the date that the Group commits to purchase or sell the assets.

(II) Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in the consolidated income statement when the asset is derecognized, modified, or impaired.

(ii) Financial assets at FVOCI (debt instruments)

For debt investments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated income statement and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in other comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to the consolidated income statement.

(iii) Financial assets designated at FVOCI (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at FVOCI when they meet the definition of equity under HKAS 32 "Financial Instruments: Presentation" and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the consolidated income statement. Dividends are recognized as other operating income in the consolidated income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at FVOCI are not subject to impairment assessment.

(iv) Financial assets at FVPL

Financial assets at FVPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated income statement.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at FVOCI. Dividends on the equity investments are also recognized as other operating income in the consolidated income statement when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at FVPL. Embedded derivatives are measured at fair value with changes in fair value recognized in the consolidated income statement. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the FVPL category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at FVPL.

(III) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated statement of financial position) when (i) the rights to receive cash flows from the asset have expired; or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(IV) Impairment

The Group recognizes an allowance for ECLs for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

(i) General approach

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a "12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

At each reporting date, the Group assesses whether the credit risk on debt instruments have increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the debt instruments as at the reporting date with the risk of a default occurring on the debt instruments as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers other debt instruments in default when contractual payments are more than 60 to 180 days past due. However, in certain cases, the Group may also consider these debt instruments to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A debt instrument is written off when there is no reasonable expectation of recovering the contractual cash flows. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

For debt investments at FVOCI, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the past due status of the debt investments in which the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Debt investments at FVOCI and other debt instruments at amortized cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for accounts receivable and contract assets which apply the simplified approach as detailed below:

Stage 1 – Debt instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs;

Stage 2 – Debt instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs;

Stage 3 – Debt instruments that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs.

Evidence that a debt instrument is credit-impaired includes the following observable events:

- Significant financial difficulties of the debtor;
- A breach of contract, such as a default or delinquency in interest or principal repayments;
- It becoming probable that the borrower will enter into bankruptcy or other financial reorganization;
- Significant changes in the technological, market, economic, or legal environment that have an adverse effect on the debtor; or
- The disappearance of an active market for a security because of financial difficulties of the issuer.

(ii) Simplified approach

For accounts receivable and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(I) Financial liabilities

(I) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

In respect of a put option held by a non-controlling shareholder of the Group's subsidiary company, which allows the non-controlling shareholder to sell all of its interest in the Group's subsidiary company to the Group under certain specific circumstances and thus gives rise to a contractual obligation for the Group to purchase its own equity instruments when the put option is exercised, a financial liability is initially recognized at the present value of the amount payable on exercise of the put option by the non-controlling shareholder and the carrying amount of the non-controlling interest is derecognized with the resulting differences recorded in equity.

(II) Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

(i) Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the consolidated income statement. The net fair value gain or loss recognized in the consolidated income statement does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at FVPL are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. Gains or losses on liabilities designated at FVPL are recognized in the consolidated income statement, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated income statement. The net fair value gain or loss recognized in the consolidated income statement does not include any interest charged on these financial liabilities.

(ii) Financial liabilities at amortized cost

After initial recognition, the following financial liabilities are measured at amortized cost using the effective interest method: (i) trade and other payables, and (ii) borrowings. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

In respect of a put option held by a non-controlling shareholder of the Group's subsidiary company, while the put option remains unexercised, the Group derecognizes the carrying value of the non-controlling interest as if the put option is exercised at the end of the reporting period and recognizes a financial liability at the present value of the amount payable on exercise of the put option, with the difference recorded in equity as an equity transaction.

(iii) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contracts at the higher of: (i) the ECL allowance determined in accordance with the policy as set out in Note (k)(IV); and (ii) the amount initially recognized less, when appropriate, the cumulative amount of income recognized.

(III) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or canceled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognized in the consolidated income statement.

(m) Derivative instruments and hedge accounting

The Group uses derivative financial instruments such as currency swaps, foreign currency forwards, interest rate swaps, commodity swaps and electricity futures to hedge its risks associated with foreign currency, interest rate, and commodity price fluctuations. Such derivative financial instruments are stated at fair value.

For the purpose of hedge accounting, hedges are classified as (i) fair value hedges where they hedge the exposure to changes in fair value of a recognized asset or liability or an unrecognized firm commitment, (ii) cash flow hedges where they hedge the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognized asset or liability, a highly probable forecast transaction, or a foreign currency risk in an unrecognized firm commitment, or (iii) hedges of a net investment in a foreign operation. The Group does not have any fair value hedges.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements: (i) there is "an economic relationship" between the hedged item and the hedging instrument, (ii) the effect of credit risk does not "dominate the value changes" that result from that economic relationship, and (iii) the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

The Group has adopted HKAS 39, HKFRS 7 and HKFRS 9 Amendments which include a number of reliefs that apply to all hedging relationships directly affected by interest rate benchmark reform. The reliefs apply during the year before the replacement of an existing interest rate benchmark with an alternative RFR. A hedging relationship is affected if interest rate benchmark reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument. The reliefs cease to apply once certain conditions are met. These include when the uncertainty arising from interbank offered rate reform is no longer present with respect to the timing and amount of the benchmark-based cash flows of the hedged item, if the hedging relationship is discontinued or once amounts in the cash flow hedge reserve have been released.

In relation to cash flow hedges, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized in consolidated other comprehensive income and the ineffective portion is recognized immediately in the consolidated income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in other comprehensive income are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in other comprehensive income for the period. This also applies when the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment to which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in other comprehensive income is reclassified to the consolidated income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect the consolidated income statement.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in other comprehensive income must remain in other comprehensive income if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to the consolidated income statement as a reclassification adjustment. After the discontinuation, once the hedged cash flows occur, any amount remaining in other comprehensive income is accounted for depending on the nature of the underlying transaction as described above.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are recognized directly in the consolidated income statement.

(n) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the first-in, first-out method, the weighted average method or the deemed cost for agricultural produce harvested from the bearer plants, and in the case of work in progress and finished goods, comprises direct materials, direct labor and an appropriate proportion of overheads. The cost of goods purchased for resale includes costs incurred in bringing the goods to their present location. Depending on the nature of the inventory, net realizable value is based on either estimated selling prices less any estimated costs to be incurred on completion and disposal, or the current replacement cost. The Group provides allowance for obsolescence and/or decline in market values of inventories based on periodic reviews of their physical conditions and net realizable value.

(o) Provisions, contingent liabilities and assets

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated income statement net of any reimbursement.

When the effect of discounting is material, the amount recognized for a provision is the present value, at the end of the reporting period, of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount, arising from the passage of time, is included in finance costs in the consolidated income statement.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognized in accordance with the general policy for provisions above and (ii) the amount initially recognized less, when appropriate, the amount of income recognized in accordance with the general guidance for revenue recognition.

Contingent assets represent assets arising from unplanned or unexpected events that give rise to the possibility of an inflow of economic benefits to the Group. Contingent assets are not recognized in the Group's Consolidated Financial Statements but are disclosed where an inflow of economic benefits is probable.

(p) Income tax

Income tax comprises current and deferred taxes. Income tax relating to items recognized outside profit or loss is recognized, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates (and tax laws) used to compute the amounts are those that are enacted or substantively enacted, by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Deferred tax is provided, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes, except that deferred tax is not recognized for the Pillar Two income taxes.

Deferred tax liabilities are recognized for all taxable temporary differences (with limited exceptions) while deferred tax assets are recognized for all deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized (with limited exceptions). For deferred tax liabilities that would be payable on unremitted earnings that are subject to withholding taxes, the Group fully recognizes the amounts for its associated companies and recognizes the amounts to the extent representing the earnings to be distributed as dividends for its subsidiary companies. The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. Conversely, previously unrecognized deferred tax assets are recognized to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Distributions/Dividends

Final distributions/dividends proposed by the Directors are recognized as a liability when they have been declared and approved by the shareholders in an annual general meeting. Proposed final distributions/dividends are disclosed in the notes to the Consolidated Financial Statements.

Interim distributions/dividends (including special distributions/dividends, if any) are simultaneously proposed and declared, because the Company's memorandum and bye-laws grant the Directors the authority to declare interim distributions/dividends. Consequently, interim distributions/dividends are recognized immediately as a liability when they are declared.

(r) Turnover and revenue recognition

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognized under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

Turnover represents the amounts received and receivable net of discounts, rebates, and value-added tax from the sales of goods and electricity, and the rendering of services to third parties, falling within the ordinary activities of the Group's businesses. Turnover is measured by allocating the transaction price including variable considerations to each performance obligation on a relative stand-alone selling price basis and taking into account contractually defined terms of payment.

(I) Turnover from the sale of goods

Turnover from the sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Delivery occurs when the goods have been shipped to the location specified by the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Some contracts for the sale of goods provide customers with rights of return and volume rebates, giving rise to variable consideration.

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognized. A right-of-return asset (and the corresponding adjustment to cost of sales) is also recognized for the right to recover products from a customer.

(ii) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognized.

(II) Turnover from the sale of electricity

Turnover from the sale of electricity is recognized over time upon supply and in the amount the Group has a right to invoice, because the customer simultaneously receives and consumes the benefits provided by the Group.

(III) Turnover from the sale of real estate properties

Turnover from the sale of real estate property under pre-completion stage is recognized over time during the construction period (or percentage of completion). The Group measures its progress using output method which based on the physical proportion of work done on the real estate project.

(IV) Turnover from the rendering of services

Turnover from the rendering of services is recognized over time when the said services are rendered. Customers are charged upon the completion of services or on a regular basis that corresponds directly with the value to the customer of the Group's performance to date.

(V) Construction revenue

Construction revenue and construction costs are recognized over time based on the percentage of completion, which is measured principally on the basis of estimated completion of a physical proportion of the contract works. Given that the rehabilitation and construction works have been subcontracted to outside contractors, the recognized construction revenue substantially approximates the related construction costs.

(VI) Dividend income

Dividend income is recognized when the Group's right to receive payment has been established.

(VII) Interest income

Interest income is recognized as it accrues, taking into account the principal amount outstanding and the effective interest rate.

(s) Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognized for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets (see Note (k)(IV)). They are reclassified to trade receivables when the right to the consideration becomes unconditional.

A contract liability is recognized when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognized as revenue when the Group performs under the contract (i.e. transfers control of the related goods or services to the customer).

(t) Employee benefits

(I) Pension obligations

The Group operates defined contribution and defined benefit retirement schemes.

Contributions to defined contribution schemes by the Group and employees are calculated as a percentage of the employees' basic salaries. The Group's contributions to defined contribution schemes are expensed as incurred and are reduced by contributions forfeited by those employees who leave the schemes prior to the contributions vesting fully.

The Group's net obligations in respect of defined benefit schemes are calculated by fair value of the pension scheme assets, and estimates of the effects of future events on the actuarial present value of accrued pension obligations, adjusted for any effect of limiting a net benefit asset to the asset ceiling, and are determined on the basis of actuarial valuations using the projected unit credit method. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. Remeasurements comprising actuarial gains and losses, return on plan assets, and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods. Past service costs are recognized in the consolidated income statement at the earlier of the date of (i) when the plan amendment occurs and (ii) when the related restructuring or termination costs are recognized. Interest on net defined benefit obligation is calculated using the discount rate used to measure the pension benefit obligation and recognized in the consolidated income statement.

(II) Long service payments

Certain of the Group's employees are eligible for long service payments in the event of the retirement or voluntary resignation of their employment. A provision is recognized in respect of the probable future long service payments expected to be made. The provision is the best estimate of the present value of probable future payments, calculated using the projected unit credit method, that have been earned by the employees from their service to the Group at the end of the reporting period.

(III) Equity-settled transactions

The cost of equity-settled transactions with employees is measured by reference to the fair values of the share options and awarded shares at the date at which they are granted.

For grants of share options, the total amount to be expensed is determined by reference to the fair value of the options granted by using option-pricing models, which include the impact of market performance conditions but exclude the impact of service conditions and non-market performance conditions. For grants of awarded shares, the total amount to be expensed is determined by reference to the market performance conditions at the grant date, taking into account all non-vesting conditions associated with the grants.

The cost of equity-settled transactions is recognized in employee benefit expenses, together with a corresponding increase in the employee share-based compensation reserve, over the period in which the performance conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting period end until the vesting date reflects the extent to which the vesting period has expired and the number of awards that will ultimately vest, based on the best available estimate.

Upon the exercise of share options, the related amount accumulated in the employee share-based compensation reserve is transferred to share premium. Upon the vesting and transfer to the awardees, the related costs of the awarded shares are credited to shares held for the share award scheme, and the related fair value of the shares is debited to the employee share-based compensation reserve. The difference between the cost and the fair value of the vested awarded shares is credited to retained earnings if the fair value is higher than the cost or debited against retained earnings if the fair value is less than the cost.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected into fair value of an award and lead to an immediate expensing of an award unless there are also services and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognized. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, an expense, as a minimum, is recognized as if the terms had not been modified if the original terms of the award are met. An expense is recognized for any increase in the fair value of the transactions as a result of the modification, as measured at the date of modification. If the modification occurs during the vesting period, the incremental fair value granted is included in the measurement of the amount recognized for services received over the period from the modification date until the date when the modified equity instruments vest, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognized over the remainder of the original vesting period. If the modification occurs after vesting date, the incremental fair value granted is recognized immediately, or over the vesting period if the employee is required to complete an additional period of service before becoming unconditionally entitled to those modified equity instruments.

Where an equity-settled award is canceled, it is treated as if it had vested on the date of cancelation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the canceled award, and designated as a replacement award on the date that it is granted, the canceled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(IV) Cash long-term employee benefits

The Group's long-term incentive plans ("LTIP") grant cash incentives to eligible key employees, which are contingent upon the achievement of approved performance targets, such as increases in recurring profit/core income over a performance cycle, usually three years, with payments made at the end of the performance cycle. Liability under LTIP is determined using the projected unit credit method. Employee benefit costs include current service costs, interest cost, actuarial gains and losses, and past service costs. Past service costs and actuarial gains and losses are recognized immediately in the consolidated income statement when they occur.

(V) Paid leave carried forward

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the end of the reporting period is permitted to be carried forward and utilized by the respective employees in the following year. An accrual is made at the end of the reporting period for the expected future cost of such paid leave earned during the year by the employees and carried forward.

(VI) Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

Termination benefits are recognized at the earlier of (i) when the Group can no longer withdraw the offer of those benefits and (ii) when the Group recognizes the related restructuring costs. Initial recognition and subsequent changes to termination benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short term employee benefits, or other long-term employee benefits.

(VII) Short-term employee benefits

Employee benefits are classified as short-term if the expected timing of settlement is within 12 months after the end of the reporting period.

(u) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(I) As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease component(s), the Group adopts the practical expedient not to separate non-lease component(s) and to account for the lease component and the associated non-lease component(s) (e.g., property management services for leased properties) as a single lease component.

(i) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for investment properties (see Note (g)).

(ii) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification that is not accounted for as a separate lease, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset. The lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which (i) the changes in lease payments result in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change, and (ii) there is no substantive change to other terms and conditions of the lease. In such cases, the Group took advantage of the practical expedient and recognized the change in consideration as if it was not a lease modification.

The Group's lease liabilities are included in deferred liabilities, provisions and payables.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its certain short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). When the Group enters into a lease in respect of a low-value asset (i.e. asset with a value, when new, of US$5,000 or less), the Group decides whether to capitalize the lease on a lease-by-lease basis. Lease payments associated with those leases which are not capitalized as right-of-use assets are recognized as an expense on a straight-line basis over the lease term.

(II) As a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term and is recognized in the consolidated income statement. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized in the consolidated income statement in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee are accounted for as finance leases.

(v) Finance costs

Finance costs are interest expenses calculated using the effective interest method and other costs incurred in connection with the borrowing of funds and lease liabilities. Other costs include exchange differences on foreign currency borrowings. Exchange differences arising from foreign currency borrowings are included in finance costs to the extent that they are regarded as an adjustment to interest costs.

Finance costs are expensed in the consolidated income statement in the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction, or production of qualifying assets (principally the assets classified as property, plant and equipment and concession assets classified as intangible assets for the Group) which necessarily take a substantial period of time to prepare for their intended use or sale. The capitalization of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

(w) Foreign currencies

(I) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency, principally the rupiah, peso and S$). The Consolidated Financial Statements are presented in the currency of the United States dollar, which is the Company's functional currency.

(II) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item.

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

(III) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency other than the United States dollar are translated into the United States dollar as follows:

(i) assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the end of the reporting period;

(ii) income and expenses for each consolidated income statement and consolidated statement of comprehensive income presented are translated at average exchange rates of the reporting period;

(iii) all resulting exchange differences are recognized in other comprehensive income; and

(iv) on consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to equity. When a foreign operation is sold, such exchange differences are recognized in the consolidated income statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the exchange rates at the dates of the transactions.

(IV) Consolidated statement of cash flows

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiary companies are translated into United States dollars at the average exchange rates of the reporting period.

(x) 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 chief operating decision maker who makes decisions about how resources are to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process.

(y) Related parties

A related party is considered as a person or an entity that is related to the Group if:

(I) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group;

or

(II) An entity is related to the Group if any of the following conditions applies:
- (i) the entity and the Group are members of the same group (which means that parent, each subsidiary company, and each fellow subsidiary company is related to the others);
- (ii) one entity is an associated company or a joint venture of the other entity (or an associated company or a joint venture of a member of a group of which the other entity is a member);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associated company of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (I);
- (vii) a person identified in (I)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling the activities of the Group, directly or indirectly.

(z) Assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets or disposal groups must be available for immediate sale in their present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and their sale must be highly probable. All assets and liabilities of a subsidiary company classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary company after the sale.

Non-current assets and disposal groups (other than investment properties, deferred tax assets, financial assets, and assets arising from employee benefits) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

For non-current assets and disposal groups (other than investment properties, deferred tax assets, financial assets, and assets arising from employee benefits) that cease to be classified as held for sale are measured at the lower of their carrying amounts before the assets or disposal groups were classified as held for sale, adjusted for any depreciation or amortization that would have been recognized had the assets or disposal groups not been classified as held for sale, and their recoverable amounts at the date of the subsequent decision not to sell.

(aa) Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorization for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognizes in its financial statements. The Group will adjust the amounts recognized in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognized in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

3. Significant Accounting Judgments and Estimates

The preparation of the Group's Consolidated Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

(A) Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the Consolidated Financial Statements:

(a) Service concession arrangements

In applying HK(IFRIC)-Int 12 "Service Concession Arrangements" to the service concession arrangements of the Group's water (Maynilad, Metro Pacific Iloilo Water Inc. ("MPIWI"), Philippine Hydro, Inc. ("PHI"), Metro Iloilo Bulk Water Supply Corporation ("MIBWSC"), PT Sarana Catur Tirta Kelola ("PT SCTK") and Metro Pacific Dumaguete Water Service Inc. ("MPDW")), toll road (NLEX Corporation, Cavitex Infrastructure Corporation ("CIC"), MPCALA Holdings, Inc. ("MPCALA"), Cebu Cordova Link Expressway Corporation ("CCLEC") and PT Nusantara) and rail (Light Rail Manila Corporation ("LRMC")) businesses, the Group has made judgments that these arrangements qualify for the application of the intangible asset model. The methods of amortization that the Group uses depend on which method best reflects the pattern of consumption of the concession assets. Maynilad, MPIWI, NLEX Corporation, CIC, CCLEC and PT Nusantara use the unit of production method for amortizing water and toll road service concession assets. The Group annually reviews the actual billed volume and the estimated billable water volume, in the case of the water concession, and the actual traffic volume and the expected traffic volume, in the case of the toll concession, based on factors that include market conditions such as population growth and consumption of water/usage of the toll facility, and the status of the Group's projects. It is possible that future results of operations could be materially affected by changes in the Group's estimates brought about by changes in the aforementioned factors.

In applying HKAS 23 to the Group's service concession arrangements under pre/ongoing construction (in the case of the construction of the CALAX, Connector Road and C5 South Link) as qualifying assets, the Group capitalizes borrowing costs that are directly attributable to the acquisition or construction of the qualifying asset as part of the cost of that asset using the specific borrowing approach, as the Group uses specific borrowings to finance its qualifying assets. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the components of the service concession asset for its intended use are completed. Details of the Group's accounting policy in respect of intangible assets (other than goodwill) are set out in Note 2(D)(f) to the Consolidated Financial Statements.

(b) Classification of financial assets and financial liabilities

The Group determines the classification of certain assets and liabilities as financial assets and financial liabilities by judging whether they meet the definition of financial assets and financial liabilities set out in HKFRS 9. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies set out in Notes 2(D)(k) and 2(D)(l) to the Consolidated Financial Statements, respectively.

(c) Power to exercise significant influence

Where the Group holds less than 20% of voting interest in an investee but the Group has the power to exercise significant influence, such an investment is treated as an associated company. See Note 12(D) to the Consolidated Financial Statements for application of the above judgment.

(d) Determining the lease term of contracts with renewal options

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination options. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its decision to exercise or not to exercise the option to renew or to terminate (e.g., a change in business strategy).

(B) Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are described below.

(a) Purchase price allocation and impairment of non-financial assets

Acquisition accounting requires an extensive use of accounting estimates to allocate the purchase price to the fair values of the acquiree's identifiable assets, liabilities, and contingent liabilities, if any, at the acquisition date. Determining the fair value of the identifiable assets, for example property, plant and equipment and intangible assets (other than goodwill), at the date of acquisition of business requires the Group to make estimates and assumptions that can materially affect the Group's Consolidated Financial Statements.

Any difference in the purchase price and the fair values of the net identifiable assets acquired is recorded as either goodwill in the consolidated statement of financial position or a gain on bargain purchase in the consolidated income statement. The Group's business acquisitions have resulted in goodwill, which is subject to annual impairment testing and whenever there is an indication that goodwill may be impaired. The Group also assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Intangible assets with indefinite useful lives and intangible assets that have not yet been brought into use (including concession assets not yet available for use) are tested for impairment annually and at other times when such an indicator exists.

Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the asset or CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The preparation of estimated future cash flows involves significant estimations. While the Group believes that its assumptions are appropriate and reasonable, significant changes in its assumptions may materially affect its assessment of recoverable values and may lead to future additional impairment charges. Any resulting impairment loss would affect directly the Group's consolidated profit or loss and equity.

At 31 December 2024, the carrying amounts of the Group's goodwill and intangible assets are US$3,784.7 million (2023: US$3,967.7 million), and US$7,265.0 million (2023: US$6,839.3 million), respectively. Further details on the Group's goodwill and intangible assets are disclosed in Notes 13 and 14 to the Consolidated Financial Statements, respectively.

(b) Estimating useful lives and residual values of property, plant and equipment

The Group estimates the useful lives and residual values of its property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives and residual values of the property, plant and equipment are reviewed annually and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets. In addition, the Group's estimation of the useful lives and residual values of its property, plant and equipment is based on its collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in those estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives and residual values of the Group's property, plant and equipment would increase its recorded depreciation expenses and decrease its non-current assets.

At 31 December 2024, the carrying amount of the Group's property, plant and equipment is US$3,634.8 million (2023: US$3,730.3 million). Further details are disclosed in Note 10 to the Consolidated Financial Statements.

(c) Measurement of fair value of biological assets

The Group recognizes its timber plantations and agricultural produce of bearer plants at fair value less costs to sell, which requires the use of accounting estimates and assumptions.

The Group adopts the income approach to measure the fair value of unharvested produce of bearer plants and timber plantations. The significant assumptions applied to determine the fair value of biological assets include the projected selling prices, production yields, discount rate, and inflation rate. For the valuation of unharvested FFB of oil palm and latex of rubber, the Group applies the estimated harvest data subsequent to year end and the market selling prices at year end to derive the fair value of unharvested produce of oil palm and rubber at year end. For the valuation of oil palm seeds, sugar cane and timber, the Group applies discounted cash flow models to derive their fair values.

The amount of changes in fair values would differ if there are changes to the assumptions used. Any changes in fair values of these agricultural produces would affect the Group's consolidated profit or loss and equity. The key assumptions applied in the determination of fair value of biological assets including a narrative sensitivity analysis are disclosed and further explained in Note 11 to the Consolidated Financial Statements.

(d) Estimating useful lives of brands

The Group estimates the useful lives of the brands for its various milk-related products (Note 14(D)) and packaged drinking water (Note 14(E)). The estimated useful lives of the brands are reviewed annually and are updated if expectations differ from previous estimates, including but not limited to, changes in market situations, regulatory developments and technological obsolescence. It is possible, however, that future results of operations could be materially affected by changes in those estimates brought about by changes in the factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the Group's brands would increase its recorded amortization expenses and decrease its other non-current assets.

(e) Measurement of fair value of financial assets and liabilities

The Group measures certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates. While significant components of fair value measurement are determined using verifiable objective evidence (i.e., foreign exchange rates and interest rates), the amount of changes in fair value would differ if the Group utilized different valuation methodologies. Any changes in fair value of these financial assets and liabilities would directly affect the Group's consolidated profit or loss and equity. Further details on the fair value of these financial assets and liabilities are disclosed in Note 38(C) to the Consolidated Financial Statements.

(f) Provision for expected credit losses on accounts receivable and contract assets

The Group uses a provision matrix to calculate ECLs for accounts receivable and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's accounts receivable and contract assets is disclosed in Note 16 to the Consolidated Financial Statements.

(g) Estimating allowances for inventories

The Group estimates the allowance for inventories based on the best available facts and circumstances, including but not limited to, the inventories' own conditions (i.e., whether they are damaged or become wholly or partially obsolete), their market selling prices, estimated costs of completion and estimated costs to be incurred for their sale. The allowances are re-evaluated and adjusted as additional information received affects the amount estimated. The information about the allowances for inventories is disclosed in Note 20 to the Consolidated Financial Statements.

(h) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the diversity of the Group's businesses and the long-term nature and complexity of existing contractual agreements or the nature of the business itself, changes arising from differences between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities in which the Group operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues depending on the conditions prevailing in the respective domicile or to the operations of the Group.

The Group reviews the carrying amounts at the end of each reporting period and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized based on the likely timing and level of future taxable profits together with future tax planning strategies. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of its recognized deferred tax assets to be utilized. Further details on the taxation and deferred tax are disclosed in Notes 6 and 18 to the Consolidated Financial Statements, respectively.

(i) Provisions

The Group recognizes provisions based on estimates of whether it is probable that an outflow of resources will be required to settle an obligation. Where the final outcome of these matters is different from the amounts that were initially recognized, such differences will impact the financial performance in the period in which such determination is made. Further details on the provisions are disclosed in Note 27 to the Consolidated Financial Statements.

(j) Pension and other retirement benefits

The determination of the Group's defined benefits obligation, the fair value of plan assets, the asset ceiling and cost is performed by independent actuaries engaged by the Group and dependent on the selection of certain assumptions used by them in calculating such amounts. Those assumptions include among others, discount rates, expected returns on plan assets, future annual salary increases and the average remaining working life of employees. In accordance with the Group's accounting policy for pension obligations, actual results that differ from the Group's assumptions are recognized immediately in other comprehensive income as and when they occur. While the Group believes that the actuaries' assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in the Group's assumptions may materially affect its pension and other retirement obligations. Details of the Group's retirement benefits are disclosed in Note 35(B) to the Consolidated Financial Statements.

(k) Employee benefit expenses

HKFRS 2 "Share-based Payment" requires that the Group measures its share options and awarded shares at fair value at the date at which they are granted, which requires the extensive use of estimates. The determination of such fair value is performed by an independent valuer engaged by the Group or based on management's estimates. Significant components of fair value measurement were determined using assumptions including the expected volatility and dividend yield and the average risk-free interest rate for share options, and expected dividend payments during the vesting period for share awards. The amount of fair value determined at the date on which the share options and awarded shares are granted would differ if the Group utilized different assumptions. Any changes in fair value of the share options and awarded shares determined at the date on which they are granted would affect directly the Group's consolidated profit or loss and equity in subsequent periods when these fair values are recognized as expenses over the vesting period of the share options and awarded shares. Details of the Group's share award scheme and share option scheme are disclosed in Notes 29 and 36(D) to the Consolidated Financial Statements, respectively.

The cost of cash LTIP is determined using the projected unit credit method based on prevailing discount rates and estimated achievement of recurring profit/core income targets. While management's assumptions are believed to be reasonable and appropriate, significant differences in actual results against targeted results or changes in assumptions may materially affect the Group's consolidated profit or loss and equity. The information about the employee benefit expenses is disclosed in Note 35 to the Consolidated Financial Statements.

4. Turnover and Segmental Information

US$ millions	2024	2023
Turnover		
Sale of goods		
– Consumer Food Products	**7,189.8**	7,274.9
– Infrastructure	**5.1**	2.6
Sale of electricity		
– Infrastructure	**1,501.1**	2,039.4
Sale of real estate		
– Infrastructure	**22.6**	16.6
Rendering of services		
– Consumer Food Products	**100.6**	102.8
– Infrastructure	**1,238.0**	1,074.4
Total	**10,057.2**	10,510.7

Performance obligations

Information about the Group's performance obligations is summarized below:

Sale of goods

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 60 days from delivery for consumer food products and 30 days for infrastructure business. Certain contracts provide customers with rights of return and volume rebates which give rise to variable consideration.

For the year ended 31 December 2024, recognized revenue of US$13.6 million (2023: US$12.6 million) relates to the carried-forward contract liabilities arising from the consumer food products business.

Sale of electricity

The performance obligation is satisfied over time as the customer simultaneously receives and consumes the electricity provided by the Group and payment is generally due within 30 days from the date of billing for PLP's customers.

For the year ended 31 December 2024, recognized revenue of US$14.0 million (2023: US$15.9 million) relates to the carried-forward contract liabilities arising from the infrastructure business.

Sale of real estate

The performance obligation is satisfied over time as the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date and the payment is generally with an instalment period of one to three years for Landco's customers.

For the year ended 31 December 2024, recognized revenue of US$6.4 million (2023: US$8.4 million) relates to the carried-forward contract liabilities arising from the infrastructure business.

Rendering of services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 days from the date of billing for Indofood's distribution business customers, and within seven to 60 days from the date of billing for MPIC's water and sewerage service customers, and 45 to 60 days from the date of billing for MPIC's bulk water supply customers. For commission income under the real estate business, the performance obligation is satisfied upon the execution of the contract to sell or deed of absolute sale, and payment is due five to ten days thereafter.

For the year ended 31 December 2024, recognized revenue of US$2.2 million (2023: US$1.5 million) relates to the carried-forward contract liabilities arising from the infrastructure business.

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 geographical and product or service 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 customers. Details of the Group's principal investments are provided on pages 217 and 218.

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 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 years ended 31 December 2024 and 2023, and assets and liabilities at 31 December 2024 and 2023 on a segmental basis are as follows:

By Principal Business Activity – 2024

For the year ended/at 31 December US$ millions	Consumer Food Products	Telecom- munications	Infrastructure	Natural Resources	Head Office	**2024 Total**
Revenue						
Turnover						
– Point in time	7,189.8	–	9.2	–	–	**7,199.0**
– Over time	100.6	–	2,757.6	–	–	**2,858.2**
Total	7,290.4	–	2,766.8	–	–	**10,057.2**
Results						
Recurring profit	326.9	148.5	296.3	4.8	(104.0)	**672.5**
Assets and Liabilities						
Non-current assets (other than financial instruments and deferred tax assets)						
– Associated companies and joint ventures	292.8	1,088.1	4,298.1	188.3	–	**5,867.3**
– Others	7,024.8	–	8,342.5	–	5.5	**15,372.8**
	7,317.6	1,088.1	12,640.6	188.3	5.5	**21,240.1**
Other assets	5,270.5	–	1,890.8	–	260.9	**7,422.2**
Total segment assets	12,588.1	1,088.1	14,531.4	188.3	266.4	**28,662.3**
Assets classified as held for sale	15.6	–	–	–	–	**15.6**
Total assets	12,603.7	1,088.1	14,531.4	188.3	266.4	**28,677.9**
Borrowings	4,455.0	–	6,623.4	–	1,457.9	**12,536.3**
Other liabilities	1,549.9	–	2,506.3	–	155.2	**4,211.4**
Total liabilities	6,004.9	–	9,129.7	–	1,613.1	**16,747.7**
Other Information						
Depreciation and amortization	(275.6)	–	(152.6)	–	(2.9)	**(431.1)**
Impairment losses	(140.7)	–	(26.0)	–	–	**(166.7)**
Interest income	94.8	–	49.1	–	8.4	**152.3**
Finance costs	(262.8)	–	(258.4)	–	(86.2)	**(607.4)**
Share of profits less losses of associated companies and joint ventures	11.6	151.4	354.5	5.9	–	**523.4**
Taxation	(244.9)	–	(160.0)	–	(18.9)	**(423.8)**
Additions to non-current assets (other than financial instruments and deferred tax assets)	327.2	–	1,702.4	–	1.1	**2,030.7**

By Geographical Market – 2024

For the year ended/at 31 December US$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	**2024 Total**
Revenue					
Turnover					
– Consumer Food Products	5,551.5	20.9	98.6	1,619.4	**7,290.4**
– Infrastructure	59.1	1,214.2	1,492.8	0.7	**2,766.8**
Total	5,610.6	1,235.1	1,591.4	1,620.1	**10,057.2**
Assets					
Non-current assets (other than financial instruments and deferred tax assets)	4,283.4	11,900.5	869.9	4,186.3	**21,240.1**

By Principal Business Activity – 2023

For the year ended/at 31 December US$ millions	Consumer Food Products	Telecom-munications	Infrastructure	Natural Resources	Head Office	2023 Total
Revenue						
Turnover						
– Point in time	7,274.9	–	7.9	–	–	7,282.8
– Over time	102.8	–	3,125.1	–	–	3,227.9
Total	7,377.7	–	3,133.0	–	–	10,510.7
Results						
Recurring profit	272.1	143.2	278.6	7.6	(97.7)	603.8
Assets and Liabilities						
Non-current assets (other than financial instruments and deferred tax assets)						
– Associated companies and joint ventures	416.2	1,067.1	3,602.3	198.2	–	5,283.8
– Others	7,298.3	–	7,889.7	–	1.4	15,189.4
	7,714.5	1,067.1	11,492.0	198.2	1.4	20,473.2
Other assets	4,518.1	–	2,129.1	–	214.2	6,861.4
Total segment assets	12,232.6	1,067.1	13,621.1	198.2	215.6	27,334.6
Assets classified as held for sale	22.9	–	–	–	–	22.9
Total assets	12,255.5	1,067.1	13,621.1	198.2	215.6	27,357.5
Borrowings	4,258.2	–	5,886.5	–	1,466.8	11,611.5
Other liabilities	1,570.4	–	2,441.4	–	160.1	4,171.9
Total segment liabilities	5,828.6	–	8,327.9	–	1,626.9	15,783.4
Liabilities directly associated with the assets classified as held for sale	7.2	–	–	–	–	7.2
Total liabilities	5,835.8	–	8,327.9	–	1,626.9	15,790.6
Other Information						
Depreciation and amortization	(285.5)	–	(173.4)	–	(4.1)	(463.0)
Impairment losses	(203.4)	–	(18.1)	–	–	(221.5)
Interest income	64.0	–	36.7	–	15.6	116.3
Finance costs	(239.8)	–	(250.4)	–	(83.9)	(574.1)
Share of profits less losses of associated companies and joint ventures	10.9	127.4	222.8	5.2	–	366.3
Taxation	(311.7)	–	(148.9)	–	(17.3)	(477.9)
Additions to non-current assets (other than financial instruments and deferred tax assets)	356.8	–	1,061.8	–	0.2	1,418.8

By Geographical Market – 2023

For the year ended/at 31 December US$ millions	Indonesia	The Philippines	Singapore	The Middle East, Africa & Others	2023 Total
Revenue					
Turnover					
– Consumer Food Products	5,649.0	61.1	128.4	1,539.2	7,377.7
– Infrastructure	56.6	1,046.6	2,029.2	0.6	3,133.0
Total	5,705.6	1,107.7	2,157.6	1,539.8	10,510.7
Assets					
Non-current assets (other than financial instruments and deferred tax assets)	3,770.3	11,426.9	756.1	4,519.9	20,473.2

There was no revenue from transactions with a single customer that accounted for 10% or more of the Group's consolidated revenue during the year (2023: None).

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

US$ millions	2024	2023
Profit before taxation	**2,027.1**	1,819.3
Exclusion of:		
– Foreign exchange and derivative losses/(gains), net (Note 7(A))	**134.2**	(41.6)
– Non-recurring items	**44.2**	221.9
Deduction of attributable taxation and non-controlling interests	**(1,533.0)**	(1,395.8)
Recurring Profit	**672.5**	603.8

5. Profit before Taxation

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

(A) Other Operating Income and Expenses

US$ millions	2024	2023
Construction revenue	**(740.7)**	(665.8)
Construction costs	**740.7**	665.8
Foreign exchange and derivative losses/(gains), net (Note 7(A))	**154.7**	(30.0)
Impairment losses, net		
– Associated companies and joint ventures (Note 12)	**69.4**	163.8
– Other intangible assets (Note 14)	**40.2**	0.9
– Other receivables	**19.1**	16.6
– Property, plant and equipment (Note 10)	**16.3**	15.6
– Goodwill (Note 13)	**0.5**	1.7
Loss on disposal of property, plant and equipment, net	**22.6**	4.1
Amortization of other intangible assets	**12.2**	14.1
Gains on control of a subsidiary company (Note 33(D))	**(44.9)**	–
Gain on changes in fair value of biological assets, net (Note 11)	**(20.0)**	(0.8)
Dividend income from financial assets at FVOCI (Note 17)	**(13.5)**	(16.0)
Gain on disposal of an associated company	**(3.7)**	(4.0)
Other expenses/(income), net	**24.2**	(54.0)
Total	**277.1**	112.0

(B) Finance Costs

US$ millions	2024	2023
Finance costs on		
– Bank borrowings and other loans	**782.7**	696.7
– Lease liabilities	**3.2**	3.5
Less: Finance costs capitalized in		
– Other intangible assets	**(177.6)**	(123.3)
– Property, plant and equipment	**(0.9)**	(2.8)
Total	**607.4**	574.1

The capitalization rate of borrowings costs for 2024 ranging from 4.3% to 9.4% (2023: 5.1% to 8.7%).

(C) Other Items

US$ millions	2024	2023
Cost of inventories sold	**3,523.4**	3,746.1
Cost of services rendered	**1,566.6**	2,041.9
Employees' remuneration (Note 35(A))	**898.4**	837.2
Depreciation of property, plant and equipment (Note 10)	**316.6**	340.9
Amortization of other intangible assets (Note 14)(i)	**113.9**	120.5
Expenses relating to short-term leases	**18.2**	18.3
Impairment losses on accounts receivable (Note 16(D))(ii)	**15.3**	15.4
Write-down of inventories to net realizable value (Note 20(A))(iii)	**5.9**	7.5
Auditor's remuneration		
– Audit services	**4.6**	4.3
– Non-audit services(iv)	**1.1**	0.5
Expenses relating to leases of low-value assets	**0.1**	0.2

(i) US$100.2 million (2023: US$106.3 million) included in cost of sales, US$12.2 million (2023: US$12.7 million) included in other operating income and expenses, and US$1.5 million (2023: US$1.5 million) included in administrative expenses.
(ii) Included in administrative expenses.
(iii) Included in cost of sales.
(iv) Pertained to due diligence, review of continuing connected transactions, ESG advisory service, and other transactions relating to the Group's business development.

6. Taxation

No Hong Kong profits tax (2023: nil) has been provided as the Group had no estimated assessable profits (2023: nil) arising in Hong Kong for the year. 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.

US$ millions	2024	2023
Subsidiary Companies – Overseas		
Current taxation (Note 26)	**386.2**	377.5
Deferred taxation	**37.6**	100.4
Total Tax Charge	**423.8**	477.9

Included within the share of profits less losses of associated companies and joint ventures is taxation of US$134.4 million (2023: US$118.1 million) which is analyzed as follows:

US$ millions	2024	2023
Associated Companies and Joint Ventures – Overseas		
Current taxation	**132.0**	119.2
Deferred taxation	**2.4**	(1.1)
Total Tax Charge	**134.4**	118.1

A reconciliation between profit before taxation multiplied by the applicable tax rates and the taxation amount is as follows:

US$ millions	2024	%	2023	%
Profit before Taxation	**2,027.1**		1,819.3	
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax countries concerned	**444.7**	**21.9**	387.7	21.3
Tax effect of:				
– Non-deductible expenses	**116.6**	**5.8**	118.5	6.5
– Income not subject to tax	**(36.7)**	**(1.8)**	(21.3)	(1.2)
– Share of profits less losses of associated companies and joint ventures	**(136.4)**	**(6.7)**	(93.0)	(5.1)
– Others	**35.6**	**1.8**	86.0	4.7
Taxation at the Group's effective tax rate	**423.8**	**20.9**	477.9	26.3

Pillar Two Income Taxes

The Group is within the scope of the Pillar Two model rules. The Group has certain subsidiary companies incorporated in the Netherlands and Vietnam, where Pillar Two legislation has been effective since 1 January 2024. In addition, Pillar Two legislation will become effective on 1 January 2025 for the Group's subsidiary companies incorporated in Hong Kong, Indonesia and Singapore. The Group has applied the mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes, and will account for the additional Pillar Two income taxes, if any, as current tax when incurred.

The Group has assessed its potential exposure to Global Anti-Base Erosion ("GloBE") Pillar Two "top-up" taxes based on the audited financial results of the Group and its country-by-country report for the year ended 31 December 2023. Whilst it may not be entirely representative of future circumstances, based on the latest assessment, the subsidiary companies incorporated in the Netherlands and Vietnam are potentially qualified for the de minimis test under the safe harbour provisions of the GloBE Model Rules in their respective jurisdictions and hence the top-up taxes are deemed to be zero. With regard to subsidiary companies incorporated in Hong Kong, the potential exposure is expected to be remote due to tax losses carried forward. With regard to subsidiary companies incorporated in Indonesia and Singapore, no significant impact in terms of potential top-up tax is expected, as their effective tax rates are higher than 15%.

7. Profit Attributable to Owners of the Parent

The profit attributable to owners of the parent includes (A) net foreign exchange and derivative (losses)/gains, 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$40.2 million (2023: gains of US$19.5 million), which represent the foreign exchange translation differences on the Group's unhedged foreign currency denominated net liabilities and the changes in the fair values of derivatives, are analyzed as follows:

US$ millions	**2024**	2023
Subsidiary companies (Note 5(A))	**(154.7)**	30.0
Associated companies and joint ventures	**20.5**	11.6
Subtotal (Note 4)	**(134.2)**	41.6
Attributable to taxation and non-controlling interests	**94.0**	(22.1)
Total	**(40.2)**	19.5

(B) Analysis of Non-recurring Items

The non-recurring losses represent certain items, through occurrence or size, which are not considered as usual operating items.

For the year ended 31 December 2024, non-recurring losses of US$32.0 million mainly represent ICBP's impairment provision for its investment in Dufil Prima Foods Plc. ("Dufil") (US$39.3 million), and PLDT's accelerated depreciation for network assets (US$19.0 million) and manpower reduction costs (US$5.6 million), partly offset by MPIC's gains on control of CDMC (US$20.8 million) and reversal of impairment provision for investment in PCSPC (US$13.1 million), and PLDT's gains on tower sales (US$3.2 million).

For the year ended 31 December 2023, non-recurring losses of US$122.1 million mainly represent ICBP's impairment provision for its investment in Dufil (US$65.7 million), PLDT's and Meralco's write-down of assets (US$63.6 million), and PLDT's manpower reduction costs (US$7.0 million), partly offset by PLDT's gains on tower sales (US$24.4 million).

8. Earnings Per Share Attributable to Owners of the Parent

The calculation of the basic earnings per share is based on the profit for the year attributable to owners of the parent and the weighted average number of ordinary shares of 4,246.5 million (2023: 4,241.8 million) in issue less the weighted average number of ordinary shares held for a share award scheme of 4.3 million (2023: 3.1 million) during the year.

The calculation of the diluted earnings per share is based on the profit for the year attributable to owners of the parent. 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 awarded shares and share options of the Company, where applicable.

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

US$ millions	**2024**	2023
Earnings		
Profit attributable to owners of the parent used in the basic and diluted earnings per share calculation	**600.3**	501.2

	Number of shares	
Millions	**2024**	2023
Shares		
Weighted average number of ordinary shares issued during the year	**4,246.5**	4,241.8
Less: Weighted average number of ordinary shares held for a share award scheme	**(4.3)**	(3.1)
Weighted average number of ordinary shares used in the basic earnings per share calculation	**4,242.2**	4,238.7
Add: Dilutive impact of share awards on the weighted average number of ordinary shares	**3.4**	5.3
Add: Dilutive impact of share options on the weighted average number of ordinary shares	**1.3**	0.1
Weighted average number of ordinary shares used in the diluted earnings per share calculation	**4,246.9**	4,244.1

9. Ordinary Share Distribution

	U.S. cents per ordinary share		US$ millions	
	2024	2023	**2024**	2023
Interim	**1.54**	1.35	**65.3**	56.8
Proposed final/final	**1.73**	1.60	**73.6**	67.9
Total	**3.27**	2.95	**138.9**	124.7

The proposed final distribution for the year ended 31 December 2024 is subject to the approval of the Company's shareholders at the forthcoming AGM.

10. Property, Plant and Equipment

	Right-of-use assets						
US$ millions	Land and buildings	Machinery and equipment	Freehold land and buildings	Machinery, equipment and vessels	Bearer plants	Construction in progress	**Total**
Cost							
At 1 January 2024	658.2	53.3	1,578.4	3,395.4	1,210.3	23.8	**6,919.4**
Exchange translation	(29.6)	(2.6)	(71.0)	(127.4)	(56.6)	(2.3)	**(289.5)**
Additions	25.7	7.5	56.9	162.6	26.6	136.4	**415.7**
Acquisition of a subsidiary company (Note 33(D))	–	0.4	5.5	4.4	–	–	**10.3**
Disposals	–	–	(4.0)	(44.3)	(30.0)	–	**(78.3)**
Termination	(13.9)	(1.0)	–	–	–	–	**(14.9)**
Reclassification	–	–	31.0	43.4	–	(74.4)	**–**
At 31 December 2024	640.4	57.6	1,596.8	3,434.1	1,150.3	83.5	**6,962.7**
Accumulated Depreciation and Impairment							
At 1 January 2024	190.3	48.1	536.3	1,903.9	510.5	–	**3,189.1**
Exchange translation	(8.8)	(2.3)	(27.3)	(71.6)	(24.5)	–	**(134.5)**
Depreciation for the year (Note 5(C))	42.9	7.8	61.7	168.6	35.6	–	**316.6**
Impairment/(reversal) for the year (Note 5(A))	–	–	5.7	(1.5)	12.1	–	**16.3**
Disposals	–	–	(1.3)	(37.9)	(6.1)	–	**(45.3)**
Termination	(13.8)	(0.5)	–	–	–	–	**(14.3)**
At 31 December 2024	210.6	53.1	575.1	1,961.5	527.6	–	**3,327.9**
Net Carrying Amount at 31 December 2024	429.8	4.5	1,021.7	1,472.6	622.7	83.5	**3,634.8**

US$ millions	Right-of-use assets: Land and buildings	Right-of-use assets: Machinery and equipment	Freehold land and buildings	Machinery, equipment and vessels	Bearer plants	Construction in progress	Total
Cost							
At 1 January 2023	622.9	43.2	1,439.5	3,349.9	1,147.9	41.2	6,644.6
Exchange translation	15.8	0.6	45.8	63.3	23.1	2.5	151.1
Additions	22.2	11.7	34.2	73.3	39.9	100.0	281.3
Acquisition of a subsidiary company	–	–	1.0	1.5	–	–	2.5
Disposals	–	–	(1.5)	(80.2)	(0.6)	(0.9)	(83.2)
Termination	(2.7)	(2.2)	–	–	–	–	(4.9)
Reclassification	–	–	72.3	44.0	–	(116.3)	–
Assets reclassified to held for sale	–	–	(12.9)	(56.4)	–	(2.7)	(72.0)
At 31 December 2023	658.2	53.3	1,578.4	3,395.4	1,210.3	23.8	6,919.4
Accumulated Depreciation and Impairment							
At 1 January 2023	144.3	39.5	472.6	1,776.8	452.8	–	2,886.0
Exchange translation	5.5	0.5	6.0	39.1	8.6	–	59.7
Depreciation for the year (Note 5(C))	42.9	8.4	61.3	191.2	37.1	–	340.9
Impairment for the year (Note 5(A))	–	–	0.5	3.1	12.0	–	15.6
Disposals	–	–	(0.6)	(50.2)	–	–	(50.8)
Termination	(2.4)	(0.3)	–	–	–	–	(2.7)
Assets reclassified to held for sale	–	–	(3.5)	(56.1)	–	–	(59.6)
At 31 December 2023	190.3	48.1	536.3	1,903.9	510.5	–	3,189.1
Net Carrying Amount at 31 December 2023	467.9	5.2	1,042.1	1,491.5	699.8	23.8	3,730.3

For the year ended 31 December 2024, net impairment losses of US$16.3 million (2023: US$15.6 million) were recognized mainly related to the Group's rubber plantations upon consideration of the market environment, conditions of the rubber plantations, and their production yield.

Property, plant and equipment with a net carrying amount of US$605.6 million (2023: US$596.1 million) were pledged as security for certain of the Group's banking facilities (Note 25(E)).

11. Biological Assets

US$ millions	Timber plantations 2024	Timber plantations 2023	Agricultural produce of bearer plants 2024	Agricultural produce of bearer plants 2023	Total 2024	Total 2023
At 1 January	**20.9**	20.5	**49.7**	48.9	**70.6**	69.4
Exchange translation	**(0.9)**	0.5	**(2.8)**	1.0	**(3.7)**	1.5
Additions	**0.2**	0.4	**16.9**	18.0	**17.1**	18.4
Decreases due to harvest	**(0.2)**	–	**(14.3)**	(19.5)	**(14.5)**	(19.5)
(Loss)/gain on changes in fair value of biological assets, net (Note 5(A))	**(0.5)**	(0.5)	**20.5**	1.3	**20.0**	0.8
At 31 December	**19.5**	20.9	**70.0**	49.7	**89.5**	70.6
Presented as:						
Non-current Portion	**19.5**	20.9	**–**	–	**19.5**	20.9
Current Portion	**–**	–	**70.0**	49.7	**70.0**	49.7
Total	**19.5**	20.9	**70.0**	49.7	**89.5**	70.6

(A) The Group's biological assets primarily comprise timber plantations and unharvested agricultural produce of bearer plants owned by Indofood. For timber plantations, the Group appointed an independent valuer, Kantor Jasa Penilai Publik Benedictus Darmapuspita dan Rekan, an appraisal company established in Jakarta and holds a public appraisal service license issued by the Indonesian Minister of Finance, to determine their fair values annually and any resultant gains or losses arising from the changes in fair values are recognized in profit or loss. The independent valuer measured the fair value of timber using a discounted cash flow model. For the unharvested agricultural produce of bearer plants, which mainly comprise FFB, latex, sugar cane and oil palm seeds, the Group has applied the estimated harvest data subsequent to the year end and applicable market prices at year end to derive the fair value of FFB and latex, and discounted cash flow models to derive the fair values of sugar cane and oil palm seeds.

(B) Timber plantations – Key assumptions applied in determining the fair values of the timber plantations are as follows:

(a) Timber trees are available for harvest only once approximately eight years from initial planting.

(b) The discount rate used represents the asset specific rate for the Group's timber plantations which is applied in the discounted future cash flows calculation.

(c) The projected selling price of logs over the projection period are based on average selling price of the produce which is extrapolated based on changes of plywood log market price.

(C) FFB and latex – Key assumptions applied in determining the fair values of FFB and latex are as follows:

(a) Estimated volume of subsequent harvest as of the reporting date.

(b) Selling prices of FFB and latex based on the market prices at the year end.

(D) Sugar cane – Key assumptions applied in determining the fair values of the sugar cane are as follows:

(a) Cane trees are available for annual harvest 12 months after initial planting, and subsequently up to three more annual harvests.

(b) The discount rate used represents the asset-specific rate for the Group's sugar cane which is applied in the discounted future cash flows calculation.

(c) The projected selling price of sugar over the projection period is based on the extrapolation of actual selling prices and the forecasted price trend from the World Bank, but not exceeding the highest retail price imposed by the Ministry of Trade of Indonesia.

(E) Oil palm seeds – Key assumptions applied in determining the fair values of the oil palm seeds are as follows:

(a) Estimated volume of six months of subsequent harvest as of the reporting date.

(b) The discount rate used represents the asset specific rate for the oil palm seeds which is applied in the discounted future cash flows calculation.

(c) The projected selling price of oil palm seeds over the projection period is based on the extrapolation of market prices.

(F) The fair values of FFB and latex are determined at Level 2 of the fair value hierarchy based on the applicable market prices applied to the estimated volume of the produce harvested after the reporting date, while the Group's timber plantations, sugar cane and oil palm seeds are measured using fair value categorized within Level 3 of the fair value hierarchy. During the years ended 31 December 2024 and 2023, there were no transfers among Level 1, Level 2 and Level 3 fair value measurements. Key unobservable inputs used in determining the fair value of the Group's timber plantations, sugar cane and oil palm seeds under Level 3 fair value measurements are as follows:

Inputs	Range of Quantitative Inputs	Relationship between the Inputs and the Fair Value
Discount rate	Timber: 11.1% (2023: 11.6%) Sugar cane: 10.8% (2023: 10.5%) Oil palm seeds: 12.5% (2023: 13.3%)	An increase/a decrease in the discount rate would result in a decrease/an increase in the fair value of biological assets.
Selling price of processed agricultural produce	Timber: Rupiah 540,682/m^3 – Rupiah 2,527,037/m^3 (US$33.5/m^3 – US$156.4/m^3) (2023: Rupiah 556,537/m^3 – Rupiah 2,973,410/m^3 (US$36.1/m^3 – US$192.9/m^3)) Sugar cane: Rupiah 813,673/tonne (US$50.3/tonne) (2023: Rupiah 705,776/tonne (US$45.8/tonne)) Oil palm seeds: Rupiah 8,800/piece – Rupiah 9,000/piece (US$0.54/piece – US$0.56/piece) (2023: Rupiah 8,800/piece – Rupiah 9,000/piece (US$0.57/piece – US$0.58/piece))	An increase/a decrease in the commodity prices would result in an increase/a decrease in fair value of biological assets.
Average production yield of agricultural produce	Timber: 119 m^3/hectare (2023: 87 m^3/hectare) Sugar cane: 64 tonnes/hectare (2023: 65 tonnes/hectare) Oil palm seeds: 967 pieces/bunch (2023: 942 pieces/bunch)	An increase/a decrease in production yields would result in an increase/a decrease in the fair value of biological assets.
Inflation rate	2.5% – 3.0% (2023: 2.8% – 3.0%)	An increase/a decrease in the inflation rate would result in a decrease/an increase in fair value of biological assets.

(G) The unaudited non-financial measure and output of agricultural produce are as follows:

The Group has timber plantation concession rights which are valid until 2035 and 2049 (2023: 2035 and 2049). The total area of timber plantations as at 31 December 2024 was 13,643 hectares (2023: 15,527 hectares).

The physical quantities of agricultural produce of FFB, latex, sugar cane and oil palm seeds harvested from oil palm plantations, rubber plantations, cane plantations and mother palm plantations, respectively, during the year are as follows:

	Unit of measurement	2024	2023
FFB	Thousand tonnes	**2,758**	2,784
Latex	Thousand tonnes	**5**	5
Sugar cane	Thousand tonnes	**721**	745
Oil palm seeds	Million pieces	**11.0**	10.2

12. Associated Companies and Joint Ventures

	Associated companies		Joint ventures		Total	
US$ millions	2024	2023	2024	2023	2024	2023
Shares, at cost						
– Listed	**5,093.6**	5,197.4	**–**	–	**5,093.6**	5,197.4
– Unlisted	**1,701.6**	1,069.6	**490.7**	511.5	**2,192.3**	1,581.1
Share of post-acquisition reserves (Note 30)	**(1,388.5)**	(1,432.2)	**(33.0)**	(65.5)	**(1,421.5)**	(1,497.7)
Amount due from an associated company	**2.9**	3.0	**–**	–	**2.9**	3.0
Total	**5,409.6**	4,837.8	**457.7**	446.0	**5,867.3**	5,283.8

(A) At 31 December 2024 and 2023, both the listed and unlisted investments were located outside Hong Kong.

(B) At 31 December 2024, the aggregate market value of listed investments in associated companies was US$5,905.9 million (2023: US$5,325.5 million) based on quoted market prices. The dividends received from associated companies and a joint venture during the year ended 31 December 2024 amounted to US$309.3 million (2023: US$308.9 million) and US$5.8 million (2023: US$4.2 million), respectively.

(C) Additional details of the Group's major associated companies, PLDT and Philex, are set out on pages 217 and 218.

(D) PLDT was incorporated under the laws of the Philippines on 28 November 1928 to provide telephone services in the Philippines. PLDT's charter was initially limited to a period of 50 years but has since been extended twice for 25 years each, the last extension being for an additional 25-year period ending in 2028. Under its amended charter, which became effective on 24 August 1991, PLDT is authorized to provide virtually every type of telecommunications services, both within the Philippines and between the Philippines and other countries. PLDT operates under the jurisdiction of the Philippine National Telecommunications Commission which jurisdiction extends, among other things, to approving major services offered by PLDT and certain rates charged by PLDT.

In October 2012, PLDT issued 150 million shares of Voting Preferred Stock with a par value of Peso 1 each to BTF Holdings, Inc., a company wholly-owned by the Board of Trustees for the Account of PLDT's Beneficial Trust Fund, which reduced the voting interest of the Group and its Philippine affiliates in PLDT from approximately 25.6% to approximately 15.1%. Nevertheless, the economic interests of the Group and its Philippine affiliates in PLDT remain at approximately 25.6%. Notwithstanding that the Group and its Philippine affiliates have less than a 20% voting interest in PLDT, the Group and its Philippine affiliates have sufficient representatives in PLDT's current 13-member board of directors to exercise significant influence over the operating and financial policy decisions of PLDT. Therefore, the Group continues to account for PLDT as an associated company after the said transaction.

(E) Philex was incorporated under the laws of the Philippines in 1955 to engage in mining activities. Philex is primarily engaged in large-scale exploration, development and utilization of mineral resources. Philex has operated for the past 65 years at the deposit at Padcal (Tuba Benguet Province, Island of Luzon) for producing gold, copper and silver as its main products and owns the deposits at Sta. Barbara I (formerly called Boyongan) and Sta. Barbara II (formerly called Bayugo) (Surigao del Norte, the Northern of Mindanao) (the Silangan Project), of which the definitive feasibility study for the deposit at Sta. Barbara I was completed in July 2019. The Silangan Project commenced its pre-development works in March 2022 under the In-Phase mine plan with initial development cost for the Sta. Barbara I deposit of US$224 million. Commercial operation of the Sta. Barbara I deposit is targeted to commence by March 2026. In addition, Philex shall increase its interest in Kalayaan Copper Resources, Inc. from 5% to 60%, by solely funding all pre-development expenses of the deposit at Placer, Surigao del Norte.

(F) Meralco was incorporated under the laws of the Philippines in 1903 and was granted a franchise to provide electric power distribution services in the Philippines. In June 2003, Meralco was granted a new 25-year franchise to construct, operate, and maintain an electric distribution system in the cities and municipalities of Bulacan, Cavite, Metro Manila, and Rizal and certain cities, municipalities, and barangays in Batangas, Laguna, Pampanga, and Quezon. Meralco is subject to the rate-making regulations and regulatory policies of the Philippine Energy Regulatory Commission. In August 2022, MPIC acquired additional 2% interest in Meralco and the economic interests increased to 47.5% from 45.5%. The Group continues to account for Meralco as an associated company after the said transaction as significant influence remains. Meralco also engages in the power generation business through its wholly-owned subsidiary, MGen. MGen owns 100% interest of GBPC, the largest independent power producer in the Visayas, and has combined direct and indirect interests of 58% in PLP. MGen also controls SP New Energy Corporation ("SPNEC"), an integrated developer, owner and operator of solar power projects, through 50.5% voting interests, since 27 December 2023. In January 2024, MGen further acquired 3.2% voting interests in SPNEC and the voting interests in SPNEC increased to 53.7% from 50.5%. MPIC also holds 3.2% economic interests in SPNEC. SPNEC, through its subsidiary company Terra Solar Philippines, Inc., is developing a 3.5 GWp solar power plant facility with a 4,500 MWh battery energy storage system.

(G) Metro Pacific Health Corporation ("MPH") was incorporated under the laws of the Philippines in 2004, and together with its subsidiary companies, associated companies and a joint venture, is the largest private hospital group with 27 hospitals in the Philippines and focused on delivering high-quality healthcare solutions to patients in the Philippines. MPH was originally a subsidiary company of the Group; however, it has become an associated company of the Group following the deconsolidation on 9 December 2019 upon the sale of 60.1% interest which resulted in loss of control. The Group currently owns 20% interest in MPH.

(H) JTT was incorporated under the laws of the Republic of Indonesia in 2017 and holds concessions for 13 toll road assets with a combined length of 676 kilometers. The toll roads are strategically located across Java, connecting Indonesia's economic centers, major cities, industrial hubs, and tourist areas. On 27 September 2024, the Group completed the acquisition of 22.9% effective interest in JTT and accounted for as an associated company.

(I) Jasa Marga Jalanlayang Cikampek ("JJC") was incorporated under the laws of the Republic of Indonesia in 2016 and is the concession holder of Jakarta-Cikampek Elevated toll road, a 38-kilometer fully elevated toll road forming part of the trans-java network, which serves as an entry/exit gate from Jakarta to West, Central, and East Java and was in operation since 12 December 2019. On 19 December 2022, the Group completed the acquisition of 40% interest in JJC and accounted for as a joint venture as the decisions about the relevant activities of JJC require the unanimous consent of the parties sharing control.

(J) For the year ended 31 December 2024, impairment losses of US$97.7 million (2023: US$163.8 million) are recognized, mainly related to ICBP's investment in Dufil due to less than favourable return expected from the investment as a result of significant depreciation in Nigeria's Naira against US$ and high inflation rate in Nigeria during the year. Dufil, a 49.0% associated company of ICBP, was incorporated in Nigeria in 2001, primarily engaged in manufacturing and selling of instant noodles and other food products in Nigeria.

(K) For the year ended 31 December 2024, a reversal of impairment loss US$28.3 million (2023: nil) are recognized in relation to MPIC's investment in PCSPC as its recoverable amount is higher than the net carrying amount with reference to the proposed transaction price. PCSPC is the largest petroleum product import terminal in the Philippines with a storage capacity of approximately 6 million barrels of oil.

(L) The Group's associated companies and joint ventures are involved in certain legal, contractual and regulatory matters arising from the ordinary course of business. The management of the associated companies and joint ventures, together with their legal counsels, reassess these matters regularly to consider any new relevant information and estimates.

(M) Additional financial information under HKFRS and adjusted for any differences in Group's accounting policies in respect of the Group's major associated companies measured using the equity method, PLDT, Philex, Meralco, MPH and JTT, is set out below.

	PLDT		Philex		Meralco		MPH		JTT
For the year ended/at 31 December US$ millions	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**
Statements of Comprehensive Income									
Turnover	**3,778.2**	3,796.9	**142.6**	154.0	**8,195.9**	7,984.4	**536.1**	435.9	**450.3**
Profit for the year	**567.3**	483.5	**14.1**	19.6	**809.7**	696.1	**54.8**	50.3	**241.6**
Other comprehensive (loss)/income	**(30.4)**	(122.2)	**3.5**	(1.5)	**(6.2)**	(60.5)	**–**	(0.7)	**(8.4)**
Total Comprehensive Income	**536.9**	361.3	**17.6**	18.1	**803.5**	635.6	**54.8**	49.6	**233.2**
Dividends Received	**93.8**	106.2	**1.0**	1.0	**200.7**	188.2	**–**	–	**–**
Statements of Financial Position									
Current assets	**1,103.4**	1,267.1	**121.8**	112.0	**3,104.9**	2,939.5	**291.3**	271.0	**149.8**
Non-current assets	**9,670.6**	9,659.5	**799.1**	708.1	**7,577.2**	7,644.6	**835.8**	677.6	**3,724.4**
Current liabilities	**(3,257.8)**	(3,474.5)	**(107.8)**	(88.9)	**(4,086.0)**	(3,541.6)	**(217.0)**	(211.6)	**(143.0)**
Non-current liabilities	**(5,498.3)**	(5,458.5)	**(249.8)**	(159.0)	**(3,382.9)**	(4,018.3)	**(230.2)**	(107.7)	**(1,574.3)**
Non-controlling interests	**(22.8)**	(93.3)	**–**	–	**(713.6)**	(815.5)	**(182.5)**	(138.8)	**(518.2)**
Net Assets	**1,995.1**	1,900.3	**563.3**	572.2	**2,499.6**	2,208.7	**497.4**	490.5	**1,638.7**

Reconciliation to Carrying Amounts of the Group's Interests in the Major Associated Companies

	PLDT		Philex		Meralco		MPH		JTT
At 31 December US$ millions	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**
Net assets	**1,995.1**	1,900.3	**563.3**	572.2	**2,499.6**	2,208.7	**497.4**	490.5	**1,638.7**
Economic interest	**25.6%**	25.6%	**46.2%**	46.2%	**47.5%**	47.5%	**20.0%**	20.0%	**22.9%**
Group's share of net assets	**510.1**	485.9	**260.1**	264.2	**1,186.3**	1,048.2	**99.5**	98.1	**375.3**
Goodwill and other adjustments	**578.0**	581.2	**(71.8)**	(66.0)	**1,447.8**	1,586.6	**213.9**	218.5	**303.6**
Carrying Amount of the Investment	**1,088.1**	1,067.1	**188.3**	198.2	**2,634.1**	2,634.8	**313.4**	316.6	**678.9**
Quoted Fair Value of the Investment	**1,236.7**	1,276.1	**128.8**	154.8	**4,512.8**	3,855.0	**N/A**	N/A	**N/A**

(N) Additional financial information under HKFRSs and adjusted for any differences in Group's accounting policies in respect of the Group's major joint venture measured using the equity method, JJC, is set out below.

	JJC	
For the year ended/at 31 December US$ millions	**2024**	2023
Statements of Comprehensive Income		
Turnover	**68.7**	58.7
Loss and Total Comprehensive Loss	**(13.7)**	(26.8)
Dividends Received	**–**	–
Statements of Financial Position		
Current assets	**30.0**	26.4
Non-current assets	**901.8**	965.4
Current liabilities	**(41.5)**	(31.2)
Non-current liabilities	**(647.6)**	(692.0)
Net Assets	**242.7**	268.6

Reconciliation to Carrying Amounts of the Group's Interests in the Major Joint Venture

	JJC	
At 31 December US$ millions	**2024**	2023
Net assets	**242.7**	268.6
Economic interest	**40.0%**	40.0%
Group's share of net assets	**97.1**	107.4
Goodwill and other adjustments	**170.9**	175.7
Carrying Amount of the Investment	**268.0**	283.1

(O) Aggregate financial information of the Group's share of the amounts of its associated companies and joint ventures that are not individually material is set out below.

	Associated companies		Joint ventures	
For the year ended 31 December US$ millions	**2024**	2023	**2024**	2023
Share of profit for the year	**37.5**	30.9	**15.7**	20.9
Share of other comprehensive (loss)/income	**(12.5)**	(32.0)	**(5.3)**	7.2
Share of Total Comprehensive Income/(Loss)	**25.0**	(1.1)	**10.4**	28.1
Aggregate Carrying Amount of the Group's Investments	**506.8**	621.1	**189.7**	162.9

13. Goodwill

US$ millions	2024	2023
Cost		
At 1 January	**4,499.2**	4,416.5
Exchange translation	**(203.4)**	82.6
Acquisition of a subsidiary company (Note 33(D))	**0.7**	0.1
At 31 December	**4,296.5**	4,499.2
Accumulated Impairment		
At 1 January	**531.5**	523.4
Exchange translation	**(20.2)**	6.4
Impairment for the year (Note 5(A))	**0.5**	1.7
At 31 December	**511.8**	531.5
Net Carrying Amount at 31 December	**3,784.7**	3,967.7
Attributable to the Businesses of:		
Indofood – Noodles	**3,231.7**	3,388.1
– Plantations	**187.6**	196.7
– Dairy	**99.1**	103.9
MPIC – Toll roads	**254.4**	265.8
Others	**11.9**	13.2
Total	**3,784.7**	3,967.7

(A) Goodwill is allocated to the Group's CGUs identified according to the reportable segments. Goodwill at 31 December 2024 and 2023 mainly related to (a) Indofood's businesses (principally noodles, plantations and dairy) which contributed to the Group's consumer food products business segment mainly located in the Middle East and Africa, and Indonesia, and (b) MPIC's businesses (principally toll roads) which contributed to the Group's infrastructure business segment located in the Philippines and Indonesia.

(B) In assessing the impairment for goodwill, the Group compares the carrying amounts of the CGUs to which goodwill has been allocated against their recoverable amounts (the higher of the CGUs' fair value less costs of disposal and their value in use). The recoverable amounts of Indofood's and MPIC's businesses have been determined based on value in use calculations, using cash flow projections covering periods from five years (2023: five years) (for the established plantations and dairy companies) up to 10 years (2023: 10 years) (for the noodles business and plantation estates in early development stage) for Indofood's businesses, and 13 to 24 years (2023: 14 to 25 years) of the remaining concession lives for MPIC's toll roads business. The discount rates applied to cash flow projections range from 5.5% to 28.9% (2023: 5.4% to 24.0%) for Indofood's businesses, and 14.5% to 14.9% (2023: 13.2% to 14.3%) for MPIC's toll roads business. The discount rates used are pre-tax and reflect specific risks relating to the relevant businesses.

In the assessment of the recoverable amount of Indofood's noodles businesses, their values in use were calculated based on their cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and are management's best estimates of the ranges of economic conditions that will exist over the forecast period. The forecasted periods for Indofood's noodles business are more than five years, considering the noodles businesses are in the development stage in the countries (mainly the Middle East, Africa and Southeastern Europe) where Pinehill operates. The cash flows beyond the projection periods are extrapolated using an estimated terminal growth rate ranging from 2% to 5% (2023: 2% to 9%) which does not exceed the long-term average growth rate of the industry where Pinehill operates.

In the assessment of the recoverable amount of Indofood's plantations businesses, the projected prices of CPO are based on the World Bank forecast for the projection period; the projected selling prices of RSS1 and other rubber products of the Group over the projection period are based on the extrapolation of historical selling prices and the forecasted price trend from the World Bank; the sugar prices used in the projection are based on the extrapolation of historical selling prices and the forecasted price trend from the World Bank, but not exceeding the highest retail price imposed by the Ministry of Trade of Indonesia; and, the projected selling price of logs over the projection period are based on actual domestic price of produce which is extrapolated based on changes of plywood log price published by World Bank. The forecasted periods for Indofood's plantations businesses in an early development stage are more than five years as the plantations, mainly comprising oil palm plantations, are either in an immature stage or early state of maturity and will only reach maturity in the fourth year. The cash flows beyond the projection periods are extrapolated using an estimated average terminal growth rate at 5.0% (2023: 5.2%) which does not exceed the long-term average growth rate of the industry in Indonesia where the businesses operate.

In the assessment of the recoverable amount of Indofood's dairy businesses, their values in use were calculated based on their cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and are management's best estimates of the ranges of economic conditions that will exist over the forecast period. The cash flows beyond the projection periods are extrapolated using an estimated terminal growth rate of 5.0% (2023: 5.0%) which does not exceed the long-term average growth rate of the industry in Indonesia where the businesses operate.

In the assessment of the recoverable amount of MPIC's toll roads businesses, their values in use were calculated based on their cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and are management's best estimates of the ranges of economic conditions that will exist over the forecast period. The forecasted periods are more than five years as management can reliably estimate the cash flows for their entire concession periods. The cash flows during the projection periods are derived using estimated average growth rates ranging from 3.0% to 10.0% (2023: 4.0% to 9.0%) which do not exceed the long-term average growth rates of the industries in the Philippines and Indonesia where the businesses operate.

Changes to the assumptions used by management to determine the recoverable amounts, in particular the discount and growth rates, can have a significant impact on the results of the assessment. Management is of the opinion that no reasonably possible change in any of the key assumptions stated above would cause the carrying amounts of the goodwill for each of the CGUs to materially exceed the recoverable amounts.

For the year ended 31 December 2024, the Group recognized an impairment loss of US$0.5 million (2023: US$1.7 million), mainly relating to MPTC's investment in PT Rezeki Perkasa Sejahtera Lestari ("RPSL"), which operates a biomass power plant in Indonesia (2023: IndoAgri's investment in PT Madusari Lampung Indah, which operates sugar cane plantation), as the recoverable amounts were lower than the carrying amounts.

14. Other Intangible Assets

US$ millions	Concession assets – Water distribution	Concession assets – Toll roads	Concession assets – Rail	Brands – Dairy	Brands, networks and licenses – Packaged drinking water	Customer list and licenses – Wastewater and sewage treatment	Software and others	**Total**
Cost								
At 1 January 2024	3,651.7	3,753.3	848.3	262.7	88.6	10.2	37.2	**8,652.0**
Exchange translation	(160.8)	(183.9)	(36.8)	(12.2)	(4.1)	(0.4)	(1.5)	**(399.7)**
Additions	537.1	309.3	49.9	–	–	–	3.7	**900.0**
At 31 December 2024	4,028.0	3,878.7	861.4	250.5	84.5	9.8	39.4	**9,152.3**
Accumulated Amortization and Impairment								
At 1 January 2024	1,072.5	304.4	168.4	204.4	35.1	10.2	17.7	**1,812.7**
Exchange translation	(46.4)	(13.4)	(7.6)	(9.6)	(1.6)	(0.4)	(0.5)	**(79.5)**
Amortization for the year (Note 5(C))	52.7	43.3	4.2	12.2	–	–	1.5	**113.9**
Impairment for the year (Note 5(A))	–	–	40.2	–	–	–	–	**40.2**
At 31 December 2024	1,078.8	334.3	205.2	207.0	33.5	9.8	18.7	**1,887.3**
Net Carrying Amount at 31 December 2024	2,949.2	3,544.4	656.2	43.5	51.0	–	20.7	**7,265.0**

US$ millions	Concession assets – Water distribution	Concession assets – Toll roads	Concession assets – Rail	Brands – Dairy	Brands, networks and licenses – Packaged drinking water	Customer list and licenses – Wastewater and sewage treatment	Vesting contract – Power	Software and others	Total
Cost									
At 1 January 2023	3,219.6	3,331.2	780.2	257.4	86.8	10.1	16.2	23.5	7,725.0
Exchange translation	24.1	27.6	5.7	5.3	1.8	0.1	0.2	0.3	65.1
Additions	408.0	394.5	62.4	–	–	–	–	8.7	873.6
Acquisition of a subsidiary company	–	–	–	–	–	–	–	5.5	5.5
Disposals	–	–	–	–	–	–	(16.4)	(0.8)	(17.2)
At 31 December 2023	3,651.7	3,753.3	848.3	262.7	88.6	10.2	–	37.2	8,652.0
Accumulated Amortization and Impairment									
At 1 January 2023	998.0	265.7	164.7	187.1	34.4	10.1	15.4	15.9	1,691.3
Exchange translation	7.3	2.9	1.2	3.7	0.7	0.1	0.2	0.3	16.4
Amortization for the year (Note 5(C))	67.2	35.8	2.5	12.7	–	–	0.8	1.5	120.5
Impairment for the year (Note 5(A))	–	–	–	0.9	–	–	–	–	0.9
Disposal	–	–	–	–	–	–	(16.4)	–	(16.4)
At 31 December 2023	1,072.5	304.4	168.4	204.4	35.1	10.2	–	17.7	1,812.7
Net Carrying Amount at 31 December 2023	2,579.2	3,448.9	679.9	58.3	53.5	–	–	19.5	6,839.3

(A) Concession assets – Water distribution represents the exclusive rights granted to Maynilad, MPIWI, PHI, MIBWSC, MPDW, BOO Phu Ninh Water Treatment Plant Joint Stock Company ("PNW") and PT SCTK 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.

Additions to the concession assets for water distribution include costs of rehabilitation, construction costs, concession fees paid and payable for expansion projects and capitalized borrowing costs.

Details of the concession right granted to Maynilad is described below.

In February 1997, Maynilad entered into a concession agreement with Metropolitan Waterworks and Sewerage System ("MWSS"), with respect to the MWSS West Service Area. Under the concession agreement, MWSS grants Maynilad, the sole right to manage, operate, repair, decommission and refurbish all fixed and movable assets required to provide water and sewerage services in the West Service Area for 25 years ending in 2022. In September 2009, MWSS approved an extension of its concession agreement with Maynilad for another 15 years to 2037. The legal titles to all property, plant and equipment contributed to the existing MWSS system by Maynilad during the concession period remain with Maynilad until the expiration date at which time, all rights, titles and interests in such assets will automatically vest to MWSS.

Under the concession agreement, Maynilad is entitled to (a) an annual standard rate adjustment to compensate for increases in the consumer price index subject to a rate adjustment limit; (b) an extraordinary price adjustment to account for the financial consequences of the occurrence of certain unforeseen events subject to grounds stipulated in the concession agreement; and (c) a rate rebasing mechanism which allows rates to be adjusted every five years to enable Maynilad to efficiently and prudently recover expenditures incurred, Philippine business taxes and payments corresponding to debt services on concession fees and Maynilad loans incurred to finance such expenditure.

In October 2013, Maynilad disagreed with the rate rebasing adjustments proposed by MWSS for the fourth rate rebasing period from 2013 to 2017 and exercised its right under the concession agreement to file a notice of dispute with the Secretariat of the International Court of Arbitration in the Philippines for an arbitration. On 29 December 2014, the Appeals Panel of the International Court of Arbitration in the Philippines upheld the alternative rebasing adjustment of Maynilad regarding its tariff dispute with MWSS. However, MWSS refused to implement the final award notwithstanding Maynilad's repeated written demands for implementation.

On 11 December 2019, Maynilad received a letter from MWSS informing Maynilad that the MWSS Board of Trustees ("MWSS Board") passed a resolution in its special meeting on 5 December 2019 to revoke the extension of Maynilad's concession period from its original expiry in 2022 to 2037 (the "Subject Resolution"). Subsequently, when Maynilad formally asked MWSS and the Regulatory Office what the effect of the Subject Resolution is, the Regulatory Office stated that "as of to date, the 25-year Concession Agreement that covers the years 1997 to 2022 and the Memorandum of Agreement that provides for the 15-year extension of the concession period from year 2022 to 2037 have not yet been cancelled" in a letter to Maynilad dated 23 December 2019.

However, the Philippine government ordered a review and amendment to Maynilad's concession agreement. As a result, the rate adjustment of Pesos 1.95/cubic meter originally effective on 1 January 2020 was not implemented. Also, on 2 January 2020, Maynilad executed the Release Form and Waiver of Claim on Arbitral Award ("Waiver") in favor of the Philippine government. In this Waiver, Maynilad waived its claim against the Philippine government for its accumulated revenues losses for the period from 11 March 2015 to 31 December 2017.

On 18 May 2021, MWSS and Maynilad signed a Revised Concession Agreement ("RCA") which confirmed its concession period until 31 July 2037 and certain amendments were made. The RCA will only take effect upon compliance with all the conditions precedent, including but not limited to, the receipt of letter of undertaking from the Philippine government. Key amendments include: (a) the imposition of a tariff freeze until 31 December 2022; (b) the exclusion of corporate income tax from the expenditures that could be recovered by Maynilad over the term of the concession; (c) no adjustment to the rates as may be prescribed by the MWSS Regulatory Office for the supply of water and sewerage services ("Standard Rates") due to foreign currency differential adjustment; (d) capping of the annual inflation factor to two-thirds of the consumer price index; (e) imposition of rate caps for water and sewerage services to 1.3x and 1.5x, respectively, of the applicable Standard Rates in prior periods; and (f) replacing the tariff rate-setting mechanism's market-driven appropriate discount rate with a 12% fixed nominal discount rate.

On 7 January 2022, Republic Act No. 11600 (the "Act"), which granted Maynilad a 25-year franchise (the "Franchise") was published in the Official Gazette of the Philippines and affirmed Maynilad's authority to provide waterworks system and sewerage and sanitation services in the West Zone Service Area of Metro Manila and the Province of Cavite of the Philippines. The Act has been effective since 22 January 2022 and Maynilad formally accepted the terms of the franchise on 21 March 2022.

On 30 June 2022, Maynilad received a letter of undertaking from the Philippines government. However, the letter does not conform to the agreed form in the RCA, and Maynilad wrote a letter to MWSS that accordingly the RCA was not yet effective and thus Maynilad still operate under the old concession agreement.

On 30 January 2023, Water Concessionaire Revenue Committee informed Maynilad of the further amendments of the RCA, which includes (a) reinstatement of foreign currency differential for MWSS loans and all principal amount of Maynilad loans as of 29 June 2022; and (b) increase the cap of annual inflation factor to three-fourths from two-thirds of the consumer price index.

On 10 May 2023, MWSS and Maynilad signed the Amendments to the RCA, and together with the RCA, took effective retroactively on 29 June 2022. On the same day, the Philippines government issued the letter of undertaking in the form agreed on both parties and the effectivity of the letter of undertaking retroacts to 1 July 2022.

On 4 December 2023, MWSS and Maynilad conducted a public hearing, which is a requirement for the 10-year extension of concession period from 2037 to January 2047 under the RCA to align with the Franchise.

On 12 December 2023, the MWSS Regulatory Office approved Maynilad's application to extend the term of the RCA from 2037 to 2047. Finding that the extension of the concession term will serve the best interest of the public, the MWSS Board also approved Maynilad's 10-year extension application, subject to the acknowledgement by the Philippine government, acting through the Secretary of Finance. At 31 December 2024, the acknowledgement by the Philippine government is still pending.

(B) Concession assets – Toll roads represent 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 the NLEX, SCTEX and Connector Road, (b) CIC in respect of CAVITEX, (c) MPCALA in respect of CALAX, (d) CCLEC in respect of CCLEX, (e) PT Makassar Metro Network ("PT MMN") in respect of Ujung Pandang Section I and II Toll Road, (f) PT Bintaro Serpong Damai ("PT BSD") in respect of Pondok Aren – Serpong Toll Road, and (g) PT Makassar Airport Network ("PT MAN", previously known as PT Jalan Tol Seksi Empat) in respect of Makassar Section IV Toll Road during their concession periods.

Additions to the concession assets for toll roads include payments for both ongoing construction costs, pre-construction costs for various toll road projects and payable for new projects.

Details of the concession rights granted to NLEX Corporation, CIC, MPCALA, CCLEC and PT MMN are described below.

(a) NLEX Corporation's NLEX
In August 1995, First Philippine Infrastructure Development Corporation, the parent company of NLEX Corporation, entered into a joint venture agreement with Philippine National Construction Corporation ("PNCC"), in which PNCC assigned its rights, interests and privileges under its franchise to construct, operate and maintain toll facilities in the NLEX and its extensions, stretches, linkages and diversions in favour of NLEX Corporation, including the design, funding, construction, rehabilitation, refurbishing and modernization and selection and installation of an appropriate toll collection system therein during the concession period subject to prior approval by the President of the Philippines. In April 1998, the Philippine government, acting through the Philippines' Toll Regulatory Board ("TRB") as the grantor, PNCC as the franchisee and NLEX Corporation as the concessionaire, executed a Supplemental Toll Operation Agreement ("STOA") whereby the Philippine government recognized and accepted the assignment by PNCC of its usufructuary rights, interests and privileges under its franchise in favor of NLEX Corporation as approved by the President of the Philippines and granted NLEX Corporation concession rights, obligations and privileges including the authority to finance, design, construct, operate and maintain the NLEX project roads as toll roads commencing upon the date on which the STOA comes into effect until 31 December 2030 or 30 years after the issuance of the Toll Operation Permit for the last completed phase, whichever is earlier. In October 2008, the concession agreement was extended for another seven years to 2037. Pursuant to the STOA, NLEX Corporation is required to pay franchise fees to PNCC and to pay for the government's project overhead expenses based on certain percentages of construction costs and maintenance works on the project roads. Upon expiry of the concession period, NLEX Corporation shall hand over the project roads to the Philippine government without cost, free from any and all liens and encumbrances and fully operational and in good working condition, including any and all existing land required, works, toll road facilities and equipment found therein directly related to and in connection with the operation of the toll road facilities.

(b) NLEX Corporation's SCTEX

On 9 February 2015, NLEX Corporation received a notice of award from the Philippine Bases Conversion and Development Authority ("BCDA") for the management, operation and maintenance of the 94-kilometer SCTEX subject to compliance with specific conditions. The notice of award was issued by the BCDA following the results of the price challenge held on 30 January 2015. On 26 February 2015, NLEX Corporation and the BCDA entered into a business agreement involving the assignment of the BCDA's rights and obligations relating to the management, operation and maintenance of SCTEX as provided in the SCTEX concession. The assignment includes the exclusive right to use the SCTEX toll road facilities and the right to collect toll until 30 October 2043. On 22 May 2015, the Supplementary Toll Operation Agreement was executed by and among the Philippine government and the BCDA and NLEX Corporation. At the end of the contract term, the SCTEX, as well as the as-built plans, specification and operation/repair/maintenance manuals relating to the same shall be turned over to the BCDA or its successor-in-interest. At a consideration of Pesos 3.5 billion (US$76.7 million) upfront cash payment, the operation and management of the SCTEX was officially turned over to NLEX Corporation on 27 October 2015. NLEX Corporation shall also pay the BCDA monthly concession fees amounting to 50% of the audited gross toll revenues of SCTEX for the relevant month from the effective date of 27 October 2015 to 30 October 2043.

(c) NLEX Corporation's Connector Road

On 23 November 2016, NLEX Corporation and the Philippine government acting through the Department of Public Works and Highways ("DPWH") signed a concession agreement for the design, financing, construction, operation and maintenance of the Connector Road. The Connector Road is a four lane toll expressway structure with a length of eight kilometers all passing through and above the right of way of the Philippine National Railways starting NLEX Segment 10 in C3 Road Caloocan City and seamlessly connecting to the South Luzon Expressway ("SLEX") through the Metro Manila Skyway Stage 3 Project. The concession period shall commence on the commencement date of its construction, and shall end on its thirty-seventh anniversary, unless otherwise extended or terminated in accordance with the concession agreement. The Connector Road Project, commenced construction in February 2019 and is expected to complete by 2025. At 31 December 2024, construction activities for the Connector Road Project Section 2 are still in progress, with a completion rate of 99.7%.

Under the concession agreement, NLEX Corporation shall pay the DPWH concession fee periodic payments as the consideration for the grant of the right of way for the project.

(d) MPCALA's CALAX

On 10 July 2015, MPCALA signed a concession agreement for the CALAX Project with DPWH of the Philippines. Under the concession agreement, MPCALA is granted the concession to design, finance, construct, operate and maintain the CALAX, including the right to collect toll fees, over a 35-year concession period (including construction period). The CALAX is a closed-system tolled expressway connecting the CAVITEX and the SLEX. The CALAX Project was awarded to MPCALA following a competitive public bidding process where MPCALA was declared as the highest complying bidder with its offer to pay the Philippine government concession fees amounting to Pesos 27.3 billion (US$535.3 million) over nine years, with 20% of Pesos 5.5 billion (US$120.6 million) settled upon signing of the concession agreement. On 3 July 2017, MPCALA commenced the construction works for the project which is expected to be completed and fully operational by 2025. In October 2019, the first 10-kilometer section of the CALAX, a portion of the CALAX Laguna Segment (Subsections 6 to 8), was opened. On 7 July 2020, MPCALA paid the second tranche of CALAX concession fee amounting to Pesos 4.4 billion (US$88.3 million) to DPWH. The next scheduled payment of CALAX concession fee is in 2025. On 24 August 2021, CALAX Subsection 5, which connects Silang East to Santa Rosa-Tagaytay Road Interchange, was opened. This extends the expressway's operating sections from 10-kilometer to 14.24-kilometer. On 8 November 2023, CALAX Subsection 4, a 3.9-kilometer stretch from Silang East Interchange to Aguinaldo Silang, was opened. At 31 December 2024, construction activities for the Subsections 1 to 3 are still in progress, with a completion rate of 68.9% and are expected to be completed in October 2025.

(e) CCLEC's CCLEX
On 3 October 2016, CCLEC, the Cebu City and Municipality of Cordova (as the grantors) signed the concession agreement for the CCLEX. CCLEX consists of the main alignment starting from the Cebu South Coastal Road and ending at the Mactan Circumferential Road, inclusive of interchange ramps aligning the Guadalupe River, the main span bridge, approaches, viaducts, causeways, low-height bridges, at-grade road, toll plazas and toll operations center.

Under the concession agreement, CCLEC is granted the concession to design, finance, construct, operate and maintain the CCLEX, including the right to collect toll fees over a 35-year concession period (including construction period). No upfront payments or concession fees are to be paid but the grantors shall share 2% of the project's revenue. On 4 July 2018, CCLEC commenced the construction works for the project and completed the project in April 2022. On 27 April 2022, the grantors approved the extension of the concession period for another 10 years to 2063.

(f) CIC's CAVITEX
Pursuant to a toll operation agreement and an operations and maintenance agreement which CIC signed in November 1996 and 2006, respectively, with the Philippine Reclamation Authority and the TRB of the Philippines, CIC was responsible for the design, financing, construction and supervision of the operation and maintenance of CAVITEX. The expressways shall be constructed in segments. The concession for CAVITEX extends to 2033 for the R-1 Expressway, 2046 for the extension and 2048 for the subsequent road extension. Upon the expiry of the concession period, CIC shall hand over the project roads to the Philippine government.

CAVITEX Phase I, which involved the rehabilitation of the R-1 Expressway and the construction of an extension that connects R-1 Expressway at Zapote to Noveleta was completed in May 1998 and May 2011, respectively. In July 2019, the first section of CAVITEX's C5 South Link Expressway Segment 3A-1, a portion of CAVITEX Phase II, which is a 2.2-kilometer flyover crossing SLEX traversing Taguig and Pasay City, was opened. In August 2022, CAVITEX's C5 South Link Expressway Segment 3A-2, a portion of CAVITEX Phase II, which is a new 1.6-kilometer flyover extension, was opened, further extending the existing 2.2-kilometer flyover that spans from Merville to Taguig. In June 2024, CAVITEX's C5 South Link Expressway Segment 2, the remaining portion of CAVITEX Phase II, was opened. At 31 December 2024, construction activities for CAVITEX Phase III, CAVITEX's C5 South Link Expressway Segment 3B are still in progress, with a completion rate of 25.1% and are expected to be completed in June 2025.

(g) PT MMN's Ujung Pandang Section, I and II Toll Road
On 31 August 2010, PT MMN, a subsidiary company of PT Nusantara, entered into a toll road concession agreement with The Toll Road Authority of Indonesia ("BPJT") of Department of Public Works of Indonesia ("DPU"). Under the concession agreement, BPJT appointed and granted PT MMN rights to operate Ujung Pandang Sections I and II Toll Road with a concession period until 12 April 2028. On 23 October 2017, PT MMN obtained Minister Decree from DPU, which granted an amendment for the toll road concession plans for Ujung Pandang Sections I and II with a concession period extended until 12 April 2043.

NLEX Corporation and CIC derive substantially all of their revenues from toll collections from the users of the toll roads. The concession agreements establish toll rate formulas and adjustment procedures for setting the appropriate toll rates. Subject to the TRB of the Philippines validating and approving the calculation of the toll rate adjustments in accordance with the formulas, toll rate adjustments for NLEX, SCTEX and CAVITEX are scheduled periodically.

On 17 April 2023, NLEX Corporation received TRB's approval on toll rate adjustments for NLEX in two equal tranches in 2023 and 2024 which should have been effective from 1 January 2019 and 1 January 2021. NLEX Corporation implemented the first tranche of the toll rate adjustments on 15 June 2023, and second tranche of the toll rate adjustments on 4 June 2024.

On 3 July 2023, NLEX Corporation received TRB's approval on start collection for toll rate for the Connector Road and NLEX Corporation implemented the toll rate for Section 1 on 8 August 2023.

On 5 July 2023, NLEX Corporation received TRB's approval on toll rate adjustments for SCTEX in three equal tranches in 2023, 2024 and 2025 which should have been effective from 1 January 2021 and 1 January 2023. NLEX Corporation implemented the first tranche of the toll rate adjustments on 17 October 2023, and second tranche of the toll rate adjustments on 19 November 2024.

On 11 August 2023, CIC received TRB's approval on toll rate adjustments for CAVITEX's R-1 Expressway and R-1 Expressway Extension which should have been effective from 1 January 2018. CIC implemented the toll rate adjustments on 11 August 2023.

On 6 January 2025, NLEX Corporation received TRB's approval on toll rate adjustments for NLEX in two equal tranches in 2025 and 2026 which should have been effective from 1 January 2023. NLEX Corporation implemented the first tranche of the toll rate adjustments on 2 March 2025.

As at the date of these financial statements, the Philippine government has not yet implemented the toll rate adjustments for NLEX Corporation and CIC in respect of NLEX and CAVITEX which should have been effective from 1 January 2025 for NLEX, 1 January 2024 and 1 January 2025 for SCTEX, and 1 January 2021 and 1 January 2024 for CAVITEX's R-1 Expressway and R-1 Expressway Extension. NLEX Corporation and CIC are in constructive discussions with the Philippine government to resolve overdue toll rate adjustments.

(C) Concession assets – Rail represents concession comprising the exclusive right during the concession period to operate and maintain the current Light Rail Transit Line 1 ("LRT1") system, collect farebox revenue and construct the LRT1 Cavite Extension ("LRT1 Extension").

Additions to the concession assets for rail include costs of rehabilitation of the current LRT1 system, and the construction activities for the LRT1 Extension.

On 2 October 2014, LRMC signed together with the Department of Transportation ("DOTr") and the Light Rail Transit Authority ("LRTA") (the "grantors") a concession agreement for the Light Rail Transit Line 1 Cavite Extension and Operations & Maintenance Project ("LRT1 Project"). Under the concession agreement, LRMC will operate and maintain the existing 20.7-kilometer LRT1 ("Existing System") and construct an 11.7-kilometer extension from the present end-point at Baclaran to the Niog area in Bacoor, Cavite. A total of eight new stations will be built along the extension, which traverses the cities of Parañaque and Las Piñas up to Bacoor, Cavite. The concession agreement is for a period of 32 years commencing from the effective date of 12 September 2015 when LRMC took over the LRT1 operations.

In accordance with the LRT1 Project concession agreement, LRMC is entitled to the reimbursement of the unavoidable increment costs that it will incur to restore the Existing System to the level necessary to meet all of the baseline Existing System Requirements ("ESR") as certified by an independent consultant. Further, LRMC is entitled to compensation for the cost incurred for structural defect restoration ("SDR") as certified by an independent consultant. LRMC is also entitled to receive compensation from the grantors if the grantors do not make available a minimum of 100 light rail vehicles ("LRVs") on the effective date of the turnover of the system. On the turnover date of the system on 12 September 2015, LRMC only received 72 LRVs.

On various dates in 2015 through 2022, LRMC submitted letters to the DOTr and the LRTA representing its claim for ESR and SDR costs, and LRV shortfall on the premise of the grantor's obligation in relation to the condition of the Existing System prior or as of the effective date of the turnover of the system by the grantors to LRMC. In addition, LRMC requested the grantors' compensation for the revenue loss arising from the grantors' implementation of fare increases below the concession agreement fares. The above claims were still undergoing discussion as at the date of these financial statements.

On 14 June 2023, LRMC received the official letter for approval on partial fare adjustment from DOTr and LRMC implemented the fare adjustment on 2 August 2023.

The rehabilitation works of Existing System are substantially completed and received safety certificate from assessor in January 2022. Accordingly, LRMC starts to amortize the concession assets relating to the Existing System.

On 16 November 2024, the LRT1 Extension with 5 new stations was opened to the public. Accordingly, LRMC began amortizing the concession assets relating to the LRT1 Extension.

On 14 February 2025, LRMC received the official letter of approval on a partial fare adjustment from DOTr and LRMC will implement the fare adjustment on 2 April 2025.

During the year ended 31 December 2024, impairment loss of US$40.2 million (2023: nil) is recognized in respect of the concession assets of LRT1 projects. The impairment loss arose mainly due to the delay in tariff adjustments as stipulated in the concession agreement and below than expected ridership.

(D) Brands – Dairy represent 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.

During the year ended 31 December 2023, impairment loss of US$0.9 million was recognized on the brand name of Milkuat.

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

The brands, networks and licenses are determined to have indefinite useful lives as (i) the brands and licenses can be renewed indefinitely at no significant costs; (ii) Indofood has the intention to renew the brands and maintain the licenses and networks indefinitely; and (iii) no significant expenses are expected to be incurred to maintain the future economic benefits that can be generated from these assets.

In assessing the impairment for brands, networks and licenses with indefinite useful life, the Group compares the carrying amounts of the intangible assets against their recoverable amounts (the higher of the assets' fair value less costs of disposal and their value in use).

The recoverable amounts of brands, networks and licenses have been determined based on value-in-use calculations using cash flow projections as per the most recent financial budgets and forecasts, which management believes are reasonable and are management's best estimates of the ranges of economic conditions that will exist over the forecast period of five (2023: five) years for brands and licenses. The discount rate applied to cash flow projections ranged from 10.4% to 12.2% (2023: 10.4% to 11.9%), which reflects the weighted average cost of capital. The cash flows beyond the projection periods are extrapolated using an estimated terminal growth rate of 5.0% (2023: 5.0%) which does not exceed the long-term average growth rate of the industry in Indonesia where the businesses operate.

(F) Customer list and licenses – Wastewater and sewage treatment represents Metro Pacific Water Solutions Inc. ("MPWSI", previously known as Eco-System Technologies International, Inc.)'s customer relationship, contracts and licenses for intellectual property rights over patents and utility models.

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

(H) The useful lives for amortization:

Concession assets – Water distribution	– Maynilad	Remaining concession life of 39 years since acquisition in 2008
	– PNW	Remaining concession life of 44 years since completion of its construction in 2021
	– MPIWI	Concession life of 25 years since commencement in 2019
	– PHI	Remaining concession life of 23 years since acquisition in 2012
	– MIBWSC	Concession life of 38 years subsequent to the completion of its rehabilitation in 2019 and expansion expected in 2030
	– PT SCTK	Remaining concession lives of 8 years (for the existing water treatment plant) and 21 years (for the additional water treatment plants) since acquisition in 2018
	– MPDW	Concession life of 25 years since the commencement in 2021
Concession assets – Toll roads	– NLEX	Remaining concession life of 29 years since acquisition in 2008
	– SCTEX	Concession life of 28 years since acquisition in 2015
	– Connector Road	Remaining concession life of 31 years subsequent to the completion of its construction expected in 2025
	– CAVITEX	Remaining concession lives of 21 years (for the R-1 Expressway), 34 years (for the R-1 Expressway Extension) since acquisition in 2013 and 23 years (for C5 South Link) subsequent to the completion of its construction expected in 2025
	– CALAX	Remaining concession life of 25 years subsequent to the completion of its construction expected in 2025
	– CCLEX	Remaining concession life of 41 years subsequent to the completion of its construction in 2022
	– PT JTSE	Remaining concession life of 23 years since acquisition in 2018
	– PT MMN	Remaining concession life of 25 years since acquisition in 2018
	– PT BSD	Remaining concession life of 22 years since acquisition in 2018
Concession assets – Rail		Remaining concession life of 26 years subsequent to the completion of the rehabilitation works of its existing LRT1 system in 2022 and 23 years subsequent to the completion of its construction of the LRT1 Extension in 2024
Brands – Dairy		20 years
Brands, networks and licenses – Packaged drinking water		Indefinite
Customer list and licenses – Wastewater and sewage treatment		20 years

(I) The capitalized costs and the respective key assumptions used to determine the recoverable amounts for the other intangible assets not yet available for use are summarized below:

	Toll roads		Water distribution		Rail[i]	
	2024	2023	**2024**	2023	**2024**	2023
Carrying value (US$ millions)	**1,549.6**	1,446.0	**17.0**	13.1	**–**	532.9
Net carrying amount (US$ millions)	**1,240.3**	1,065.1	**17.0**	13.1	**–**	496.7
Average growth rate (%)	**5.0 to 7.4**	3.0 to 4.0	**9.0**	7.8	**–**	8.9
Average forecast period (years)	**23 to 32**	24 to 33	**33**	34	**–**	24
Pre-tax discount rate (%)	**12.3 to 14.5**	12.1 to 13.9	**10.1**	11.7	**–**	12.5

(i) The construction of LRT1 Extension was completed and ready for its intended use in November 2024.

At 31 December 2024, the aggregate capitalized costs of these intangible assets of US$1,566.6 million (2023: US$1,992.0 million) was included in the costs of concession assets of toll roads and water distribution (2023: toll roads, water distribution and rail). For the purpose of impairment testing as at 31 December 2024 and 2023, the carrying amounts that were compared to their recoverable amounts were the net carrying values, which were capitalized costs net of the present value of the related future concession fees payment that formed part of the initial costs of these concession assets. The average growth rate represents expected growth in traffic for the toll roads business and billed volume for the water distribution business. The average forecast period is consistent with the period covered by the concession agreements.

15. Investment Properties

US$ millions	**2024**	2023
At 1 January	**12.5**	17.6
Exchange translation	**(0.6)**	0.1
Additions	**6.7**	1.1
Disposals	**(1.9)**	–
Loss on changes in fair value of investment properties	**–**	(0.2)
Reclassification[i]	**5.9**	(6.1)
At 31 December	**22.6**	12.5

(i) Reclassification from assets classified as held for sale (2023: reclassification to assets classified as held for sale).

The Group's investment properties comprise lands being leased out under operating leases to earn rental income and vacant land held for the purpose of capital appreciation. The fair values of the investment properties are measured annually using the market comparison approach by reference to recent sales and other market data of comparable properties which are publicly available, as determined by professionally qualified independent appraisers. The fair value measurement for the investment properties has been categorized as Level 2. There was no transfer between the fair value hierarchy during the year.

At 31 December 2024, land included in investment properties with an aggregate carrying amount of US$8.2 million (2023: US$10.0 million) was right-of-use assets.

16. Accounts Receivable, Other Receivables and Prepayments

US$ millions	**2024**	2023
Accounts receivable	**765.3**	706.7
Other receivables	**561.7**	549.9
Prepayments	**82.3**	70.4
Total	**1,409.3**	1,327.0
Presented as:		
Non-current Portion	**107.3**	118.7
Current Portion	**1,302.0**	1,208.3
Total	**1,409.3**	1,327.0

(A) The carrying amounts of accounts receivable and other receivables approximate their fair values.

(B) At 31 December 2024, included in other receivables was US$68.1 million (2023: US$66.3 million) of unbilled revenue arising from the Group's provision of services and sale of real estate under the infrastructure segment.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

US$ millions	**2024**	2023
Within one year	**41.2**	36.9
After one year	**26.9**	29.4
Total	**68.1**	66.3

(C) An aging profile based on the invoice dates of accounts receivable, net of loss allowance, is analyzed below:

US$ millions	**2024**	2023
0 to 30 days	**631.0**	576.2
31 to 60 days	**52.8**	59.8
61 to 90 days	**40.1**	30.7
Over 90 days	**41.4**	40.0
Total	**765.3**	706.7

(D) The movements in the loss allowance for impairment of accounts receivable and contract assets are as follows:

US$ millions	**2024**	2023
At 1 January	**39.0**	38.8
Exchange translation	**(1.7)**	0.3
Amount written off as uncollectible	**(3.1)**	(15.5)
Charge for the year (Note 5(C))	**15.3**	15.4
At 31 December	**49.5**	39.0

(E) An impairment analysis is performed using a provision matrix to measure expected credit losses for accounts receivable and contract assets attributable to the consumer food products business and infrastructure business. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e. by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, accounts receivable are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's accounts receivable and contract assets attributable to the consumer food products business and infrastructure business using the corresponding provision matrix:

		Past due				**2024**
Consumer food products business	Current	0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	**Total**
Expected credit loss rate	0%	0.7%	1.1%	5.4%	81.4%	**2.8%**
Gross carrying amounts (US$ millions)						
– accounts receivable	479.4	46.0	36.9	11.1	18.8	**592.2**
Expected credit losses (US$ millions)	0.1	0.3	0.4	0.6	15.3	**16.7**

		Past due				**2024**
Infrastructure business	Current	0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	**Total**
Expected credit loss rate	0.3%	5.7%	8.8%	6.5%	54.2%	**11.3%**
Gross carrying amounts (US$ millions)						
– accounts receivable	135.0	20.9	6.8	4.6	55.3	**222.6**
– contract assets	68.1	–	–	–	–	**68.1**
Expected credit losses (US$ millions)	0.7	1.2	0.6	0.3	30.0	**32.8**

		Past due				2023
Consumer food products business	Current	0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Expected credit loss rate	0%	0.6%	1.6%	8.6%	56.4%	2.9%
Gross carrying amounts (US$ millions)						
– accounts receivable	422.9	53.6	25.3	8.1	25.0	534.9
Expected credit losses (US$ millions)	0.1	0.3	0.4	0.7	14.1	15.6

		Past due				2023
Infrastructure business	Current	0 to 30 days	31 to 60 days	61 to 90 days	Over 90 days	Total
Expected credit loss rate	0.2%	6.2%	10.9%	11.5%	47.5%	8.4%
Gross carrying amounts (US$ millions)						
– accounts receivable	136.3	19.3	6.4	6.1	42.7	210.8
– contract assets	66.3	–	–	–	–	66.3
Expected credit losses (US$ millions)	0.5	1.2	0.7	0.7	20.3	23.4

(F) As the Group's accounts receivable and contract assets relate to a large number of diversified customers, there is no concentration of credit risk.

(G) Accounts and other receivable with an aggregate carrying amount of US$165.7 million (2023: US$200.6 million) were pledged as security for certain of the Group's banking facilities (Note 25(E)).

17. Financial Assets at Fair Value

US$ millions	2024	2023
Listed investments:		
– Equity investments – Overseas	**273.4**	342.4
Unlisted investments:		
– Investment funds – Overseas	**588.6**	526.2
– Equity investments – Overseas	**117.2**	108.5
– SMECI's convertible notes – Overseas	**109.9**	111.6
– Club debentures – Hong Kong	**4.2**	4.7
Total	**1,093.3**	1,093.4
Presented as:		
Non-Current Portion	**501.8**	565.2
Current Portion	**591.5**	528.2
Total	**1,093.3**	1,093.4

Equity investments with carrying amount of US$368.6 million (2023: US$429.7 million) were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature. Dividend income from these investments during the year ended 31 December 2024 amounted to US$13.5 million (2023: US$16.0 million) (Note 5(A)).

The fair values of the listed equity investments are based on quoted market prices. The fair value of the unlisted investment funds are estimated by reference to valuations of the underlying assets supplied by independent sources. The fair values of the unlisted equity investments have been estimated by reference to discounted cash flow models, recent market transaction prices, or market comparable companies. The fair value of the unlisted SMECI's convertible notes is estimated by a discounted cash flow model. The fair value of the club debentures is estimated by reference to recent market transaction prices. The Directors believe that the estimated fair values by reference to the above bases, which are recorded in the carrying amounts of the financial assets at fair value, and the related changes in fair values, which are recorded directly in the Group's other comprehensive income or profit or loss, as appropriate, are reasonable, and that they were the most appropriate values at the end of the reporting period.

18. Deferred Tax

The movements in deferred tax assets and deferred tax liabilities during the year are as follows:

US$ millions	Tax losses carry forward	Expected credit loss allowance	Liabilities for employee retirement benefits	Others	Total
Deferred Tax Assets					
At 1 January 2023	28.4	7.7	48.2	11.9	96.2
Exchange translation	0.1	0.1	0.8	0.1	1.1
Credited/(charged) to the consolidated income statement	0.9	1.2	(7.4)	16.2	10.9
Credited/(charged) to other comprehensive income	–	–	6.3	(1.8)	4.5
At 31 December 2023	29.4	9.0	47.9	26.4	112.7
At 1 January 2024	29.4	9.0	47.9	26.4	**112.7**
Exchange translation	(0.4)	(0.4)	(2.3)	(0.9)	**(4.0)**
(Charged)/credited to the consolidated income statement	(27.6)	(0.1)	3.2	(2.4)	**(26.9)**
Charged to other comprehensive income	–	–	(1.6)	(1.5)	**(3.1)**
At 31 December 2024	**1.4**	**8.5**	**47.2**	**21.6**	**78.7**

US$ millions	Allowance in excess of related depreciation of property, plant and equipment	Changes in fair value of biological assets	Brands	Withholding taxes on undistributed earnings of subsidiary and associated companies	Others	Total
Deferred Tax Liabilities						
At 1 January 2023	(186.9)	(10.5)	(15.8)	(109.0)	(80.5)	(402.7)
Exchange translation	(8.9)	(0.2)	(0.2)	(2.7)	(2.3)	(14.3)
Acquisition of a subsidiary company	(1.2)	–	–	–	–	(1.2)
(Charged)/credited to the consolidated income statement	(60.1)	1.6	2.2	(51.8)	(3.2)	(111.3)
Other movements	–	–	–	7.8	–	7.8
At 31 December 2023	(257.1)	(9.1)	(13.8)	(155.7)	(86.0)	(521.7)
At 1 January 2024	(257.1)	(9.1)	(13.8)	(155.7)	(86.0)	**(521.7)**
Exchange translation	17.5	0.6	0.5	9.4	3.0	**31.0**
Acquisition of subsidiary companies (Note 33(D))	(23.4)	–	–	–	–	**(23.4)**
(Charged)/credited to the consolidated income statement	(0.1)	(8.6)	1.9	(13.4)	9.5	**(10.7)**
Credited to other comprehensive income	–	–	–	–	0.3	**0.3**
Other movements	–	–	–	9.7	–	**9.7**
At 31 December 2024	**(263.1)**	**(17.1)**	**(11.4)**	**(150.0)**	**(73.2)**	**(514.8)**

Pursuant to the income tax laws of the Philippines and Indonesia, withholding taxes of 5% to 25% are levied on dividends declared to foreign investors. Singapore has a one-tier corporate tax system whereby tax charged at the corporate level is the final tax. Dividends paid by Singapore resident companies under the one-tier corporate tax system are exempted from further Singapore tax in the hands of shareholders.

The Group has fully recognized the deferred tax liabilities for the withholding taxes that would be payable on unremitted earnings that are subject to withholding taxes of its associated companies established in the Philippines. However, except for those earnings to be distributed as dividends, no deferred tax liabilities have been recognized for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiary companies established in the Philippines and Indonesia. In the opinion of the Directors, it is not probable that these subsidiary companies will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiary companies in the Philippines and Indonesia for which deferred tax liabilities have not been recognized amounted to approximately US$63.0 million at 31 December 2024 (2023: US$60.0 million).

Deferred tax assets are recognized in respect of tax losses carried forward to the extent that realization of the related tax benefits through future taxable profit is probable. The Group has no tax losses arising from Singapore (2023: tax losses of US$227.2 million), the Philippines of US$534.7 million (2023: US$510.1 million) and Indonesia of US$149.9 million (2023: US$204.8 million) that may be carried forward indefinitely for Singapore, three years for the Philippines (except for tax losses in 2021 and 2022 which are allowed to carry over for five years as a result of COVID-19 relief measure) and five years for Indonesia, respectively, for offsetting against future taxable profits of the companies in which the losses arose.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

19. Other Non-current Assets

US$ millions	2024	2023
Deposits for acquisition of property, plant and equipment	**282.5**	224.5
Prepayments	**217.6**	237.1
Plasma receivables	**40.9**	59.1
Long-term deposits	**20.7**	19.7
Others	**98.5**	108.0
Total	**660.2**	648.4

(A) The deposits for acquisition of property, plant and equipment are mainly attributable to Indofood.

(B) The prepayments mainly represent MPIC's advances to contractors for construction projects.

(C) The plasma receivables represent the accumulated costs to develop FFB which are currently financed by Indofood (awaiting bank's funding) less the funds received from banks, and advances made by Indofood to plasma farmers in relation to arrangements for the farmers' production of FFB.

(D) The long-term deposits mainly represent MPIC's deposits paid to contractors for repair and maintenance of its toll roads and for restoration works of its water projects.

20. Inventories

US$ millions	2024	2023
Raw materials	**745.8**	689.4
Work in progress	**22.0**	16.1
Finished goods	**394.1**	328.8
Real estate for sale	**157.2**	53.4
Total	**1,319.1**	1,087.7

(A) During the year ended 31 December 2024, write-downs of inventories to net realizable value amounted to US$5.9 million (2023: US$7.5 million) (Note 5(C)).

(B) At 31 December 2024, inventories with an aggregate carrying amount of US$34.6 million (2023: US$33.2 million) were pledged as security for certain of the Group's banking facilities (Note 25(E)).

21. Restricted Cash

At 31 December 2024, the Group's restricted cash balance mainly represents US$113.3 million (2023: US$74.2 million) set aside mainly to cover principal and interest payments of certain borrowings in compliance with loan agreements, and US$0.3 million (2023: US$3.0 million) held under margin accounts by brokers against open futures contracts for hedging purpose. The Group's restricted cash balance at 31 December 2023 also included US$238.2 million earmarked for prepayment of borrowings in early January 2024.

22. Cash and Cash Equivalents and Short-term Deposits

US$ millions	2024	2023
Cash at banks and on hand	**2,857.0**	2,349.7
Short-term time deposits	**467.2**	496.1
Total	**3,324.2**	2,845.8

(A) Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no history of default. The carrying amounts of the cash and cash equivalents and short-term deposits approximate their fair values.

(B) Cash and cash equivalents of US$107.2 million (2023: US$105.8 million) were charged to banks in accordance with the terms of certain of the Group's banking facilities (Note 25(E)).

23. Assets Classified as Held for Sale and Liabilities Directly Associated with the Assets Classified as Held for Sale

US$ millions	2024	2023
Assets Classified as Held for Sale		
Non-current assets held for sale	**15.6**	–
Assets of a disposal group classified as held for sale	**–**	22.9
Total	**15.6**	22.9
Liabilities Directly Associated with the Assets Classified as Held for Sale	**–**	7.2

The assets and liabilities of San Carlos Bioenergy, Inc. ("SCBI"), a subsidiary company of RHI, were classified as held for sale since 30 September 2023 as RHI was actively searching for potential buyers with a plan to sell SCBI.

In October 2024, RHI decided to change its divestment plan in SCBI and only focus on the disposal of SCBI's bioethanol and distillery assets, and as a result certain assets and liabilities of SCBI are no longer classified as held for sale at 31 December 2024.

24. Accounts Payable, Other Payables and Accruals

US$ millions	2024	2023
Accounts payable	**561.3**	578.4
Accrued expenses	**877.4**	802.1
Other payables	**491.9**	434.4
Total	**1,930.6**	1,814.9

The aging profile based on the invoice dates of accounts payable is analyzed as follows:

US$ millions	2024	2023
0 to 30 days	**494.8**	501.6
31 to 60 days	**9.2**	15.7
61 to 90 days	**4.7**	7.0
Over 90 days	**52.6**	54.1
Total	**561.3**	578.4

All of the accounts payable, other payables and accruals are expected to be settled within one year. The carrying amounts of the Group's accounts payable, other payables and accruals approximate their fair values.

25. Borrowings

US$ millions	Effective interest rate (%)	Maturity	Notes	2024	2023
Short-term					
Bank loans	5.9 – 11.5 (2023: 3.0 – 8.9)	2025 (2023: 2024)	(A)	**2,479.9**	2,148.5
Other loans	6.6 (2023: 5.5)	2025 (2023: 2024)	(B)	**68.8**	46.8
Subtotal				**2,548.7**	2,195.3
Long-term					
Bank loans	0.9 – 11.5 (2023: 0.9 – 10.1)	2026 – 2037 (2023: 2025 – 2037)	(A)	**6,612.2**	6,226.9
Other loans	3.5 – 7.1 (2023: 3.5 – 6.9)	2026 – 2052 (2023: 2025 – 2052)	(C)	**3,375.4**	3,189.3
Subtotal				**9,987.6**	9,416.2
Total				**12,536.3**	11,611.5

The maturity profile of the Group's borrowings is as follows:

	Bank loans		**Other loans**		**Total**	
US$ millions	**2024**	2023	**2024**	2023	**2024**	2023
Not exceeding one year	**2,479.9**	2,148.5	**68.8**	46.8	**2,548.7**	2,195.3
More than one year but not exceeding two years	**795.2**	378.1	**–**	37.0	**795.2**	415.1
More than two years but not exceeding five years	**2,599.6**	2,369.6	**537.2**	419.8	**3,136.8**	2,789.4
More than five years	**3,217.4**	3,479.2	**2,838.2**	2,732.5	**6,055.6**	6,211.7
Total	**9,092.1**	8,375.4	**3,444.2**	3,236.1	**12,536.3**	11,611.5

The carrying amounts of the borrowings are denominated in the following currencies:

US$ millions	2024	2023
U.S. dollar	**4,950.5**	4,510.2
Peso	**5,807.1**	5,063.0
Rupiah	**1,521.0**	1,719.1
S$	**146.4**	182.5
Others	**111.3**	136.7
Total	**12,536.3**	11,611.5

An analysis of the carrying amounts of borrowings into fixed and variable interest rates is as follows:

US$ millions	2024	2023
Fixed interest rate	**9,152.8**	8,336.6
Variable interest rate	**3,383.5**	3,274.9
Total	**12,536.3**	11,611.5

An analysis of the carrying amounts of secured and unsecured borrowings is as follows:

US$ millions	**2024**	2023
Secured	**1,842.1**	1,910.2
Unsecured	**10,694.2**	9,701.3
Total	**12,536.3**	11,611.5

The carrying amounts and fair values of the non-current portion of long-term borrowings are as follows:

	Carrying amounts		**Fair values**	
US$ millions	**2024**	2023	**2024**	2023
Bank loans	**6,612.2**	6,226.9	**6,548.6**	5,976.2
Other loans	**3,375.4**	3,189.3	**2,742.0**	2,602.1
Total	**9,987.6**	9,416.2	**9,290.6**	8,578.3

The fair values are based on published price quotations for listed bonds issued by the Group and projected cash flows discounted using borrowing rates ranging from 4.0% to 8.0% (2023: 1.5% to 11.9%) for the other fixed interest rate borrowings. The carrying amounts of the Group's variable interest rate borrowings approximate their fair values due to frequent repricing.

The carrying amounts of the short-term borrowings approximate their fair values.

Details of the borrowings are set out below:

(A) Bank Loans

The non-current balances as at 31 December 2024 included unsecured bank loans of US$1,108.7 million (with a face value of US$1,120.0 million) (2023: current and non-current balances of US$209.8 million (with a face value of US$210.0 million) and US$908.2 million (with a face value of US$920.0 million), respectively) drawn for refinancing purpose by wholly-owned subsidiary companies of the Company, guaranteed by the Company, which are repayable between January 2026 and August 2034 (2023: between May 2024 and June 2029).

(B) Short-term Other Loans

The balance as at 31 December 2024 represented unsecured Peso bonds of Pesos 4.0 billion (US$68.8 million) (2023: Pesos 4.0 billion (US$72.0 million)) issued by NLEX Corporation in July 2018 with a face value of Pesos 4.0 billion, a coupon rate of 6.64% per annum, payable quarterly, and will mature in July 2025. The bonds were classified under long-term other loans as at 31 December 2023.

The balance as at 31 December 2023 represented unsecured Peso bonds of Pesos 2.6 billion (US$46.8 million) issued by NLEX Corporation in March 2014 with a face value of Pesos 2.6 billion, a coupon rate of 5.5% per annum, payable quarterly, and was matured in March 2024.

(C) Long-term Other Loans

The balance at 31 December 2024 mainly included bonds issued by a wholly-owned subsidiary company of the Company, ICBP, Maynilad and NLEX Corporation. Details are summarized as follows:

(a) Unsecured bonds of US$349.1 million (2023: US$348.8 million) issued by FPC Resources Limited in September 2020 with a face value of US$350.0 million, a coupon rate of 4.375% per annum, payable semi-annually, and will mature in September 2027. The bonds are guaranteed by the Company.

(b) Unsecured bonds of US$1,144.1 million (2023: US$1,142.3 million) issued by ICBP in June 2021 with a face value of US$1,150.0 million, a coupon rate of 3.398% per annum, payable semi-annually, and will mature in June 2031.

(c) Unsecured bonds of US$595.7 million (2023: US$595.4 million) issued by ICBP in June 2021 with a face value of US$600.0 million, a coupon rate of 4.745% per annum, payable semi-annually, and will mature in June 2051.

(d) Unsecured bonds of US$597.7 million (2023: US$597.0 million) issued by ICBP in October 2021 with a face value of US$600.0 million, a coupon rate of 3.541% per annum, payable semi-annually, and will mature in April 2032.

(e) Unsecured bonds of US$398.0 million (2023: US$397.9 million) issued by ICBP in October 2021 with a face value of US$400.0 million, a coupon rate of 4.805% per annum, payable semi-annually, and will mature in April 2052.

(f) Unsecured Peso bonds of Pesos 8.9 billion (US$153.8 million) (2023: nil) issued by Maynilad in July 2024 with a face value of Pesos 9.0 billion, a coupon rate of 6.709% per annum, payable quarterly, and will mature in July 2029.

(g) Unsecured Peso bonds of Pesos 5.9 billion (US$102.5 million) (2023: nil) issued by Maynilad in July 2024 with a face value of Pesos 6.0 billion, a coupon rate of 7.093% per annum, payable quarterly, and will mature in July 2034.

(h) Unsecured Peso bonds of Pesos 2.0 billion (US$34.5 million) (2023: Pesos 2.0 billion (US$36.0 million)) issued by NLEX Corporation in July 2018 with a face value of Pesos 2.0 billion, a coupon rate of 6.9% per annum, payable quarterly, and will mature in July 2028.

(D) Current Portion of Long-term Borrowings

The balance of short-term borrowings also included:

(a) Current portion of long-term borrowings of US$1,161.9 million (2023: US$1,064.4 million).

(b) RHI's bank borrowings of Pesos 4.3 billion (US$74.4 million) (2023: Pesos 4.3 billion (US$77.5 million)) are classified as current liability at 31 December 2024 and 2023 due to certain covenant compliance issues.

(E) Charges on Group Assets

At 31 December 2024, 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$913.1 million (2023: US$935.7 million) and the interests of the Group's 70% (2023: 70%) in PLP, 55% (2023: 55%) in LRMC, 100% (2023: 100%) in MPCALA, 100% (2023: 100%) in CCLEC, 35% (2023: 35%) in PT Jakarta Lingkar Baratsatu, 88.9% (2023: 88.9%) in PT BSD, 99.6% (2023: 99.5%) in PT MMN, 99.4% (2023: 99.4%) in PT MAN, 100% (2023: 61.2%) in PT Inpola Meka Energi, 20.3% (2023: nil) in JTT, and nil (2023: 40%) in JJC.

(F) Loan Covenants

At 31 December 2024, long-term borrowings of US$9,973.5 million are subject to covenants including but not limited to debt service coverage ratio, debt-to-equity ratio, interest coverage ratio and/or current ratio that are assessed quarterly, bi-annually and/or annually. There are no indications that the Group will have difficulties in complying with these covenants within 12 months after the end of the reporting period.

26. Provision for Taxation

US$ millions	2024	2023
At 1 January	**169.3**	134.5
Exchange translation	**(7.7)**	1.9
Provision for taxation (Note 6)	**386.2**	377.5
Taxes paid	**(385.8)**	(344.6)
At 31 December	**162.0**	169.3

An analysis of the taxes paid for the years ended 31 December 2024 and 2023 by geographical market is set out below:

US$ millions	2024	2023
Indonesia	**240.0**	201.2
The Philippines	**118.0**	101.3
Others	**27.8**	42.1
Total	**385.8**	344.6

27. Deferred Liabilities, Provisions and Payables

US$ millions	Lease liabilities	Long-term liabilities	Pension liabilities	Loans from non-controlling shareholders	Others	2024	2023
At 1 January	46.9	578.7	340.6	49.8	650.0	**1,666.0**	1,629.2
Exchange translation	(1.8)	(22.1)	(15.0)	(4.9)	(25.5)	**(69.3)**	20.5
Additions	36.4	28.5	52.0	–	127.9	**244.8**	268.5
Payment and utilization	(35.0)	(24.3)	(60.0)	(9.2)	(110.1)	**(238.6)**	(252.2)
Acquisition of subsidiary companies (Note 33(D))	0.4	–	–	–	0.7	**1.1**	–
At 31 December	46.9	560.8	317.6	35.7	643.0	**1,604.0**	1,666.0
Presented as:							
Non-current Portion	35.8	527.7	317.6	26.9	344.3	**1,252.3**	1,260.1
Current Portion	11.1	33.1	–	8.8	298.7	**351.7**	405.9
Total	46.9	560.8	317.6	35.7	643.0	**1,604.0**	1,666.0

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; (d) LRMC's concession fees payable to the Philippine government in respect of LRT1; (e) MPIWI's concession fees payable to the Philippine government in respect of Metro Iloilo Water District; (f) MPDW's concession fees payable to the Philippine government in respect of Dumaguete City Water District; (g) MPTC's earn-out payment for its acquisition of 22.9% effective interest in JTT; and (h) MPIC's earn-out payment for its acquisition of 31.3% economic interest in ARC. In respect of MPTC's earn-out payment for JTT, under the sale and purchase agreement, an earn-out payment up to Rupiah 165 billion (US$10.4 million) shall be paid subject to pre-agreed target level of tariff adjustment with a long-stop date on 9 March 2026. In respect of MPIC's earn-out payment for ARC, under the sale and purchase agreement, an earn-out payment up to Pesos 1.45 billion (US$27.8 million) shall be paid subject to the achievement of certain EBITDA milestones with a long-stop date on 30 April 2027. These earn-out payments were initially recognized at fair value at the acquisition date and subsequently remeasured at FVPL. At 31 December 2024, the fair value of the earn-out payments in relating to JTT and ARC were Rupiah 90 billion (US$5.6 million) (2023: nil) and Pesos 1.3 billion (US$23.1 million) (2023: Pesos 1.3 billion (US$22.6 million)), respectively. The balance at 31 December 2023 also included MUN's earn-out payment for its acquisition of 40% interest in JJC of Rupiah 190 billion (US$12.4 million), and was derecognized during the year ended 31 December 2024 as the target level of tariff adjustment was not implemented by the long-stop date on 31 December 2024.

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

The loans from non-controlling shareholders represent (a) unsecured and interest bearing loan provided by non-controlling shareholder of subsidiary company of IndoAgri, and (b) unsecured and interest-free loan provided by non-controlling shareholder of subsidiary company of Pinehill and is repayment on demand.

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 in MPH in December 2019; (e) contract liabilities; (f) contractual obligations of NLEX Corporation, CIC, PT Nusantara, MPCALA, CCLEC and LRMC 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 long service payments; and (h) derivative liabilities arising from fuel swaps, foreign currency forwards, and interest rate swaps.

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 31 December 2024, the financial liability amounting to US$83.1 million (2023: US$97.9 million) is 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 31 December 2024, US$42.8 million (2023: US$66.3 million) of receipt in advance from customers relates to export sales of CPO, upfront payments for water connection and installation fees and sales of real estate, and the unused portion of toll fees received in advance through the electric toll collection system. The balance at 31 December 2023 also included prepayment from customer for sales of electricity. The obligations to the customers are expected to be fulfilled within one year, except for the obligations in relation to water connection and installation fees to be fulfilled over the remaining concession period, and the sales of real estate to be fulfilled based on the obligations completed to date. The decrease in the balance in 2024 was mainly due to the use of bank guarantee by the customer instead of prepayment for sales of electricity at PLP.

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 Consolidated Financial Statements. Other disclosures required by HKAS 37 were not provided as it may prejudice the Group's position in ongoing claims, litigations and assessments.

28. Share Capital

US$ millions	2024	2023
Authorized		
6,000,000,000 (2023: 6,000,000,000) ordinary shares of U.S. 1 cent each	**60.0**	60.0

	Number of ordinary shares in issue		Share capital US$ millions	
Issued and fully paid	**2024**	2023	**2024**	2023
At 1 January	**4,242,260,570**	4,241,660,570	**42.4**	42.4
Share options exercised (Note 36(D))	**12,959,459**	600,000	**0.2**	–
At 31 December	**4,255,220,029**	4,242,260,570	**42.6**	42.4

During the year ended 31 December 2024, 12,959,459 share options (2023: 600,000) were exercised at the exercise price of HK$2.87 (2023: HK$2.87) per share, resulting in the issue of 12,959,459 (2023: 600,000) new ordinary shares of U.S. 1 cent each for a total cash consideration of HK$37.2 million (US$4.8 million) (2023: HK$1.7 million (US$0.2 million)). Details of the Company's share option scheme are set out in Note 36(D) to the Consolidated Financial Statements.

29. Shares Held for Share Award Scheme

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

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 2023	3,351,490	2,253,526	–	(2.2)
Purchased	1,400,000	–	–	(0.5)
Vested and transferred	(3,225,628)	(751,173)	–	1.5
At 31 December 2023	1,525,862	1,502,353	–	(1.2)
At 1 January 2024	1,525,862	1,502,353	–	**(1.2)**
Purchased	4,287,400	–	600	**(1.6)**
Vested and transferred	(2,906,631)	(751,176)	–	**1.4**
At 31 December 2024	**2,906,631**	**751,177**	**600**	**(1.4)**

For the Purchase Awards, during the year ended 31 December 2024, the independent trustee managing the Company's share award scheme purchased 4,288,000 shares (2023: 1,400,000 shares) of the Company at an aggregate consideration of HK$13.0 million (US$1.6 million) (2023: HK$3.9 million (US$0.5 million)) from the open market at the cost of the Company. The unallocated 600 shares can be granted to eligible employees in the future.

For the Subscription Awards, during the year ended 31 December 2024 and 2023, there was no subscription of new shares by the independent trustee managing the Company's share award scheme.

No awarded shares were cancelled nor lapsed during the years ended 31 December 2024 and 2023 under the Company's share award scheme.

Particulars of the share awards of the Company granted to the Directors and senior executives of the Company at 31 December 2024 and 2023 are set out below:

(a) The Company's Purchase Awards

	Shares granted and unvested shares held at 1 January 2024	Shares vested and transferred during the year	**Shares granted and unvested shares held at 31 December 2024**	Grant date	Vesting period[i]
Non-executive Director					
Benny S. Santoso	319,000	(159,500)	**159,500**	6 May 2022	April 2023 to April 2025
Independent Non-executive Directors					
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	638,000	(319,000)	**319,000**	6 May 2022	April 2023 to April 2025
Margaret Leung Ko May Yee, *SBS, JP*	638,000	(319,000)	**319,000**	6 May 2022	April 2023 to April 2025
Philip Fan Yan Hok	319,000	(159,500)	**159,500**	6 May 2022	April 2023 to April 2025
Madeleine Lee Suh Shin	638,000	(319,000)	**319,000**	6 May 2022	April 2023 to April 2025
Blair Chilton Pickerell	319,000	(159,500)	**159,500**	6 May 2022	April 2024 to April 2025
Senior Executives	2,942,262	(1,471,131)	**1,471,131**	6 May 2022	April 2023 to April 2025
Total	5,813,262	(2,906,631)[ii]	**2,906,631**		

(i) 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).

(ii) The average purchase price of the award shares vested was HK$2.91 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK$3.64 per share.

	Shares granted and unvested shares held at 1 January 2023	Shares vested and transferred during the year	Shares granted and unvested shares held at 31 December 2023	Grant date	Vesting period[iii]
Non-executive Director					
Benny S. Santoso	478,500	(159,500)	319,000	6 May 2022	April 2023 to April 2025
Independent Non-executive Directors					
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	957,000	(319,000)	638,000	6 May 2022	April 2023 to April 2025
Margaret Leung Ko May Yee, *SBS, JP*	957,000	(319,000)	638,000	6 May 2022	April 2023 to April 2025
Philip Fan Yan Hok	478,500	(159,500)	319,000	6 May 2022	April 2023 to April 2025
Madeleine Lee Suh Shin	957,000	(319,000)	638,000	6 May 2022	April 2023 to April 2025
Blair Chilton Pickerell	478,500	(478,500)	–	–	–
	319,000	–	319,000	6 May 2022	April 2024 to April 2025
Senior Executives	4,413,390	(1,471,128)	2,942,262	6 May 2022	April 2023 to April 2025
Total	9,038,890	(3,225,628)[iv]	5,813,262		

(iii) 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).

(iv) The average purchase price of the award shares vested was HK$2.99 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK$2.41 per share.

(b) The Company's Subscription Awards

	Shares granted and unvested shares held at 1 January 2024	Shares vested and transferred during the year	**Shares granted and unvested shares held at 31 December 2024**	Grant date	Vesting period[i]
Senior Executives	1,502,353	(751,176)[ii]	**751,177**	6 May 2022	April 2023 to April 2025

(i) The awarded shares would be vested in three equal tranches from the first to the third year after the shares are granted.
(ii) The average subscription price of the awarded shares vested was HK$3.16 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK$3.64 per share.

	Shares granted and unvested shares held at 1 January 2023	Shares vested and transferred during the year	Shares granted and unvested shares held at 31 December 2023	Grant date	Vesting period[iii]
Senior Executives	2,253,526	(751,173)[iv]	1,502,353	6 May 2022	April 2023 to April 2025

(iii) The awarded shares would be vested in three equal tranches from the first to the third year after the shares are granted.
(iv) The average subscription price of the awarded shares vested was HK$3.16 per share and the weighted average closing price of the shares immediately before the dates on which the awarded shares were vested was HK$2.42 per share.

On 19 March 2013, the Board resolved to adopt a share award scheme (the "Share Award Scheme"), which has a validity period of 15 years. Directors and Employees of the Group are eligible to participate. Under the Share Award Scheme, the Board can select grantees of awards and determine the number of the Company's shares (the "Shares") to be awarded. An independent trustee (the "Trustee") has been appointed to administer the Share Award Scheme. The Trustee will, depending on the form of the awards made, either subscribe for new Shares to be issued by the Company at the relevant benchmarked price as stipulated in the Listing Rules or purchase existing Shares on the SEHK, in each case, at the cost of the Company. Those Shares purchased and held by the Trustee were not canceled. The Trustee will hold the Shares on trust for the grantees of awards, until the Shares become vested. The awards vest progressively over the vesting period, provided that the relevant grantee remains employed by the Group. Vested Shares will be transferred to the grantees at no cost. Directors of the Group are not eligible to be granted awards of new Shares to be subscribed by the Trustee and issued by the Company, but are eligible to be granted awards of existing Shares to be purchased by the Trustee. The Share Award Scheme also limits the aggregate number of Shares that may be awarded to no more than three percent of the outstanding shares of the Company, and the maximum number of shares which may be awarded to eligible participant under the Share Award Scheme shall not exceed one percent of the issued share capital of the Company.

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 the Company's Share Award Scheme. 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$2.82 per share or an aggregate value of US$3.9 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

As at the date of these financial statements, the total number of shares which is available for further award under the Award Scheme are 51,389,800, which represented 1.2% of the Company's shares in issue as at that date.

30. Other Components of Equity

The Group's other components of equity comprise share premium, employee share-based compensation reserve, exchange reserve, fair value reserve of financial assets at FVOCI, unrealized gains/losses on cash flow hedges, income tax related to cash flow hedges, actuarial gains/losses on defined benefit pension plans, share of other comprehensive income/loss of associated companies and joint ventures, differences arising from changes in equities of subsidiary companies, capital and other reserves, and contributed surplus.

The share premium relates to the amount of fund received by the Company in excess of the par value of its shares issued. It may be used for repurchase of the Company's shares, distribution in the form of fully paid bonus shares and write-off of expenses related to issue of shares by the Company.

The employee share-based compensation reserve arises from the amortization of costs of share options and awarded shares granted under the share option schemes and the share award schemes adopted by the Company and the Group's subsidiary and associated companies over the vesting period. Upon the exercise of share options, the related amount accumulated in the employee share-based compensation reserve is transferred to share premium. Upon the vesting and transfer of the awarded shares to the awardees, the related costs are credited to shares held for the share award scheme, and the related fair value of the shares is debited to the employee share-based compensation reserve. The difference between the cost and the fair value of the vested awarded shares is credited to retained earnings if the fair value is higher than the cost or debited against retained earnings if the fair value is less than the cost.

The exchange reserve represents the resulting exchange differences arising from the translation of results and financial position of the Group's foreign operations that have functional currencies different from the Company's presentation currency. An analysis of the Group's exchange reserve, by principal investee company, is set out below:

US$ millions	**2024**	2023
Indofood	**(623.7)**	(549.3)
PLDT	**(170.1)**	(151.7)
MPIC	**(390.6)**	(304.1)
Philex	**(34.4)**	(27.6)
Others	**(7.7)**	(2.2)
Total	**(1,226.5)**	(1,034.9)

The fair value reserve of financial assets at FVOCI relates to changes in the fair value of financial assets at FVOCI of the Group.

The unrealized gains/losses on cash flow hedges and income tax related to cash flow hedges relate to the effective portion of changes in fair value of cash flow hedges of the Group.

The actuarial gains/losses on defined benefit pension plans relate to changes in the present value of defined benefit pension obligations resulting from experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions.

Share of other comprehensive income/loss of associated companies and joint ventures relates to the Group's share of its associated companies and joint ventures' exchange reserve, fair value reserve of financial assets at FVOCI, unrealized gains/losses on cash flow hedges, income tax related to cash flow hedges, actuarial gains/losses on defined benefit pension plans, and revaluation reserve.

The differences arising from changes in equities of subsidiary companies relate to a change in the Group's subsidiary, associated companies' and joint ventures' ownership interest in their subsidiary companies without a change of control.

The capital and other reserves include capital reserves arising from reorganization activities in some of the Group's subsidiary companies and the Group's share of the equity component of convertible notes issued by an associated company.

The contributed surplus of the Group arose from (a) the Company's reallocation of its entire amount of share premium balance of US$1,785.2 million on 28 June 2016 to the distributable reserve, following the approval obtained from the Company's shareholders during the adjourned annual general meeting, by way of a share premium reduction to nil and a subsequent transfer of the credit amount arising therefrom to the contributed surplus account, and (b) a reorganization of the Group in 1988 and represents the difference between the nominal value of the share capital issued by the Company and the aggregate net asset value of the subsidiary companies acquired at the date of acquisition. Under the Companies Act 1981 of Bermuda (as amended), the Company may make distributions to its shareholders out of the contributed surplus provided certain conditions are met.

An analysis of the accumulated reserves of associated companies and joint ventures, included within consolidated reserves, is set out below:

	Associated Companies		Joint Ventures		Total	
US$ millions	**2024**	2023	**2024**	2023	**2024**	2023
Associated Companies and Joint Ventures						
Revenue reserve	**(914.0)**	(998.3)	**(39.6)**	(77.4)	**(953.6)**	(1,075.7)
Exchange reserve	**(242.7)**	(210.2)	**5.3**	10.6	**(237.4)**	(199.6)
Fair value reserve of financial assets at FVOCI	**(0.8)**	(0.8)	**–**	–	**(0.8)**	(0.8)
Unrealized (losses)/gains on cash flow hedges, net of tax	**(23.6)**	(19.6)	**1.3**	1.3	**(22.3)**	(18.3)
Actuarial losses on defined benefit pension plans	**(223.0)**	(213.4)	**–**	–	**(223.0)**	(213.4)
Differences arising from changes in equities of subsidiary companies	**(7.1)**	(7.1)	**–**	–	**(7.1)**	(7.1)
Capital and other reserves	**22.7**	17.2	**–**	–	**22.7**	17.2
Total (Note 12)	**(1,388.5)**	(1,432.2)	**(33.0)**	(65.5)	**(1,421.5)**	(1,497.7)

31. Non-controlling Interests

Details of the Group's subsidiary companies that have material non-controlling interests are set out below:

	2024	2023
Percentage of equity interest held by non-controlling interests		
– Indofood	**49.9%**	49.9%
– MPIC	**53.7%**	53.7%
– FPM Power	**31.2%**	31.2%

US$ millions	**2024**	2023
Profit for the year allocated to non-controlling interests		
– Indofood	**527.3**	459.1
– MPIC	**387.7**	279.7
– FPM Power	**103.8**	129.4
Dividends paid to non-controlling interests		
– Indofood	**200.5**	184.2
– MPIC	**141.0**	93.4
– FPM Power	**128.3**	162.6
Total	**469.8**	440.2
Balances of non-controlling interests at 31 December		
– Indofood	**4,636.0**	4,520.8
– MPIC	**3,157.6**	3,148.9
– FPM Power	**190.4**	179.7

The following table illustrates the summarized financial information under HKFRS of the subsidiary companies that have material non-controlling interests. The amounts disclosed are before any inter-company eliminations.

	Indofood		MPIC		FPM Power	
For the year ended/at 31 December US$ millions	**2024**	2023	**2024**	2023	**2024**	2023
Statements of Comprehensive Income						
Turnover	**7,290.4**	7,338.4	**1,274.0**	1,103.8	**1,492.8**	2,029.2
Profit for the year	**786.5**	706.7	**620.7**	426.4	**237.0**	261.9
Other comprehensive (loss)/income	**(33.5)**	(61.1)	**(25.2)**	(54.4)	**2.1**	11.6
Total Comprehensive Income	**753.0**	645.6	**595.5**	372.0	**239.1**	273.5
Statements of Financial Position						
Non-current assets	**7,449.9**	7,933.0	**12,462.9**	11,315.0	**525.3**	537.3
Current assets	**4,937.2**	4,095.2	**1,320.2**	1,501.9	**331.2**	347.9
Non-current liabilities	**(3,535.2)**	(3,540.2)	**(6,429.7)**	(6,026.1)	**(240.3)**	(277.8)
Current liabilities	**(2,295.1)**	(2,135.0)	**(2,190.2)**	(1,737.8)	**(272.4)**	(273.7)
Net Assets	**6,556.8**	6,353.0	**5,163.2**	5,053.0	**343.8**	333.7
Statements of Cash Flows						
Net cash from operating activities	**1,102.7**	1,182.3	**460.8**	283.6	**282.2**	420.8
Net cash used in investing activities	**(420.8)**	(687.9)	**(1,314.9)**	(748.9)	**(63.1)**	(3.9)
Net cash (used in)/from financing activities	**(43.8)**	(321.6)	**776.4**	569.3	**(225.6)**	(351.2)
Net Increase/(Decrease) in Cash and Cash Equivalents	**638.1**	172.8	**(77.7)**	104.0	**(6.5)**	65.7

Effects of Material Transactions with Non-controlling Interests

During the year ended 31 December 2024, Indofood purchased an aggregate 10.1 million (2023: 9.4 million) shares of IndoAgri from the open market at a total cost of S$3.2 million (US$2.4 million) (2023: S$2.8 million (US$2.1 million)). As a result of these transactions, Indofood's effective interest in IndoAgri increased to 73.7% from 72.9% (2023: increased to 72.9% from 72.3%). The Group recorded a credit balance of US$3.2 million (2023: US$2.6 million) in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of these transactions.

On 8 January 2024, MPTIS, an indirect wholly-owned subsidiary of MPTC, sent a letter to the Financial Services Authority in Indonesia, Otoritas Jasa Keuangan, involving the voluntary tender offer of 4.1 billion shares of PT Nusantara, a 76.3% subsidiary company of MPTIS. During the voluntary tender offer period, MPTIS acquired 3.8 billion shares for a total consideration of Rupiah 950 billion (US$59.0 million). As a result of the transaction, MPTIS' effective interest in PT Nusantara increased to 98.2% from 76.3% and the Group recorded a debit balance of US$4.2 million in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of this transaction.

On 2 August 2024, MPTC acquired 2.61% interest in NLEX Corporation from the Republic of the Philippines for a consideration of Pesos 2.5 billion (US$42.7 million). As a result of the transaction, MPTC's effective interest in NLEX Corporation increased to 77.74% from 75.13% and the Group recorded a debit balance of US$14.3 million in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of this transaction.

During the year ended 31 December 2024 (2023: In November and December 2023), MPIC bought back an aggregate 18.8 thousand (2023: 16.5 million, or 33.0 thousand after 500:1 reverse stock split in September 2024) of its shares from the minority shareholders at an aggregate consideration of approximately Pesos 49 million (US$1.0 million) (2023: Pesos 86 million (US$1.5 million)). The Group's effective economic interest and voting interest in MPIC remains at 46.3% and 58.3% (2023: increased to 46.3% and 58.3% from 46.2% and 58.3%), respectively, and recorded a credit balance of US$0.1 million (2023: US$0.7 million) in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of these transactions.

Upon MPIC's divestment of its 34.9% interest in MPLRC to Sumitomo, a put option was also granted to Sumitomo which allows Sumitomo to sell all of its MPLRC shares back to MPIC under certain circumstances pursuant to the sale and purchase agreement. During the year ended 31 December 2024, the Group recorded a net credit balance of US$3.6 million (2023: net debit balance of US$4.3 million) in differences arising from changes in equities of subsidiary companies within the Group's equity, which pertains to the difference between the carrying value of the non-controlling interest derecognized and the present value of the amount payable upon the exercise of put option.

On 20 September 2023, the delisting tender offer of MPIC was completed and a total of 0.61 billion shares of MPIC were allocated to Metro Pacific Holdings, Inc. ("MPHI"), a Philippine affiliate of the Company, for a total consideration of Pesos 3.2 billion (US$56.5 million). As a result of the transaction, the Group's economic interest and voting interest in MPIC increased to 48.2% and 60.7%, from 46.1% and 59.1%, respectively. The Group recorded a credit balance of US$34.8 million in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of this transaction.

In November 2023, MPIC issued approximately 2,874 million new shares to MPHI and other shareholders at the subscription price of Pesos 5.20 (US$0.09) per share and MPHI has subscribed approximately 765 million new shares, for a total consideration of Pesos 4.0 billion (US$71.6 million). As a result of the transaction, the Group's economic interest and voting interest in MPIC was diluted to 46.2% and 58.3%, from 48.2% and 60.7%, respectively. The Group recorded a net debit amount of US$32.8 million in differences arising from changes in equities of subsidiary companies within the Group's equity in respect of this transaction.

32. Other Comprehensive (Loss)/Income Attributable to Owners of the Parent

US$ millions	Exchange reserve	Fair value reserve of financial assets at FVOCI	Unrealized gains on cash flow hedges	Income tax related to cash flow hedges	Actuarial gains/(losses) on defined benefit pension plans	Share of other comprehensive loss of associated companies and joint ventures	Total
At 1 January 2023	(1,057.0)	162.7	1.9	0.6	18.5	(152.1)	(1,025.4)
Other comprehensive income/(loss) for the year	23.8	(12.6)	2.6	(1.1)	(3.5)	(45.1)	(35.9)
Net acquisition of an interest in a subsidiary company	(1.7)	–	–	–	–	–	(1.7)
Transfer of fair value reserve upon the disposal of equity investments at FVOCI	–	(0.4)	–	–	–	–	(0.4)
At 31 December 2023	(1,034.9)	149.7	4.5	(0.5)	15.0	(197.2)	(1,063.4)
At 1 January 2024	(1,034.9)	149.7	4.5	(0.5)	15.0	(197.2)	**(1,063.4)**
Other comprehensive (loss)/income for the year	(191.5)	(21.8)	3.9	(0.7)	0.4	(17.4)	**(227.1)**
Acquisition of an interest in a subsidiary company	(0.1)	–	–	–	–	–	**(0.1)**
Others	–	7.5	–	–	–	–	**7.5**
At 31 December 2024	**(1,226.5)**	**135.4**	**8.4**	**(1.2)**	**15.4**	**(214.6)**	**(1,283.1)**

33. Notes to the Consolidated Statement of Cash Flows

(A) Disposal of an Associated Company

2024's cash inflow of US$7.7 million relates to the net proceeds from MPIC's disposal of its entire 30.0% interest in EquiPacific Holdco Inc., which holds 90.0% interest in Laguna Water District Aquatech Resources Corp., a water supply company in the Laguna in April 2024.

2023's cash inflow of US$5.5 million related to the net proceeds from PT Nusantara's disposal of its entire 39.0% interest in PT Intisentosa Alam Bahtera, a port service company, in February 2023.

(B) Investments in Associated Companies

2024's cash outflow of US$692.7 million mainly relates to MPTC's acquisition of a 22.9% effective interest in JTT.

2023's cash outflow of US$69.6 million related to MPIC's acquisition of a 31.3% economic interest and subscription of 200 million redeemable preferred shares in ARC in December 2023. Following the completion of the transaction, MPIC has a voting interest constituting 34.8% of the total issued and outstanding capital stock of ARC and it became an associated company of MPIC. ARC is a fully integrated manufacturer of high-quality coconut products for domestic and international food and beverage companies, and listed in the Philippine Stock Exchange.

(C) Investments in Financial Assets at Fair Value

2024's cash outflow of US$89.0 million mainly relates to Indofood's investments in mutual funds.

2023's cash outflow of US$506.1 million mainly related to (i) Indofood's investments in mutual funds of US$468.9 million, and (ii) MPIC's acquisition of 1.6 billion shares in SPNEC in May 2023 of US$36.0 million.

(D) Acquisition of Subsidiary Companies

	Fair value recognized on acquisition		
US$ millions	MPIC's acquisition of UHDFI[i]	Landco's acquisition of CDMC[i]	**2024 Total**
Consideration			
Cash and cash equivalents	10.5	–	**10.5**
Associated companies and joint ventures[ii]	–	48.6	**48.6**
Total	10.5	48.6	**59.1**
Net Assets			
Property, plant and equipment (Note 10)	10.3	–	**10.3**
Other non-current assets	1.5	0.1	**1.6**
Inventories	0.6	107.7	**108.3**
Account receivables, other receivables and prepayment (Current)	0.2	1.1	**1.3**
Cash and cash equivalents	0.1	1.2	**1.3**
Account payables, other payables and accruals	(0.1)	(7.4)	**(7.5)**
Short-term borrowings	(1.0)	–	**(1.0)**
Deferred liabilities, provisions and payables (Note 27)	(0.4)	(0.7)	**(1.1)**
Deferred tax liabilities (Note 18)	(1.4)	(22.0)	**(23.4)**
Total Net Identifiable Assets Acquired	9.8	80.0	**89.8**
Less: Non-controlling interests[iii]	–	(31.4)	**(31.4)**
Add: Goodwill (Note 13)	0.7	–	**0.7**
	10.5	48.6	**59.1**
Net Cash (Outflow)/Inflow per the Consolidated Statement of Cash Flows	(10.4)	1.2	**(9.2)**

(i) Provisional amounts determined based on management's estimates of the fair values of the identifiable assets acquired, liabilities and contingent liabilities assumed, and subject to revision upon further assessment.
(ii) Represented the fair value of a 60.8% interest in CDMC previously held by Landco Pacific Corporation ("Landco"), a wholly-owned subsidiary company of MPIC.
(iii) The non-controlling interests were measured at the proportionate share of their interests in the acquiree's identifiable net assets.

On 30 July 2024, MPIC acquired 100% interest in UHDFI for a total consideration of Pesos 602 million (US$10.5 million). Following the completion of the transaction, UHDFI became a subsidiary company of MPIC.

On 28 August 2024, Landco obtained control over CDMC, an associated company of the Group up to 28 August 2024 (the date of consolidation of CDMC), via a shareholders' agreement with other individual shareholders of CDMC. With Landco obtaining control over CDMC, this transaction is accounted for using acquisition method under HKFRS 3 "Business Combination". In accordance with HKFRS 3, the consolidation was satisfied by fair value of previously held 60.8% interest in CDMC of Pesos 2.8 billion (US$48.6 million). Following the completion of the transaction, CDMC became a subsidiary company of Landco. Total gains on control of CDMC amounted to Pesos 2.6 billion (US$44.9 million) (Note 5(A)), which includes (a) a gain on remeasurement of previously held 60.8% interest in CDMC of Pesos 2.1 billion (US$36.2 million), and (b) a reversal of over-accrued restructuring costs relating to CDMC by MPIC of Pesos 500 million (US$8.7 million).

The transaction costs of US$0.1 million incurred for the above transactions have been recognized as administrative expenses in the consolidated income statement.

The valuation and assessment for the net assets of acquired subsidiary companies had not been completed by the date of the Group's 2024 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 provisional amounts, or any provisions that existed at the acquisition date, the accounting for the acquisition will then be revised.

The goodwill arising from MPIC's acquisition of UHDFI pertains to, but is not limited to, the expected synergies in the Group arising from the acquisition. None of the goodwill recognized is expected to be deductible for income tax purposes.

Since the date of acquisition, the above acquired subsidiaries companies recorded in aggregate a turnover of US$0.5 million and loss for the period of US$0.2 million which were included in the consolidated income statement. If the acquisitions had taken place on 1 January 2024, the turnover and profit for the year ended 31 December 2024 of the Group would have been US$10,058.5 million and US$1,601.8 million, respectively.

2023's cash outflow of US$3.2 million mainly related to MPIC's net cash outflow for its acquisition of 51.0% interest in The Laguna Creamery, Inc. in May 2023 for a total consideration of Pesos 198 million (US$3.6 million).

(E) Disposal of Assets Classified as Held for Sale

2023's cash inflow of US$16.1 million related to the net proceeds from RHI's disposal of its sugar milling assets in June 2023.

(F) Proceeds from Redemption of a Joint Venture's Preference Shares

2023's cash inflow of US$4.3 million related to the net proceeds from the redemption of preference shares issued by KM Infrastructure Holdings, Inc., a joint venture of MPIC, in October 2023.

(G) Disposal of a Subsidiary Company

2023's cash inflow of US$3.0 million related to the net proceeds from PT Nusantara's disposal of its 100% interest in PT Tirta Bangun Nusantara, a water and waste management service company, in January 2023.

(H) Increased Investments in Subsidiary Companies

2024's cash outflow of US$120.8 million mainly relates to (i) MPTIS's, a wholly-owned subsidiary company of MPTC, acquisition of an additional 21.9% interest in PT Nusantara for a total consideration of US$59.0 million, which increases MPTC's effective interest in PT Nusantara to 98.2% from 76.3%, and (ii) MPTC's acquisition of an additional 2.6% interest in NLEX Corporation for a total consideration of US$46.2 million, which increases MPTC's effective interest in NLEX Corporation to 77.7% from 75.1%.

2023's cash outflow of US$59.5 million mainly related to MPHI's participation in MPIC's delisting tender offer, which was completed on 20 September 2023.

(I) Repurchase of a Subsidiary Company's Shares

2024's cash outflow of US$1.0 million (2023: US$1.5 million) relates to MPIC's share buyback from minority shareholders during the year (2023: in November and December 2023).

(J) Proceeds from Issuance of Shares by Subsidiary Companies

2023's cash inflow of US$408.6 million related to net proceeds from (i) MPIC's issuance of 2,108 million new common shares on 8 November 2023 (US$214.8 million), and (ii) MUN's, an indirect subsidiary company of MPTC, issuance of 2,673 common shares on 28 December 2023 (US$193.8 million).

(K) Reconciliation of Liabilities Arising from Financing Activities

US$ millions	Loans from non-controlling shareholders	Service concession fees payable	Borrowings	Lease liabilities	Dividends/ distribution payable	Total
At 1 January 2023	47.7	533.4	11,222.3	40.5	30.1	11,874.0
Exchange translation	2.1	3.8	74.2	2.1	0.1	82.3
Changes in financing cash flows						
– Proceeds from new bank borrowings and other loans	–	–	3,802.6	–	–	3,802.6
– Repayment of bank borrowings and other loans	–	–	(3,496.8)	–	–	(3,496.8)
– Dividends paid to non-controlling shareholders by subsidiary companies	–	–	–	–	(440.2)	(440.2)
– Distributions paid to shareholders	–	–	–	–	(119.0)	(119.0)
– Principal portion of lease payments	–	–	–	(27.8)	–	(27.8)
– Payments for concession fees payable	–	(18.9)	–	–	–	(18.9)
Finance costs	–	15.4	9.2	3.5	–	28.1
Dividends/distribution declared	–	–	–	–	548.3	548.3
Interest paid classified as operating cash flows	–	–	–	(3.5)	–	(3.5)
Other movements	–	3.8	–	32.1	–	35.9
At 31 December 2023	49.8	537.5	11,611.5	46.9	19.3	12,265.0
At 1 January 2024	49.8	537.5	11,611.5	46.9	19.3	**12,265.0**
Exchange translation	(4.9)	(20.3)	(306.2)	(1.8)	(0.7)	**(333.9)**
Changes in financing cash flows						
– Proceeds from new bank borrowings and other loans	–	–	4,162.0	–	–	**4,162.0**
– Repayment of bank borrowings and other loans	–	–	(2,936.0)	–	–	**(2,936.0)**
– Dividends paid to non-controlling shareholders by subsidiary companies	–	–	–	–	(469.8)	**(469.8)**
– Distributions paid to shareholders	–	–	–	–	(133.2)	**(133.2)**
– Principal portion of lease payments	–	–	–	(31.0)	–	**(31.0)**
– Payments for concession fees payable	–	(23.3)	–	–	–	**(23.3)**
– Repayment of loan from a non-controlling shareholder	(9.2)	–	–	–	–	**(9.2)**
Finance costs	–	14.5	5.0	3.2	–	**22.7**
Dividends/distribution declared	–	–	–	–	594.9	**594.9**
Interest paid classified as operating cash flows	–	–	–	(3.2)	–	**(3.2)**
Other movements	–	7.0	–	32.8	–	**39.8**
At 31 December 2024	**35.7**	**515.4**	**12,536.3**	**46.9**	**10.5**	**13,144.8**

(L) Total Cash Outflow for Leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

US$ millions	2024	2023
Within operating activities	**21.5**	22.0
Within financing activities	**31.0**	27.8
Total	**52.5**	49.8

(M) Major non-cash transaction

For the year ended 31 December 2024, the Group had non-cash additions to (i) right-of-use assets and lease liabilities of US$33.2 million (2023: US$33.9 million) and US$33.2 million (2023: US$33.9 million), respectively, in respect of lease arrangements for buildings, and machinery and equipment, and (ii) service concession assets and service concession fees payable of US$26.7 million (2023: US$18.6 million) and US$26.7 million (2023: US$18.6 million), respectively, in respect of MPIC's certain service concession arrangements.

34. Commitments and Contingent Liabilities

(A) Capital Expenditure

US$ millions	2024	2023
Commitments in respect of subsidiary companies:		
– Authorized, but not contracted for	**632.0**	568.0
– Contracted, but not provided for	**1,179.4**	1,287.8
Total	**1,811.4**	1,855.8

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

(B) Contingent Liabilities

At 31 December 2024, except for guarantees of US$26.7 million (2023: US$24.4 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 (2023: nil).

35. Employees' Benefits

(A) Remuneration

US$ millions	2024	2023
Basic salaries	**525.5**	496.6
Bonuses	**195.4**	189.9
Benefits in kind	**123.0**	108.9
Pension contributions	**11.1**	13.3
Retirement and severance allowances	**13.7**	10.7
Employee share-based compensation benefit expenses/LTIP	**29.7**	17.8
Total	**898.4**	837.2
Average Number of Employees	**103,625**	100,976

The above includes the remuneration of the Directors. Detailed disclosures in respect of the Directors' remuneration are set out in Note 36(A) to the Consolidated Financial Statements.

(B) Retirement Benefits

The Group operates both defined contribution and defined benefit schemes. In addition, the Group has made provisions for estimated liabilities for employee benefits for meeting the minimum benefits required to be paid to the qualified employees as required under the Philippines Republic Act (R.A.) No. 7641 ("R.A. 7641") and the Indonesian Labor Law.

Under R.A. 7641, companies are required to pay a minimum benefit equivalent to one-half month's salary for every year of service, with six months or more of service considered as one year, to employees with at least five years of services. As some of the entities of the Group operate in the Philippines, they provide for either a defined contribution retirement plan or a defined benefit retirement plan that consider the minimum benefit guarantee mandated under R.A. 7641.

Under the Indonesian Labor Law, companies are required to pay separation, appreciation, and compensation benefits to their employees if the conditions specified in the Indonesian Labor Law are met. Some of the Group's Indonesian subsidiary companies maintain and operate formal pension plans for the benefit of their employees. Additional provisions for the estimated liabilities for employee service entitlement benefits are made on top of the benefits provided under their respective pension plans, if necessary, in order to meet and cover the minimum benefits required to be paid to employees under the Indonesian Labor Law.

Under the Central Provident Fund Act in Singapore, the Singapore companies in the Group are required to make contributions to the Central Provident Fund scheme in Singapore, which is a defined contribution pension scheme. Contributions to defined contribution pension schemes are made based on a percentage of the employees' basic salaries and charged to the consolidated income statement as they become payable in accordance with the rules of the respective schemes.

Under the Mandatory Provident Fund Schemes Ordinance and the Occupational Retirement Schemes Ordinance in Hong Kong, the Hong Kong companies in the Group are required to make contributions to the Mandatory Provident Fund retirement scheme and the occupational retirement scheme in Hong Kong, which are defined contribution pension schemes. Contributions are made based on a percentage of the employees' basic salaries and charged to the consolidated income statement as they become payable in accordance with the rules of the respective schemes.

(a) Defined contribution schemes

The Group operates 10 (2023: 11) defined contribution schemes covering 11,768 (2023: 12,350) employees. The assets of these schemes are held separately and are administered by independent trustees. Contributions to the schemes, either by the Group or by the employees, are determined by reference to the employees' salaries and length of service and range from 0% to 40% (2023: 0% to 40%). Under the terms of the schemes, the Group cannot be requested to make additional payments over and above these levels of contributions. In five (2023: five) of the schemes, forfeited contributions may be used to reduce the existing levels of employer contributions and, in 2024, no amount (2023: nil) was used for this purpose. There were no significant forfeited contributions at 31 December 2024 and 2023.

The Group's Indonesian and Singapore subsidiary companies have defined contribution retirement plans covering substantially all of their qualified permanent employees. The related liability arising from the difference between the cumulative funding since the establishment of the program and the cumulative pension costs charged to the consolidated income statement during the same period is recognized as employee benefit liabilities in the consolidated statement of financial position.

Although the Group's Philippine subsidiary companies operate defined contribution schemes, they are covered under R.A. 7641 which provides for its qualified employees under a defined benefit minimum guarantee. The defined minimum guarantee is equivalent to a certain percentage of the monthly salary payment to an employee at the normal retirement age with the required credited years of service based on the provisions of R.A. 7641. The Philippine subsidiary companies account for the retirement obligation under the higher of defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

The Group's Indonesia subsidiary companies also provide additional provisions on top of the benefits provided under the above-mentioned defined contribution pension programs in order to meet and cover the minimum benefits required to be paid to the qualified employees under the labour law in Indonesia as described below.

(b) Defined benefit schemes and estimated liabilities for employee benefits

The Group operates 19 (2023: 17) defined benefit schemes covering 8,313 (2023: 7,544) employees. Five (2023: Six) of the plans are unfunded where the Group meets the benefit payment obligations as they fall due while 14 (2023: 11) of the defined benefit payments are from trustee-administered funds. For unfunded schemes, the Group engages the services of actuaries to conduct valuation studies to determine the retirement obligations to ensure that these maturing obligations and expected benefit payments are covered and budgeted for. For the funded schemes, the assets are held separately from the Group and are administered by independent trustees. Benefits are determined by reference to employees' final salaries and length of service, and the schemes have undergone independent valuations on an annual basis. These actuarial valuations, performed by the actuaries of Kantor Konsultan Aktuaria Hery Al Hariry and Kantor Konsultan Aktuaria Steven & Mouritss (members of the Actuarial Consultant Association of Indonesia), Institutional Synergy, Inc., E.M. Zalamea Actuarial Services, Inc. and Key Actuarial Intelligence, Inc. (members of the Actuary Society of the Philippines), were based on the projected unit credit method. The plan assets do not include any financial instruments of the Group or property occupied by, or other assets used by, the Group. At 31 December 2024, the Group's level of funding in respect of its defined benefit schemes was 72.6% (2023: 73.1%).

The Group has also made provisions for estimated liabilities for employee benefits covering the employees of its Indonesian subsidiary companies. The amounts of such provisions were determined by reference to employees' final salaries and length of service and mainly based on actuarial computations prepared by the actuaries of Kantor Konsultan Aktuaria Hery Al Hariry (a member of the Actuarial Consultant Association of Indonesia) using the projected unit credit method.

(I) The amounts of liability under defined benefit schemes and estimated liabilities for employee benefits included in the consolidated statement of financial position are as follows:

US$ millions	Defined benefit schemes	Estimated liabilities for employee benefits	Total 2024	Total 2023
Present value of defined benefit obligations	(65.4)	(288.7)	**(354.1)**	(374.9)
Fair value of plan assets	47.5	–	**47.5**	45.1
Effect of the asset ceiling	(4.1)	–	**(4.1)**	(4.2)
Net Liability	(22.0)	(288.7)	**(310.7)**	(334.0)
Presented as:				
Pension assets[i]	6.9	–	**6.9**	6.6
Pension liabilities[ii]	(28.9)	(288.7)	**(317.6)**	(340.6)
Total	(22.0)	(288.7)	**(310.7)**	(334.0)

(i) Included within other non-current assets.
(ii) Included within deferred liabilities, provisions and payables.

(II) The changes in the present value of the obligations under defined benefit schemes and estimated liabilities for employee benefits during the year are as follows:

US$ millions	Defined benefit schemes	Estimated liabilities for employee benefits	Total 2024	Total 2023
At 1 January	(56.0)	(318.9)	**(374.9)**	(381.7)
Exchange translation	2.4	14.3	**16.7**	(7.1)
Current service cost	(5.5)	(20.5)	**(26.0)**	(30.8)
Past service cost	(0.6)	13.6	**13.0**	40.3
Interest cost on obligation	(3.0)	(18.1)	**(21.1)**	(24.1)
Actuarial (losses)/gains arising from:				
– Changes in demographic assumptions	(0.1)	(0.1)	**(0.2)**	(0.4)
– Changes in financial assumptions	(9.8)	11.7	**1.9**	(12.0)
– Experience adjustments	(0.6)	(1.1)	**(1.7)**	2.1
Benefits paid and others	7.8	30.4	**38.2**	38.8
At 31 December	(65.4)	(288.7)	**(354.1)**	(374.9)

(III) The changes in the fair value of plan assets under the defined benefit schemes during the year are as follows:

US$ millions	2024	2023
At 1 January	**45.1**	44.1
Exchange translation	**(2.0)**	0.3
Interest income included in net interest cost	**2.8**	3.2
Return on plan assets (excluding amount included in net interest cost)	**1.4**	(2.2)
Contributions by employers	**4.1**	4.7
Benefits paid and others	**(3.9)**	(5.0)
At 31 December	**47.5**	45.1
Actual Return on Plan Assets	**9%**	2%

(IV) The major categories of plan assets as a percentage of the fair value of the total plan assets under the defined benefit schemes are as follows:

	2024	2023
Philippine debt securities	**42%**	59%
Philippine equities	**41%**	22%
Indonesian debt securities	**0%**	1%
Indonesian equities	**0%**	1%
Cash in banks and time deposits	**9%**	9%
Unit trust funds and others	**6%**	8%

(V) The amount recognized in the consolidated income statement and consolidated statement of comprehensive income is analyzed as follows:

US$ millions	Defined benefit schemes	Estimated liabilities for employee benefits	Total 2024	Total 2023
Current service cost	5.5	20.5	**26.0**	30.8
Past service cost	0.6	(13.6)	**(13.0)**	(40.3)
Interest cost on obligation	3.0	18.1	**21.1**	24.1
Interest income on plan assets	(2.8)	–	**(2.8)**	(3.2)
Interest on the effect of the asset ceiling	0.2	–	**0.2**	–
Amount Recognized in Profit or Loss[i]	6.5	25.0	**31.5**	11.4
Actuarial losses/(gains) arising from:				
– Changes in demographic assumptions	0.1	0.1	**0.2**	0.4
– Changes in financial assumptions	9.8	(11.7)	**(1.9)**	12.0
– Experience adjustments	0.6	1.1	**1.7**	(2.1)
Return on plan assets (excluding amount included in net interest cost)	(1.4)	–	**(1.4)**	2.2
Effect of the asset ceiling	(0.1)	–	**(0.1)**	4.2
Amount Recognized in Other Comprehensive Income	9.0	(10.5)	**(1.5)**	16.7
Total	15.5	14.5	**30.0**	28.1

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

(VI) Principal actuarial assumptions (weighted average) as at 31 December are as follows:

	2024	2023
Discount rate	**7%**	6%
Future annual salary increases	**5%**	5%

(VII) The calculation of the defined benefit obligation is sensitive to the assumptions set above. The following table summarizes how the present value of the defined benefit obligation at the end of the reporting period would have increased or decreased as a result of changes in the respective assumptions:

US$ millions	**Increase/ (decrease)**	**(Decrease)/ increase at 31 December 2024**	Increase/ (decrease)	(Decrease)/ increase at 31 December 2023
Discount rate (%)	**1.0**	**(19.9)**	1.0	(15.2)
	(1.0)	**26.4**	(1.0)	12.0
Future annual salary increases (%)	**1.0**	**26.6**	1.0	12.3
	(1.0)	**(20.4)**	(1.0)	(15.7)

(VIII) The following table provides the maturity analysis of the undiscounted benefit payments as at 31 December:

US$ millions	**2024**	2023
Less than one year	**41.7**	45.6
One year to five years	**138.9**	160.6
More than five years	**1,511.6**	1,759.0
Total	**1,692.2**	1,965.2

The weighted average duration of the defined benefit obligation is 11 years (2023: 10 years).

(IX) The Group expects to contribute US$6.0 million (2023: US$4.5 million) to its defined benefit pension plans next year.

(C) Loans to Officers

During the years ended 31 December 2024 and 2023, there were no loans made by the Group to officers which required disclosure pursuant to section 383(1)(d) of the Hong Kong Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation.

36. Directors' and Senior Executives' Remuneration

(A) Directors' Remuneration

The remuneration of Directors and chief executive of the Company for the year ended 31 December 2024, disclosed on an individual basis and pursuant to the Appendix D2 paragraph 24 of the Listing Rules, section 383 (1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

Directors' Remuneration - 2024

	Non-performance based							
US$'000	Salaries	Other benefits	Pension contributions	Performance based payments[i]	Employee share-based compensation benefit expenses/ LTIP	Fees[ii]	Retirement benefit payments	**Total**
Chairman								
Anthoni Salim	3,230	–	–	–	–	48	–	**3,278**
Executive Directors								
Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*	4,928	406	207	3,327	2,846	160	–	**11,874**
Christopher H. Young	662	55	–	303	2,310	–	2,462	**5,792**
Non-executive Directors								
Benny S. Santoso	61	–	–	–	51	49	–	**161**
Axton Salim	2,263	–	–	–	–	73	–	**2,336**
Independent Non-executive Directors								
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	–	–	–	–	53	110	–	**163**
Margaret Leung Ko May Yee, *SBS, JP*	–	–	–	–	53	110	–	**163**
Philip Fan Yan Hok	–	–	–	–	51	98	–	**149**
Madeleine Lee Suh Shin	–	–	–	–	53	116	–	**169**
Blair Chilton Pickerell	–	–	–	–	51	73	–	**124**
Total	11,144	461	207	3,630	5,468	837	2,462	**24,209**

(i) Performance based payments comprise performance bonuses and long-term monetary incentive awards.
(ii) For meetings attended.

Directors' Remuneration - 2023

US$'000	Salaries	Other benefits	Pension contributions	Performance based payments[i]	Employee share-based compensation benefit expenses/ LTIP	Fees[ii]	Retirement benefit payments	Total
	Non-performance based							
Chairman								
Anthoni Salim	3,332	–	–	–	–	48	–	3,380
Executive Directors								
Manuel V. Pangilinan, *Managing Director and Chief Executive Officer*	4,302	664	203	2,726	5,395	–	–	13,290
Christopher H. Young	663	54	–	300	–	–	2,462	3,479
Non-executive Directors								
Benny S. Santoso	58	–	–	–	122	61	–	241
Axton Salim	2,326	–	–	–	–	73	–	2,399
Independent Non-executive Directors								
Prof. Edward K.Y. Chen, *GBS, CBE, JP*	–	–	–	–	128	128	–	256
Margaret Leung Ko May Yee, *SBS, JP*	–	–	–	–	128	128	–	256
Philip Fan Yan Hok	–	–	–	–	122	116	–	238
Madeleine Lee Suh Shin	–	–	–	–	128	134	–	262
Blair Chilton Pickerell	–	–	–	–	97	98	–	195
Total	10,681	718	203	3,026	6,120	786	2,462	23,996

(i) Performance based payments comprise performance bonuses and long-term monetary incentive awards.
(ii) For meetings attended.

Included within the total Directors' remuneration is an amount of US$1.2 million (2023: US$1.5 million) paid by PLDT, an associated company, in respect of the services of the Managing Director and Chief Executive Officer of the Company.

(B) Senior Executives' Remuneration

As similar remuneration schemes operate for the senior executives of the Group, their remuneration may exceed those of the Company's Directors. One (2023: One) senior executive was among the Group's five highest earning employees during the year ended 31 December 2024. The remaining four (2023: four) of the five highest earning employees are the Company's Directors. Details of the remuneration for one (2023: one) senior executive are as follows:

US$'000	**2024**	2023
Non-performance based		
– Salaries and benefits	**1,122**	3,963
Performance based		
– Bonuses and long-term monetary incentive awards	**318**	452
Employee share-based compensation benefit expenses/LTIP	**348**	3,220
Total	**1,788**	7,635

The remuneration of one (2023: one) senior executive who was among the Group's five highest earning employees in 2024 are within the following bands:

Remuneration bands	**2024 Number**	2023 Number
US$1,728,000 – US$1,792,000	**1**	–
US$7,616,000 – US$7,680,000	**–**	1

(C) Key Management Personnel Compensation (including Directors' Remuneration)

US$ millions	**2024**	2023
Non-performance based		
– Salaries and benefits	**65.0**	70.3
– Pension contributions	**1.9**	4.2
Performance based		
– Bonuses and long-term monetary incentive awards	**31.4**	31.3
Retirement benefit payments	**9.8**	6.6
Employee share-based compensation benefit expenses/LTIP	**17.7**	16.2
Fees	**0.7**	0.8
Total	**126.5**	129.4

(D) Share Options

The Company operates share option scheme 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 options of the Company granted to the Directors and senior executives of the Company at 31 December 2024 and 2023 are set out below:

Particulars of the Company's share option scheme

	Share options held at 1 January 2024	Share options exercised during the year	**Share options held at 31 December 2024**	Share option exercise price per share (HK$)	Market price per share immediately before the date of grant (HK$)	Grant date	Vesting period[iii]	Exercisable period
Non-Executive Director								
Benny S. Santoso	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	7,099,459	(5,303,459)	**1,796,000**	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Total	19,859,459	(12,959,459)[i]	**6,900,000**[ii]					

(i) The weighted average closing prices of the Company's shares immediately before and at the dates on which these share options were exercised are HK$4.20 and HK$4.22, respectively.

(ii) The number of outstanding share options vested and exercisable at 31 December 2024 was 4,986,000. These share options had a weighted average exercise price of HK$3.07.

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

(a) For 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 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 2023	Share options exercised during the year	Share options held at 31 December 2023	Share option exercise price per share (HK$)	Market price per share immediately before the date of grant (HK$)	Grant date	Vesting period[iii]	Exercisable period
Non-Executive Director								
Benny S. Santoso	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	7,699,459	(600,000)	7,099,459	2.87	2.87	8 April 2019	April 2020 to April 2022	April 2020 to April 2025
Total	20,459,459	(600,000)[i]	19,859,459[ii]					

(i) The weighted average closing prices of the Company's shares immediately before and at the dates on which these share options were exercised are HK$3.18 and HK$3.24, respectively.

(ii) The number of outstanding share options vested and exercisable at 31 December 2023 was 16,031,459. These share options had a weighted average exercise price of HK$2.89.

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

(a) For 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 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).

At the AGM held on 31 May 2012, the Company's shareholders approved a share option scheme (the "Scheme") under which the Directors may, at their discretion, at any time during the life of the Scheme, grant Directors and senior executives of the Company's share options as part of the Company's LTIP. The Scheme, which complies with the provisions set out in Chapter 17 of the Listing Rules, became effective on 31 May 2012. The Scheme was valid for 10 years and expired on 30 May 2022.

The maximum number of shares on which options may be granted during the 10-year life of the Scheme may not exceed 10% of the Company's issued share capital as at the date of approval of the Scheme by the shareholders, which equaled to 382,827,354 shares. The maximum number of shares in respect of which options may be granted under the 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 Scheme provide that share options may be exercised under the Scheme at any time from the date of acceptance until the date of expiry, subject to any other restrictions on vesting imposed by the Directors. Any options granted under the 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.

On 8 April 2019, 15,355,459 share options under the Scheme 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$0.51 per share or an aggregate value of US$1.0 million for all options granted. The assumptions used were as follows:

Share price at the date of grant	HK$2.86 per share
Exercise price	HK$2.87 per share
Expected volatility (based on historical volatility of the Company's shares commensurate with the average expected life of the options granted)	24%
Option life	6 years
Expected dividend yield	2.5% per annum
Average risk-free interest rate (based on the Hong Kong Exchange Fund Notes)	1.47% per annum

Taking into account the expected turnover rate of the Directors and senior executives 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.

On 6 May 2022, 5,104,000 share options under the Scheme 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.

At the AGM 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 senior 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. During the years ended 31 December 2024 and 2023, no share options are granted under the New Scheme.

The maximum number of shares on which options may be granted during the 10 years life of the New Scheme 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.

At 31 December 2024, the number of share options that is available for grant under the New Scheme is 426,944,457 (2023: 426,944,457).

As at the date of these financial statements, the Company had 6,900,000 share options outstanding under the Company's share option scheme, which represented approximately 0.2% of the Company's shares in issue as at that date.

Details of the Group's accounting policy in respect of the share options granted are set out in Note 2(D)(t)(III) to the Consolidated Financial Statements.

37. Related Party Transactions

Significant related party transactions entered into by the Group during the years ended 31 December 2024 and 2023 are disclosed as follows:

(A) 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 year ended 31 December 2024, the fees under the above arrangement amounted to US$1.0million (2023: US$1.0 million).

At 31 December 2024, FPM Power had outstanding service fees payable to GBPC of US$0.3 million (2023: US$0.3 million), which was included in accounts payable, other payables and accruals.

(B) 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 year ended 31 December 2024, the fees under this agreement amounted to approximately US$2.6 million (2023: US$2.6 million). At 31 December 2024, no outstanding receivable from Smart (2023: FPIML had US$0.2 million) under this agreement and was included in accounts receivable, other receivables and prepayments.

(C) In December 2014, ALBV entered into a subscription agreement with SMECI, a wholly-owned subsidiary company of Philex, in respect of the subscription for the SMECI's convertible notes with a principal amount of Pesos 5.04 billion (US$87.1 million), principally for financing capital expenditure of the Silangan project and repaying advances from Philex. The SMECI's convertible notes bear interest at a coupon rate of 1.5%, payable semi-annually every 18 June and 18 December and have a maturity of eight 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 convertible notes.

On 7 December 2022, ALBV entered into a supplementary agreement to the SMECI's convertible notes for 3 years with effect from 19 December 2022 to 18 December 2025 with a view to support the continuous development and fund-raising activities of the Silangan project. The maturity date of the SMECI's convertible notes may be further extended twice at the option of SMECI for a period of one year and six months for each extension. The accrued redemption premium until 18 December 2022 of Pesos 1.4 billion (US$24.3 million) would be subject to an interest at coupon rate of 1.5%, payable semi-annually. In addition, the principal amount together with the redemption premium shall also attract a 3% per annum premium from 19 December 2022 up to the redemption date, unless converted.

On 18 December 2024, ALBV and SMECI mutually agreed to extend the maturity date of the SMECI's convertible notes for a period of one year and six months from 18 December 2025 to 18 June 2027.

For the year ended 31 December 2024, ALBV accrued interest income of US$5.1 million (2023: US$5.1 million) on these notes. At 31 December 2024, ALBV had outstanding interest receivable of approximately US$60 thousand (2023: US$63 thousand) due from SMECI.

(D) 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 year ended 31 December US$ millions	**2024**	2023
Income Statement Items		
Sales of finished goods		
– to affiliated companies	**606.6**	525.7
– to an associated company	**29.8**	23.8
Purchases of raw materials and finished goods		
– from a joint venture	**32.1**	34.8
– from affiliated companies	**1.2**	0.7
Outsourcing expenses		
– to affiliated companies	**30.3**	29.4
Insurance expenses		
– to affiliated companies	**9.8**	10.6
Pump services expenses		
– to affiliated companies	**0.5**	0.6
Royalty and technical services income		
– from an associated company	**2.7**	3.8
– from affiliated companies	**2.1**	2.2
Rental income		
– from affiliated companies	**2.2**	1.6

For the year ended 31 December 2024, Indofood also made lease payments of US$0.7 million (2023: US$0.6 million) to affiliated companies for the settlement of lease liabilities recognized.

Approximately 9% (2023: 7%) of Indofood’s sales and 0.9% (2023: 1.0%) of its purchases were transacted with these related parties.

Nature of Balances

At 31 December US$ millions	**2024**	2023
Statement of Financial Position Items		
Accounts receivable - trade		
– from affiliated companies	**75.7**	70.2
– from an associated company	**4.2**	4.4
Accounts receivable - non-trade		
– from an associated company	**16.0**	16.9
– from affiliated companies	**10.4**	9.9
Accounts payable – trade		
– to affiliated companies	**6.9**	7.2
– to joint ventures	**2.5**	4.5
Deferred liabilities, provisions and payables		
– to affiliated companies	**35.7**	49.8

Certain of the above related party transactions of Indofood also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules and their details are disclosed in the Corporate Governance Report on pages 61 to 69.

(E) In December 2023, Maynilad, a subsidiary company of MPIC, renewed the framework agreement with D.M. Consunji, Inc. ("Consunji"), a subsidiary company of DMCI Holdings, Inc. (a 27.2% shareholder of Maynilad Water Holding Company, Inc., Maynilad's parent company) for the period from 1 January 2024 to 31 December 2026 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 year ended 31 December US$ millions	**2024**	2023
Capital Expenditure Item		
Construction services for water infrastructure	**10.3**	68.7

(F) MPIC and its 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 year ended 31 December US$ millions	**2024**	2023
Income Statement Item		
Electricity expenses	**33.3**	39.5

Nature of Balances

At 31 December US$ millions	**2024**	2023
Statement of Financial Position Item		
Accounts payable - trade	**0.3**	0.4

(G) MPIC and its 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 year ended 31 December US$ millions	2024	2023
Income Statement Item		
Voice and data service expenses	**2.3**	2.2

Nature of Balances

At 31 December US$ millions	2024	2023
Statement of Financial Position Item		
Accounts payable - trade	**1.5**	1.7

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

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

Nature of Transactions

For the year ended 31 December US$ millions	2024	2023
Income Statement Item		
Information technology management and consultancy expenses	**7.0**	4.9

Nature of Balances

At 31 December US$ millions	2024	2023
Statement of Financial Position Item		
Accounts payable - trade	**0.7**	1.8

(I) On 8 November 2023, MIG Holdings Incorporated ("MIG") entered into a subscription agreement with MPIC to subscribe for 593 million new MPIC shares for a consideration of Pesos 3.1 billion (US$54.6 million). MIG is controlled by Mr. Manuel V. Pangilinan, the Managing Director and Chief Executive Officer of the Company.

(J) Disclosures pursuant to Chapter 14A.72 of the Listing Rules as at the end of the reporting periods:

(I) Related party transactions numbered (D), (E) and (I) are connected transactions, or continuing connected transactions, under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements for such connected transactions, or continuing connected transactions, in accordance with Chapter 14A of the Listing Rules.

(II) Related party transactions numbered (A) and (F) are connected transactions, or continuing connected transactions, under Chapter 14A of the Listing Rules, but are fully exempted from all disclosure requirements.

(III) Related party transactions numbered (B), (C), (G) and (H) are not connected transactions, or continuing connected transactions, under Chapter 14A of the Listing Rules.

38. 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	2024 Financial assets at amortized cost	2024 Financial assets at FVOCI	2024 Financial assets at FVPL	2024 Derivative instruments[i]	2024 Total	2023 Financial assets at amortized cost	2023 Financial assets at FVOCI	2023 Financial assets at FVPL	2023 Derivative instruments[i]	2023 Total
Accounts and other receivables (Non-current)	75.8	–	–	4.6	80.4	84.9	–	–	4.5	89.4
Financial assets at fair value (Non-current)	–	369.9	131.9	–	501.8	–	432.4	132.8	–	565.2
Other non-current assets	40.9	–	–	–	40.9	59.1	–	–	–	59.1
Cash and cash equivalents and short-term deposits	3,324.2	–	–	–	3,324.2	2,845.8	–	–	–	2,845.8
Restricted cash	113.6	–	–	–	113.6	315.4	–	–	–	315.4
Financial assets at fair value (Current)	–	591.5	–	–	591.5	–	528.2	–	–	528.2
Accounts and other receivables (Current)	1,003.5	–	–	10.1	1,013.6	920.2	–	–	9.9	930.1
Total	**4,558.0**	**961.4**	**131.9**	**14.7**	**5,666.0**	4,225.4	960.6	132.8	14.4	5,333.2

(i) Represents derivative assets designated as hedging instruments.

(b) Financial liabilities

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

US$ millions	2024 Financial liabilities at amortized cost	2024 Financial liabilities at FVPL	2024 Derivative instruments[ii]	2024 Total	2023 Financial liabilities at amortized cost	2023 Financial liabilities at FVPL	2023 Derivative instruments[ii]	2023 Total
Accounts payable, other payables and accruals	1,748.4	–	–	1,748.4	1,606.3	–	–	1,606.3
Short-term borrowings	2,548.7	–	–	2,548.7	2,195.3	–	–	2,195.3
Current portion of deferred liabilities, provisions and payables	147.1	8.8	5.3	161.2	157.3	12.4	11.7	181.4
Long-term borrowings	9,987.6	–	–	9,987.6	9,416.2	–	–	9,416.2
Deferred liabilities, provisions and payables (Non-current)	645.7	19.9	2.9	668.5	675.9	22.6	5.7	704.2
Total	**15,077.5**	**28.7**	**8.2**	**15,114.4**	14,051.0	35.0	17.4	14,103.4

(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 assets.

- Fair values of unlisted investments included in financial assets at FVPL are measured by reference to either the most recent transaction price or to discounted cash flow models.

- 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 reference to the most recent transaction prices, market comparable companies or valuations of the underlying assets supported by independent sources.

- Fair value of contingent consideration 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, 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 to or reasonably approximating their fair values at the end of the reporting period. The Group's financial instruments with carrying amounts equal to or reasonably approximating their fair values at 31 December 2024 and 2023 and lease liabilities are not included in this table.

US$ millions	**2024** Carrying amount	**2024** Fair value	2023 Carrying amount	2023 Fair value
Financial Liabilities				
Long-term borrowings	**9,987.6**	**9,290.6**	9,416.2	8,578.3
Deferred liabilities, provisions and payables (Non-current) (other than lease liabilities)	**609.9**	**633.5**	642.5	667.2
Total	**10,597.5**	**9,924.1**	10,058.7	9,245.5

(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:

	2024				2023			
US$ millions	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI[i]								
– Listed equity investments	**273.4**	**–**	**–**	**273.4**	342.3	–	–	342.3
– Unlisted investments	**–**	**595.0**	**93.0**	**688.0**	–	533.3	85.0	618.3
Financial assets at FVPL[i]								
– Unlisted investments	**–**	**131.9**	**–**	**131.9**	–	132.8	–	132.8
Derivative assets[ii]	**–**	**14.7**	**–**	**14.7**	–	14.4	–	14.4
Derivative liabilities[iii]	**–**	**(8.2)**	**–**	**(8.2)**	–	(17.4)	–	(17.4)
Financial liabilities at FVPL[iii]	**–**	**–**	**(28.7)**	**(28.7)**	–	–	(35.0)	(35.0)
Net Amount	**273.4**	**733.4**	**64.3**	**1,071.1**	342.3	663.1	50.0	1,055.4

(i) Included within financial assets at fair value.
(ii) Included within accounts receivable, other receivables and prepayments.
(iii) Included within deferred liabilities, provisions and payables.

The fair values of unlisted investments and derivative assets and 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 38(B) to the 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% (2023: 30%) and adjusted for the net debt of the investee, if applicable. The movements during the year are as follows:

Unlisted equity investments US$ millions	**2024**	2023
At 1 January	**85.0**	96.2
Exchange translation	**(3.7)**	0.6
Changes in fair value	**11.7**	(3.9)
Disposals	**–**	(7.9)
At 31 December	**93.0**	85.0

At 31 December 2024, the fair value of MPIC's earn-out payment in relation to acquisition of 31.3% economic interest in ARC and MPTC's earn-out payment in relation to acquisition of 22.9% effective interest in JTT, which were classified as financial liabilities at FVPL and categorized within Level 3 hierarchy, was determined based on the present value of the expected payment. The balance of financial liabilities at FVPL at 31 December 2023 also included MUN's earn-out payment in relation to acquisition of 40% interest in JJC, and the amount was derecognized in 2024 as the target level of tariff adjustment was not implemented by the long-stop date on 31 December 2024.

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 year ended 31 December 2024 and 2023, there were no transfers of fair value measurements among Level 1, Level 2 or Level 3.

39. Capital and Financial Risk Management

(A) Capital Management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to ensure that it maintains an optimal capital structure for supporting the stability and growth of its business and maximizing shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the distribution payment to shareholders, return capital to shareholders, repurchase shares or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

The Group monitors capital using a gearing ratio. The Group's policy is to keep the gearing ratio at an optimal level which supports its business. The Group's net debt includes short-term borrowings and long-term borrowings, less cash and cash equivalents and short-term deposits, and restricted cash. The total equity includes equity attributable to owners of the parent and non-controlling interests.

US$ millions	**2024**	2023
Short-term borrowings	**2,548.7**	2,195.3
Long-term borrowings	**9,987.6**	9,416.2
Less: Cash and cash equivalents and short-term deposits	**(3,324.2)**	(2,845.8)
Less: Restricted cash	**(113.6)**	(315.4)
Net debt	**9,098.5**	8,450.3
Equity attributable to owners of the parent	**3,926.2**	3,688.0
Non-controlling interests	**8,004.0**	7,878.9
Total equity	**11,930.2**	11,566.9
Gearing ratio (times)	**0.76**	0.73

(B) Financial Risk Management

The Group's principal financial instruments include various financial assets (which comprise accounts receivable, other receivables, financial assets at fair value, cash and cash equivalents and short-term deposits, and restricted cash) and financial liabilities (which comprise accounts payable, other payables and accruals, short-term borrowings, long-term borrowings, financial liabilities at fair value, and deferred liabilities and provisions). The main purpose of the cash and cash equivalents and short-term deposits, and short-term and long-term borrowings is to finance the Group's operations and investments. The other financial assets and liabilities, such as accounts receivable and accounts payable, mainly arise directly from its operations.

The Group also issues fixed interest rate bonds, arranges borrowings in local currencies and enters into derivative transactions, including principally fuel swaps, foreign currency forwards, and interest rate swaps. The purpose is to manage the price, currency and interest rate risks arising from the Group's operations, investments and sources of finance.

The fuel swaps are used to manage the risk arising from fluctuations in fuel costs. Under the fuel swaps, the Group agrees with other parties, at specified intervals, the difference between fixed rate and floating rate amounts calculated by reference to the agreed notional purchase quantity. The fair value of fuel swaps is calculated by reference to current forward fuel prices for contracts with similar maturity profiles.

The foreign currency forwards are used to manage the risk arising from fluctuations in foreign exchange rates. Under the foreign currency forwards, the Group contracts with other parties to exchange at the maturity date the foreign currency amounts at the agreed exchange rates. The terms of the foreign currency forwards have been negotiated based on the expected highly probable forecast transactions. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group will assess the resulting ineffectiveness. The hedge ratio is determined to be 1:1. The fair value of foreign currency forwards is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

The interest rate swaps are used to manage the risk arising from fluctuations in interest rates. Under the interest rate swaps, the Group agrees with other parties to exchange at the maturity date the difference between the fixed interest rate and floating interest rate of the notional amount. The Group determines the economic relationship between the borrowings and the derivatives by matching the critical terms of the hedging instruments with the terms of the hedged items. There were no expected sources of ineffectiveness as the critical terms of the interest rate swaps match exactly with the terms of the hedged items. The fair value of interest rate swap contracts is determined by reference to forward interest rates for similar instruments with similar maturity profiles.

The Group applies hedge accounting for those contracts which qualify as effective hedges. For the purpose of hedge accounting, these hedges are classified as cash flow hedges, as the contracts are used to hedge exposure to variability of cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

Details of the fair value of the Group's fuel swaps, foreign currency forwards, and interest rate swaps at the end of the reporting period are set out below:

	2024		2023	
US$ millions	**Assets**	**Liabilities**	Assets	Liabilities
Cash flow hedges				
– Fuel swaps	**5.9**	**7.7**	5.5	8.3
– Foreign currency forwards	**4.0**	**0.2**	0.1	8.0
– Interest rate swaps	**4.8**	**0.3**	8.8	1.1
Total	**14.7**	**8.2**	14.4	17.4
Presented as:				
Non-current portion	**4.6**	**2.9**	4.5	5.7
Current portion	**10.1**	**5.3**	9.9	11.7
Total	**14.7**	**8.2**	14.4	17.4

The notional amount of the Group's fuel swaps, foreign currency forwards, and interest rate swaps at the end of the reporting period are set out below:

US$ millions	**2024**	2023
Cash flow hedges		
– Fuel swaps	**232.5**	327.4
– Foreign currency forwards	**300.7**	319.1
– Interest rate swaps	**330.0**	410.0
Total	**863.2**	1,056.5
Presented as:		
Non-current portion	**462.2**	449.3
Current portion	**401.0**	607.2
Total	**863.2**	1,056.5

The movements of the Group's unrealized gains/losses on cash flow hedges attributable to owners of the parent in relation to the above derivative financial instruments are disclosed in Note 32. The Group's accounting policies in relation to derivatives are set out in Note 2(D)(m) to the Consolidated Financial Statements.

The main risks arising from the Group's financial instruments are market risk (including currency risk and price risk), credit risk, liquidity risk and fair value and cash flow interest rate risks. The Company's Board of Directors reviews and agrees policies for managing each of these risks and they are summarized below:

(a) Market risk

(I) Currency risk

To manage the Group's foreign exchange risk arising from future commercial transactions and recognized assets and liabilities, and to improve investment and cash flow planning, in addition to natural hedges, the Group enters into and engages in foreign exchange contracts for the purpose of reducing or managing its foreign exchange rate exposures emanating from business, specific transaction, and currency translation risks to the Group's results and cash flows.

The following table summarizes the Group's exposure at the end of the reporting period to currency risk arising from recognized financial assets and liabilities denominated in a currency different from the functional currencies of the Group's subsidiary companies.

US$ millions	**2024**	2023
Accounts receivable and other receivables	**147.8**	134.1
Cash and cash equivalents and short-term deposits	**1,007.4**	690.3
Short-term borrowings and long-term borrowings	**(3,590.4)**	(3,182.0)
Accounts payable, other payables and accruals	**(93.7)**	(81.8)
Deferred liabilities, provisions and payables	**(25.6)**	(29.4)
Net Amount	**(2,554.5)**	(2,468.8)

The following table demonstrates the sensitivity arising from the Group's financial assets and liabilities as listed above to a reasonably possible change in the exchange rates, with all other variables held constant, of the Group's profit attributable to owners of the parent and retained earnings. The assumed depreciation in the exchange rates of the Rupiah, Peso and S$ against US$ represents management's assessment of a reasonably possible change over the period until the ending date of the next annual reporting period.

	2024		2023	
US$ millions	**(Depreciation)/ appreciation against the U.S. dollar (%)**	**(Decrease)/ increase in profit attributable to owners of the parent and retained earnings**	Depreciation against the U.S. dollar (%)	Decrease in profit attributable to owners of the parent and retained earnings
Rupiah	**(2.0)**	**(18.2)**	(2.5)	(21.6)
Peso	**(0.5)**	**(0.4)**	(1.0)	(0.9)
S$	**2.0**	**0.7**	(2.0)	(0.5)

(II) Price risk

The Group is primarily exposed to securities price risk which principally relates to the changes in the market value of its listed equity investments, which include the Group's investments in principal subsidiary and associated companies in the Philippines, Indonesia and Singapore and the other listed equity investments held by the Group and classified as financial assets at FVOCI on the Group's consolidated statement of financial position.

In addition, the Group is also exposed to commodity price risk for its consumer food products and power businesses due to certain factors, such as weather, government policies, level of demand and supply in the market and the global economic environment. Such exposure mainly arises from its purchases of wheat flour, cooking oil, skim milk powder and CPO (which are the main raw materials used to produce consumer food products) and the usage of fuel in the generation of electricity where the profit margins on the sales of its consumer food products and electricity may be affected if the costs of production/generation increase and the Group is unable to pass on such cost increases to its customers.

The Group's policy is to minimize the risks of its raw material costs arising from the fluctuations in the commodity prices by maintaining an optimum inventory level of wheat flour, cooking oil and skim milk powder for continuous production and increasing self-sufficiency in the supply of CPO for the refinery operations (through the purchase of CPO from the Group's own plantations). In addition, the Group may seek to mitigate its risks by periodically adjusting the prices of the consumer food products. For the years ended 31 December 2024 and 2023, no hedging in the said commodity price risk were undertaken.

The Group has entered into fuel swap contracts for its power business that oblige it to make payments for fuel at fixed prices on an agreed notional purchase quantity and receive payments for fuel at floating prices on the same amounts.

At 31 December 2024, if the fuel price increased/decreased by 10% (2023: 10%), the Group's unrealized cash flow hedge reserve would have been US$9.8 million (2023: US$8.8 million) higher/lower, with all the other variables being held constant.

(b) Credit risk

For the consumer food products business, the Group has credit risk arising from credit given to customers under the auspices of policies in place to ensure that sales of products are made to creditworthy customers with an appropriate credit history. The Group has policies that limit the amount of credit exposure to any particular customer, such as requiring sub-distributors to provide bank guarantees. For the water business, the Group generally allows seven to 60 days of credit for its water and sewerage service customers, and 45 to 60 days of credit for its bulk water supply customers. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts. For the real estate business, the Group allows an instalment period of one to three years. For the power business, the Group generally allows 30 days of credit to its customers. PLP also requires cash deposits and/or guarantees from creditworthy financial institutions to secure substantial obligations of its customers.

Maximum exposure and year-end staging:

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial guarantee contracts.

	12-month ECLs	Lifetime ECLs			
US$ millions	Stage 1	Stage 2	Stage 3	Simplified approach	**2024 Total**
Debt investments at FVOCI					
– Not yet past due	592.8	–	–	–	**592.8**
Accounts receivable[(i)]	–	–	–	814.8	**814.8**
Contract assets[(i)]	–	–	–	68.1	**68.1**
Financial assets included in other receivables and other non-current assets					
– Not yet past due	354.9	–	–	–	**354.9**
Restricted cash					
– Not yet past due	113.6	–	–	–	**113.6**
Cash and cash equivalents and short-term deposits					
– Not yet past due	3,324.2	–	–	–	**3,324.2**
Guarantees for plantation farmers' loan facilities					
– Not yet past due	26.7	–	–	–	**26.7**
Total	**4,412.2**	**–**	**–**	**882.9**	**5,295.1**

(i) For accounts receivable and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 16 to the Consolidated Financial Statements.

US$ millions	12-month ECLs Stage 1	Lifetime ECLs Stage 2	Lifetime ECLs Stage 3	Lifetime ECLs Simplified approach	2023 Total
Debt investments at FVOCI					
– Not yet past due	530.9	–	–	–	530.9
Accounts receivable[(i)]	–	–	–	745.7	745.7
Contract assets[(i)]	–	–	–	66.3	66.3
Financial assets included in other receivables and other non-current assets					
– Not yet past due	357.5	–	–	–	357.5
Restricted cash					
– Not yet past due	315.4	–	–	–	315.4
Cash and cash equivalents and short-term deposits					
– Not yet past due	2,845.8	–	–	–	2,845.8
Guarantees for plantation farmers' loan facilities					
– Not yet past due	24.4	–	–	–	24.4
Total	4,074.0	–	–	812.0	4,886.0

(i) For accounts receivable and contract assets to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in Note 16 to the Consolidated Financial Statements.

(c) Liquidity risk

The Group manages its liquidity profile to be able to finance its capital expenditure and service its maturing debts by maintaining sufficient cash and marketable securities, and access to further funding through an adequate amount of committed credit facilities.

The Group regularly evaluates its projected and actual cash flow information and continuously assesses conditions in the financial markets for opportunities to pursue fund-raising initiatives. These initiatives may include bank loans, debt capital and issuances of equity capital.

The maturity profile of the Group's financial liabilities based on the contractual undiscounted payments, including future interest payments, and contingent liabilities in terms of guarantees given at the end of the reporting period, is as follows:

	Accounts payable, other payables and accruals		Borrowings		Deferred liabilities and provisions (other than lease liabilities)		Lease liabilities		Guarantees for plantation farmers' loan facilities		Total	
US$ millions	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Not exceeding one year	**1,748.4**	1,606.3	**2,749.8**	2,513.7	**149.5**	166.9	**21.7**	25.0	**2.5**	2.4	**4,671.9**	4,314.3
More than one year but not exceeding two years	**–**	–	**1,520.8**	1,409.8	**153.2**	176.0	**21.8**	19.4	**3.1**	2.8	**1,698.9**	1,608.0
More than two years but not exceeding five years	**–**	–	**3,236.4**	3,355.7	**223.5**	261.7	**8.6**	9.7	**12.9**	11.7	**3,481.4**	3,638.8
More than five years	**–**	–	**7,626.6**	7,568.5	**301.8**	427.4	**14.5**	16.3	**8.2**	7.5	**7,951.1**	8,019.7
Total	**1,748.4**	1,606.3	**15,133.6**	14,847.7	**828.0**	1,032.0	**66.6**	70.4	**26.7**	24.4	**17,803.3**	17,580.8

(d) Fair value and cash flow interest rate risks

The Group's interest rate risk arises from interest-bearing borrowings, cash and cash equivalents and short-term deposits, and restricted cash. Borrowings and cash and cash equivalents with variable interest rate terms expose the Group to cash flow interest rate risk. Borrowings with fixed interest rate terms expose the Group to fair value interest rate risk. At 31 December 2024, 73.0% (2023: 71.8%) of the Group's borrowings were effectively at fixed interest rates.

The following table demonstrates the sensitivity arising from the Group's financial assets and liabilities at the end of the reporting period to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit attributable to owners of the parent and retained earnings (through the impact on variable rate borrowings and cash and cash equivalents). There is no significant impact on the other components of the Group's equity. The assumed basis point increase or decrease represents management's assessment of a reasonably possible change in those interest rates of which the Group is mainly exposed to, namely, the U.S. dollar, Rupiah, Peso and S$ interest rates, over the period until the ending date of the next annual reporting period.

	2024		2023	
US$ millions	**Decrease (Basis points)**	**Increase/ (decrease) in profit attributable to owners of the parent and retained earnings**	Decrease (Basis points)	Increase/ (decrease) in profit attributable to owners of the parent and retained earnings
Interest rates for				
– U.S. dollar	**(25)**	**0.9**	(50)	2.2
– Rupiah	**(50)**	**0.2**	(25)	0.3
– Peso	**(50)**	**(0.6)[i]**	(50)	(0.6)[i]
– S$	**(25)**	**0.1**	(25)	0.1

(i) Net cash position after the exclusion of borrowings with fixed interest rates.

40. Statement of Financial Position of the Company

The Company's statement of financial position is as follows:

At 31 December US$ millions	2024	2023
Non-current Assets		
Subsidiary companies	**210.6**	210.6
Financial assets at FVOCI	**1.4**	1.5
Other receivables	**1.5**	–
	213.5	212.1
Current Assets		
Amounts due from subsidiary companies	**2,077.8**	2,191.4
Other receivables and prepayments	**1.7**	4.6
Cash and cash equivalents	**110.4**	63.3
	2,189.9	2,259.3
Current Liabilities		
Amounts due to subsidiary companies	**99.9**	240.5
Other payables and accruals	**5.3**	1.7
	105.2	242.2
Net Current Assets	**2,084.7**	2,017.1
Total Assets Less Current Liabilities	**2,298.2**	2,229.2
Equity		
Issued share capital	**42.6**	42.4
Shares held for share award scheme	**(1.4)**	(1.2)
Other components of equity(i)	**1,199.4**	1,328.8
Accumulated losses	**(392.8)**	(393.9)
Equity attributable to owners of the parent	**847.8**	976.1
Non-current Liabilities		
Loans from subsidiary companies	**1,450.1**	1,251.5
Other payables	**0.3**	1.6
	1,450.4	1,253.1
	2,298.2	2,229.2

(i) The Company's other components of equity comprise share premium, employee share-based compensation reserve, fair value reserve of financial assets at FVOCI and contributed surplus (Note 30).

The Company's statement of changes in equity is as follows:

US$ millions	Issued share capital	Shares held for share award scheme	Share premium	Employee share-based compensation reserve	Fair value reserve of financial assets at FVOCI	Contributed surplus	Accumulated losses	Total
At 1 January 2023	42.4	(2.2)	26.7	3.0	(0.3)	1,417.7	(347.8)	1,139.5
Loss for the year	–	–	–	–	–	–	(46.0)	(46.0)
Other comprehensive income for the year	–	–	–	–	0.3	–	–	0.3
Total comprehensive income/(loss) for the year	–	–	–	–	0.3	–	(46.0)	(45.7)
Purchase of shares under share award scheme	–	(0.5)	–	–	–	–	–	(0.5)
Issue of shares upon the exercise of share options	–	–	0.3	(0.1)	–	–	–	0.2
Shares vested under share award scheme	–	1.5	–	(1.4)	–	–	(0.1)	–
Employee share-based compensation benefits	–	–	–	1.6	–	–	–	1.6
2022 final distribution paid	–	–	–	–	–	(62.2)	–	(62.2)
2023 interim distribution paid	–	–	–	–	–	(56.8)	–	(56.8)
At 31 December 2023	42.4	(1.2)	27.0	3.1	–	1,298.7	(393.9)	976.1
At 1 January 2024	42.4	(1.2)	27.0	3.1	–	1,298.7	(393.9)	**976.1**
Profit for the year	–	–	–	–	–	–	1.2	**1.2**
Other comprehensive loss for the year	–	–	–	–	(0.1)	–	–	**(0.1)**
Total comprehensive (loss)/income for the year	–	–	–	–	(0.1)	–	1.2	**1.1**
Purchase of shares under share award scheme	–	(1.6)	–	–	–	–	–	**(1.6)**
Issue of shares upon the exercise of share options	0.2	–	5.4	(0.8)	–	–	–	**4.8**
Shares vested under share award scheme	–	1.4	–	(1.3)	–	–	(0.1)	**–**
Employee share-based compensation benefits	–	–	–	0.6	–	–	–	**0.6**
2023 final distribution paid	–	–	–	–	–	(67.9)	–	**(67.9)**
2024 interim distribution paid	–	–	–	–	–	(65.3)	–	**(65.3)**
At 31 December 2024	**42.6**	**(1.4)**	**32.4**	**1.6**	**(0.1)**	**1,165.5**	**(392.8)**	**847.8**

41. Events After the Reporting Period

(A) On 26 September 2024, a framework agreement was entered between MPIC and Mit-Pacific, which involved (i) a share buyback by MPIC of 4,577,448 common shares, representing 7.3% of the total outstanding shares of MPIC, with a consideration of approximately Pesos 11.9 billion (US$213.3 million), and (ii) MPIC's issuance of an exchangeable bond, that can be exchanged into 1,495,258 common shares of MPTC held by MPIC or representing approximately 6.6% economic interest in MPTC, to Mit-Pacific for an aggregate subscription price of approximately Pesos 11.9 billion (US$213.3 million). On 17 January 2025, the transactions were completed, and First Pacific's economic and voting interests in MPIC increased to 49.9% and 61.8%, from 46.3% and 58.3%, respectively, while MPIC's economic interest in MPTC decreased to 93.3% from 99.9%.

(B) On 14 March 2025, MPTC completed the acquisition of (i) 55.42% interest in EIPPI, which holds 10.49% interest in NLEX Corporation, for a cash consideration of Pesos 5.5 billion (US$95.5 million), and (ii) 34% interest in ESC for a cash consideration of Pesos 1.7 billion (US$30.0 million). As a result of these transactions, MPTC now owns 100% interest in both EIPPI and ESC, and MPTC's aggregate economic interest in NLEX Corporation increased to 83.8% from 78%.

(C) On 17 March 2025, Maynilad submitted an application to the Philippine SEC and to the PSE in relation to the proposed spin-off and separate listing by way of an offering comprising the issue of new shares and/or the sales of shares by existing shareholders, involving up to 2,457,290,000 of its shares, or representing 30.45% of the enlarged issues share capital of Maynilad, at an offer price of up to Pesos 20 (US$0.35) per share. It is expected that Maynilad will remain as a Philippine affiliate of the Group with results of Maynilad consolidated by the Group upon completion of the proposed spin-off and separate listing. MPIC's economic interest in Maynilad will be diluted from 53.7% to 37.3%, assuming the issuance of primary shares only.

(D) On 20 March 2025, MPIC completed the disposal of its 50% indirect interest in PCSPC. Apart from the Group's share of reversal of impairment provision for its investment in PCSPC recognized in 2024 of US$13.1 million, the Group is expected to share a gain on disposal of approximately US$25 million following completion of the disposal.

(E) On 25 March 2025, PLP issued a conditional letter of award to a consortium, comprising Mitsubishi Power Asia Pacific Pte. Ltd. and Jurong Engineering Limited, in relation to the engineering, procurement and construction project works for the building of a combined cycle gas turbine facility with capacity of 670 MW at Meranti, Jurong Island, Singapore (the "CCGT Power Project"), at a total contract price of approximately US$564.1 million, with rights to purchase additional equipment at an amount up to approximately US$51.8 million. The CCGT Power Project is scheduled to commence operation in January 2029.

42. Comparative Amounts

Certain comparative figures in the Consolidated Financial Statements have been reclassified to conform with the current year's presentation.

43. Approval of the Consolidated Financial Statements

The audited Consolidated Financial Statements of the Company were approved and authorized for issue by the Board of Directors on 28 March 2025.

Glossary of Terms

Financial Terms

CONCESSION ASSETS Value of concessions of right granted by governments under service concession arrangements to charge users of public service provided

DEFINED BENEFIT SCHEME A retirement scheme in which the rules specify the benefits to be paid and the scheme is financed accordingly. Generally, benefits are determined using actuarial valuations that takes into account of the final salary and the number of years of service of each member

DEFINED CONTRIBUTION SCHEME A retirement scheme under which the benefits are directly determined by the value of contributions paid in respect of each member

DISCOUNTED CASH FLOW MODEL A cash flow model estimates the relevant future cash flows which are expected to be generated over the project period and discounted to the present value by using a discount rate

EBIT Earnings Before Interest and Tax

EBITDA Earnings Before Interest, Tax, Depreciation and Amortization

GAV Gross Asset Value, which represents the total market value of listed investments, investment cost, carrying amount or fair value measured by reference to the most recent transaction price of unlisted investments and other assets of First Pacific Head Office

IMPAIRMENT PROVISION Provision made to reduce the carrying amount of an asset to its recoverable amount

NAV Net Asset Value, which represents GAV less net debt of First Pacific Head Office

NET ASSETS Total assets less total liabilities, equivalent to total equity

NET CURRENT ASSETS Current assets less current liabilities

NET DEBT Total of short-term and long-term borrowings, net of cash and cash equivalents and short-term deposits, and restricted cash

NON-RECURRING ITEMS Certain items, through occurrence or size, are not considered usual operating items

RECURRING PROFIT Profit attributable to owners of the parent excluding foreign exchange and derivative gains/losses and non-recurring items

TOTAL EQUITY Equity attributable to owners of the parent and non-controlling interests

Financial Ratios

ADJUSTED NAV PER SHARE NAV divided by the number of shares in issue

BASIC EARNINGS PER SHARE Profit attributable to owners of the parent divided by the weighted average number of shares in issue during the year

CASH INTEREST COVER Dividend and fee income less overhead expense divided by net cash interest expense

CURRENT RATIO Current assets divided by current liabilities

DILUTED EARNINGS PER SHARE Profit attributable to owners of the parent adjusted for the effect of assumed conversion of all dilutive potential ordinary shares of the Company and investee companies divided by the Company's weighted average number of shares in issue during the year plus the weighted average number of ordinary shares which would be issued on the assumed conversion of all dilutive potential ordinary shares

DISTRIBUTION/DIVIDEND COVER Recurring profit divided by ordinary share distributions/dividends for the relevant year

DISTRIBUTION/DIVIDEND PAYOUT RATIO Ordinary share distributions/dividends for the relevant year divided by recurring profit

DISTRIBUTION/DIVIDEND YIELD Distributions/dividends for the relevant year per share divided by closing share price on the last trading day of the reporting period

EBIT MARGIN EBIT divided by turnover

EBITDA MARGIN EBITDA divided by turnover

GEARING RATIO Net debt divided by total equity

GROSS MARGIN Gross profit divided by turnover

INTEREST COVER Profit before taxation (excluding foreign exchange and derivative gains/losses and non-recurring items) and net finance costs divided by net finance costs

NET CASH FLOWS FROM OPERATING ACTIVITIES PER ORDINARY SHARE Net cash flows from operating activities divided by the weighted average number of shares in issue during the year

RECURRING RETURN ON AVERAGE EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT Recurring profit divided by average equity attributable to owners of the parent

RECURRING RETURN ON AVERAGE NET ASSETS Recurring profit divided by average net assets

SHARE PRICE DISCOUNT TO ADJUSTED NAV PER SHARE Shortfall between share price and adjusted NAV per share divided by adjusted NAV per share

TANGIBLE ASSETS PER ORDINARY SHARE Total assets (excluding goodwill and other intangible assets) divided by the number of shares in issue

TOTAL ASSETS PER ORDINARY SHARE Total assets divided by the number of shares in issue

Other

ADR American Depositary Receipts

AGM Annual General Meeting

CPO Crude Palm Oil

FFB Fresh Fruit Bunches

GAAP Generally Accepted Accounting Principles

HKAS Hong Kong Accounting Standard

HKFRS Hong Kong Financial Reporting Standard

HKICPA Hong Kong Institute of Certified Public Accountants

HK(IFRIC)-Int Hong Kong (International Financial Reporting Interpretations Committee) – Interpretation

IDX Indonesia Stock Exchange

ISO International Organization for Standardization

LISTING RULES The Rules Governing the Listing of Securities on SEHK

N/A Not Applicable

NYSE The New York Stock Exchange

PSE The Philippine Stock Exchange, Inc.

RSS1 Rubber Smoke Sheet 1

SEHK The Stock Exchange of Hong Kong Limited

SGM Special General Meeting

SGX Singapore Exchange Securities Trading Limited

UHT Ultra High Temperature processing

4G The fourth generation of wireless network technology

5G The fifth generation of wireless network technology

Information for Investors

As at 28 March 2025

Financial Diary

Preliminary announcement of 2024 results	28 March 2025
Annual Report posted to shareholders	30 April 2025
2025 Annual General Meeting	18 June 2025
Last day to register for final distribution	23 June 2025
Payment of final distribution	3 July 2025
Preliminary announcement of 2025 interim results	28 August 2025*
Interim report posted to shareholders	26 September 2025*
Financial year-end	31 December 2025
Preliminary announcement of 2025 results	27 March 2026*

* 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	4,256,016,029

Stock Codes

SEHK	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 HM 11, Bermuda

Or the Hong Kong branch registrar at:

Computershare Hong Kong Investor Services Limited

Registrar Office

17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai, Hong Kong SAR

Telephone : +852 2862 8555
Fax : +852 2865 0990/+852 2529 6087
Enquiry : www.computershare.com/hk/contact

Transfer Office

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

A Chinese Version of this Report, or Additional Information

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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
China Citic Bank International Limited
Mizuho Bank, Ltd.
MUFG Bank, Ltd.
The Hongkong & Shanghai Banking Corporation Limited

Summary of Principal Investments

As at 31 December 2024

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 to consumer 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.

Indofood capitalizes on economies of scale and a resilient business model, manufactures and distributes a wide range of food and beverage products from its four complementary Strategic 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 sugar cane, rubber, 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%
Initial investment	:	1999

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 – from fixed line to wireless – PLDT offers a wide range of telecommunications and digital services across the Philippines' most extensive fiber optic backbone, and fixed line and cellular 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%
Initial investment	:	1998

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

Metro Pacific Investments Corporation

MPIC is a Philippine-based, leading infrastructure investment management and holding company, with core investments in electricity distribution and generation, toll roads, water distribution and sewerage management, transportation, healthcare, real estate, and agribusinesses in the Philippines and ASEAN.

Sector	:	Infrastructure, Utilities and Hospitals
Place of incorporation/business area	:	The Philippines
Outstanding number of shares	:	63.1 million
Particulars of outstanding shares held	:	Common shares of Peso 500 par value
Economic/voting interest	:	46.3%/58.3%
Initial investment	:	2006

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

PacificLight Power Pte. Ltd.

PLP operates one of Singapore's most efficient and modern power plants, housing an 830-megawatt liquified natural gas-fired combined cycle facility, powering businesses and households in Singapore with reliable and sustainable electricity that meets stringent environmental emission standards. PLP's solar energy projects and investment in waste wood-to-energy facility will further enhance its ability to deliver reliable and sustainable electricity to its customers.

Sector	:	Infrastructure/Utilities
Place of incorporation/business area	:	Singapore
Issued number of shares	:	439.1 million
Particulars of issued shares held	:	Ordinary shares with no par value
Economic/voting interest	:	54.7%[(1)]/70.0%
Initial investment	:	2013

(1) Represents a 42.0% effective economic interest in PLP held by First Pacific through its interest in FPM Power and a 12.7% 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	:	5.8 billion
Particulars of issued shares held	:	Common shares of Peso 1 par value
Economic and voting interests	:	31.2%[(2)]
Initial investment	:	2008

(2) Two Rivers Pacific Holdings Corporation, a Philippine affiliate of First Pacific, holds an additional 15.0% economic and voting interest 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.

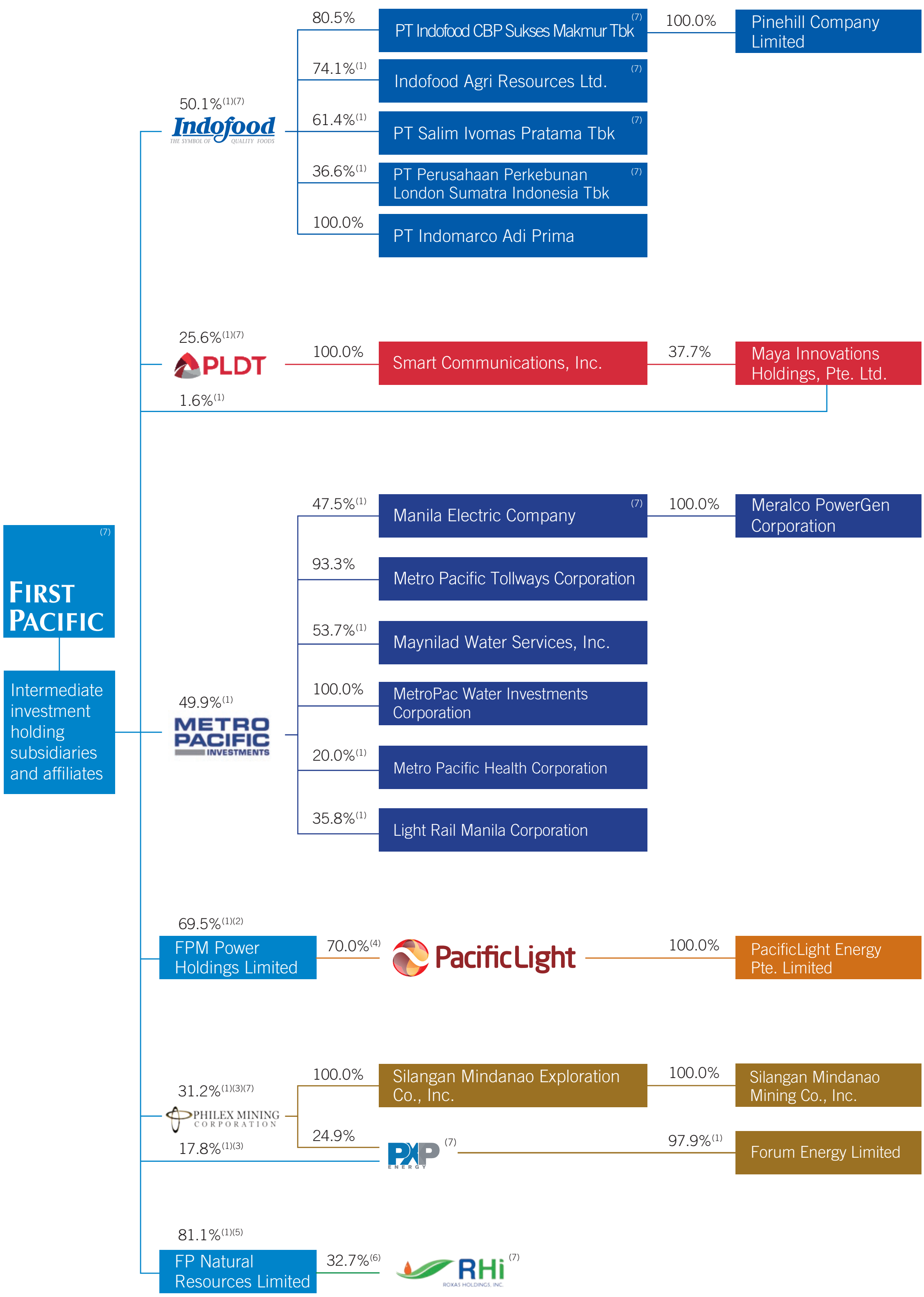
Sector	:	Natural Resources
Place of incorporation/business area	:	The Philippines
Issued number of shares	:	2.0 billion
Particulars of issued shares held	:	Common shares of Peso 1 par value
Economic and voting interests	:	35.7%[(3)(4)]/21.7%
Initial investment	:	2013

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

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

Corporate Structure

As at 28 March 2025



(1) Economic interest.
(2) Includes a 9.5% 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 5.5% 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 11.1% effective economic interest in FP Natural Resources held through First Pacific's indirect interests in IndoAgri.
(6) First Agri Holdings Corporation, a Philippine affiliate of FP Natural Resources, holds an additional 30.2% economic interest in RHI.
(7) Listed company.

First Pacific Company Limited

(Incorporated with limited liability under the laws of Bermuda)

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ECO-Healthy WORKPLACE

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