

Keppel Philippines Properties, Inc.
Units 2203-2204 Raffles Corporate Center
F. Ortigas Jr. Road, Ortigas Center
Pasig City 1605, Philippines

Tel : (632) 5846170
(632) 5846171
(632) 5843913
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18 April 2018

VICENTE GRACIANO P. FELIZMENIO, JR.

Director

Markets and Securities Regulation Department
Securities and Exchange Commission
Pasay City

Dear **Director Felizmenio**:

Re : Keppel Philippines Properties Inc.

In compliance with your letter dated 11 April 2018 on your comments relative to the Preliminary Information Statement filed by KPPI, we have attached the following documents:

1. Certificates of Qualification of Messrs. Celso P. Vivas, Ramon J. Abejuela and Mayo Jose B. Ongsingco as nominees for Independent Directors;
2. Certification signed by the Corporate Secretary that none of the named directors and officers works with the government; and
3. KPPI's SEC Form 17-Q (1st Quarter 2018)

Further, a discussion on the causes underlying the losses and the steps that the company undertakes to address the causes, has already been added in the Management Report.

Thank you.

Very truly yours,



MA. MELVA E. VALDEZ
Corporate Secretary

COVER SHEET

P	W	-	3	0	5				
S.E.C. Registration Number									

K	E	P	P	E	L		P	H	I	L	I	P	P	I	N	E	S		P	R	O	P	E	R	T	I	E	S	,
I	N	C	O	R	P	O	R	A	T	E	D																		

(Company's Full Name)

U	n	i	t	s		2	2	0	3	-	2	2	0	4		R	a	f	f	i	e	s		C	o	r	p	.	
C	e	n	t	e	r		F		O	r	t	i	g	a	s		J	r		R	d		O	r	t	i	g	a	s
C	e	n	t	e	r	.		P	a	s	i	g		C	i	t	y												

(Business Address: No. Street City/Town/Province)

Oh Lock Soon									
(Contact Person)									

5846170									
(Company Telephone Number)									

1	2	3	1
Month		Day	
Fiscal Year			

SEC FORM 20-IS (DEFINITIVE INFORMATION STATEMENT)									
Form Type									

0	5	1	7
Month		Day	
Annual Meeting			

N/A									
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Secondary License Type, If Applicable

C	F	D
Dept. Requiring this Doc.		

-									
Amended Articles Number/Section									

1,251 as of 31 March 2017									
Total No. of Stockholders									

Total Amount of Borrowings									
-					-				
Domestic					Foreign				

To be accomplished by SEC Personnel concerned

File Number									

LCU

Document I.D.									

Cashier

STAMP S

**NOTICE OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
KEPPEL PHILIPPINES PROPERTIES, INC.**

TO OUR STOCKHOLDERS:

Please take notice that the Annual Meeting of the Stockholders of Keppel Philippines Properties, Inc. (KPPI) shall be held on **17 May 2018, Thursday, at 2:00 p.m.**, at **Kamia 1 & 2 Rooms, EDSA Shangri-La, 1 Garden Way, Ortigas Center, Mandaluyong City.**

The Agenda:

1. Call to Order
2. Proof of Notice of Meeting and Certification of Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 08 June 2017
4. Chairman's Address
5. Presentation and Approval of Y2017 Annual Report and Audited Financial Statements
6. Ratification of Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation during the Year under Review
7. Approval on the amendment of Article Seventh of the Articles of Incorporation [Re: Extension of the redemption period of the Redeemable Preferred Shares (RPS)]
8. Approval on the amendment of Article Sixth of the Articles of Incorporation (Re: Increase in the Number of the Directors of the Corporation)
9. Election of Directors
10. Presentation of Directors' Remuneration for Y2017
11. Appointment of External Auditor for Y2018
12. Other Matters
13. Adjournment

The Board of Directors has fixed the close of business on **24 April 2018** as the record date for the determination of stockholders entitled to vote at the meeting.

Only stockholders of record at the close of business on **24 April 2018** are entitled to notice of, and to vote at, this meeting. Should you be unable to attend the meeting personally, you may opt to send your proxy to attend the meeting on your behalf. If you will be sending your proxy, kindly file your duly executed proxy form with the Corporate Secretary on or before 15 May 2018. Attached is a sample proxy form for your reference. [NOTE: The Management is not soliciting proxies].

For your convenience in registering your attendance, please bring your Identification Card and present the same at the registration desk at the entrance lobby of Kamia 1&2 Room, EDSA Shangri-La, 1 Garden Way, Ortigas Centre, Mandaluyong City. Registration starts at 1:30 p.m.


MA. MELVA E. VALDEZ
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter: **KEPPEL PHILIPPINES PROPERTIES, INC.**
3. Province, country or other jurisdiction of incorporation or organization: **Mandaluyong City, Philippines**
4. SEC Identification Number: **PW-305**
5. BIR Tax Identification Code: **000-067-618**
6. Address of principal office: **12 ADB Avenue, Ortigas Center, Mandaluyong City 1550 (business office temporarily moved to Units 2203-2204 Raffles Corporate Center F. Ortigas Jr. Avenue Ortigas Center, Pasig City)**
7. Registrant's telephone number, including area code: **(02) 5846170**
8. Date, time and place of the meeting of security holders:

Date: **17 May 2018, Thursday**
Time: **2:00 P.M.**
Place: **Kamia 1&2 Room, EDSA Shangri-La
1 Garden Way, Ortigas Centre
Mandaluyong City**

9. Approximate date on which the Information Statement is first to be sent to security holders:

25 April 2018

10. Securities registered pursuant to Sections 8 and 12 of the SRC:

<u>Title of Each Class</u>	<u>Authorized Capital Stock</u>	<u>Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding</u>
Common Stock	375,000,000	293,828,900

11. Are any or all of registrant's securities listed on a Stock Exchange?

Yes / No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

- (a) The stockholders' meeting shall be held on:

Date: **17 May 2018, Thursday**
Time: **2:00 P.M.**
Place: **Kamia 1&2 Room, EDSA Shangri-La
1 Garden Way, Ortigas Center
Mandaluyong City**

Complete Mailing Address of the Principal Office of the Registrant

12 ADB Avenue, Ortigas Center, Mandaluyong City 1550 (business office temporarily moved to
Units 2203-2204 Raffles Corporate Center F. Ortigas Jr. Avenue Ortigas Center, Pasig
City)

- (b) The approximate date on which the Information Statement is first to be sent or given to security holders shall be **25 April 2018**

Item 2. Dissenter's Right of Appraisal

Pursuant to Section 81 of the corporation code any stockholder of a corporation shall have the right to dissent and demand payment of the fair value of his shares under the following instances:

- a. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- b. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and
- c. In case of merger or consolidation.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within thirty (30) days after the date on which the vote was taken from payment of the fair value of his shares. Failure of the stockholder to make the demand within such period shall be deemed a waiver of the appraisal right.

If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within the period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made.

No payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment. In case of payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- a) There are no transactions or matters known to the registrant to be taken up in the meeting in which the Directors, Executive Officers, Nominees or Associate/s have any interest other than the election of Directors.
- b) No Director or Officer of the registrant has informed the registrant of any intention to oppose any action intended to be taken up at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- a) Class of Voting Shares (as of 31 March 2018)

Class of Voting Shares	No. of Shares Outstanding	No. of Vote/s Each Share is Entitled
Common Shares	293,828,900	One (1) vote per share

- b) The record date is **24 April 2018** for purposes of determining the stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.
- c) The election of directors shall be taken up at the meeting and pursuant to Section 24 of the Corporation Code, each stockholder shall have the right to cumulate his votes in favor of any nominee(s) for director. There are no conditions precedent for the exercise of the cumulative voting rights in the election of directors. A stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.
- d) Information required by Part IV(C) of "Annex C" to the extent known by the persons on whose behalf the solicitation is made:

- 1) Security Ownership of Certain Record and Beneficial Owners of more than 5% as of **31 March 2018**:

The persons known to the registrant to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities as of **31 March 2018** are as follows:

Title of Class	Name and Address of Record Owner and relationship with The Company	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common Shares of Stock	Keppel Land Limited ¹ 230 Victoria Street, #15-05 Bugis Junction Towers, Singapore 188024 (Stockholder)	Same as Record Owner	Singaporean	148,365,050	50.49%

Common Shares of Stock	Kepwealth, Inc. ² Unit 3-B Country Space I Bldg. Sen. Gil Puyat Avenue, Makati City (Stockholder)	Same as Record Owner	Filipino	51,033,178	17.37%
Common Shares of Stock	Keppel Corporation Limited ³ 1 HarbourFront Avenue #18-01 Keppel Bay Tower, Singapore 098632 (Stockholder)	Same as Record Owner	Singaporean	35,783,742	12.18%
Common Shares of Stock	PCD Nominee Corp. – Filipino ⁴ 37/F Enterprise Bldg. Ayala Avenue, Makati City 1226	Various ⁵	Filipino	30,744,799	10.46%

1 Mr. Sam Moon Thong; is authorized as proxy to vote for the shareholdings of Keppel Land Limited.

2 Mr. Stefan Tong Wai Mun, or in his absence, the Chairman of the meeting is duly authorized as proxy to vote in the shares of Kepwealth, Inc. in the Company.

3 Mr. Stefan Tong Wai Mun, or in his absence, the Chairman of the meeting is duly authorized as proxy to vote for the shareholdings of Keppel Corporation Limited (KCL) in the Company.

4 PCD Nominee Corporation (PCNC) is a wholly owned subsidiary of the Philippine Central Depository, a corporation established to improve operations in securities transactions and to provide a fast, safe and highly efficient system for securities settlement in the Philippines. PCNC acts as trustee-nominee for all shares lodged in the PCD system, where trades effected on the Philippine Stock Exchange are finally settled with the PCD.

However, while PCNC is the actual shareholder in the said company, shares held by PCNC do not grant voting powers to it as beneficial ownership of the shares still remain with the lodging stockholder. By policy, PCNC does not vote the shares it was entrusted with it in its name.

5 Molten Pte. Ltd is the beneficial owner of the following shares of the Company as of 31 December 2017:

	<u>No. of shares held</u>	<u>% of class</u>
Molten Pte. Ltd	18,496,016	6.29%

2) Security Ownership of Directors and Management as of 31 March 2018:

As of 31 March 2018, the shareholdings of the Directors of the Company are set forth in the table below:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares of Stock	Lim Kei Hin	1	Singaporean	0.00%
Common Shares of Stock	Ramon J. Abejuela	1	Filipino	0.00%
Common Shares of Stock	Celso P. Vivas	1	Filipino	0.00%

Common Shares of Stock	Sam Moon Thong	1	Singaporean	0.00%
Common Shares of Stock	Stefan Tong Wai Mun	10,000	Malaysian	0.00%
Common Shares of Stock	Oh Lock Soon	1	Singaporean	0.00%
Common Shares of Stock	Tan Siew Ngok	1	Singaporean	0.00%

As disclosed above, apart from the President, who is also a director of the Company, none of the compensated executive officers have Security Ownership in the Company as shown in the list of shareholders' purchases provided by the Company's transfer agent.

The total security ownership of all directors and officers as a group unnamed is 1,465,713 shares or 0.50% of total shares outstanding.

3) Voting Trust Holders of 5% Or More

As 31 March 2017, there are no individuals or parties who hold 5% or more of the Company's common stock under a voting trust or similar agreement.

4) Changes in control

There were no events or arrangements which may result in a change in control of the Company.

d) No change in control of the registrant has occurred since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers

1) Directors, Executive Officers, Promoters and Control Persons

(a) Board of Directors

At present, there are seven (7) seats in the Board. The term of office of each member is one (1) year. The directors are elected annually during the annual stockholders' meeting, to serve as such, until the next annual stockholders' meeting and until their successors shall have been duly elected and qualified. To be taken up in this year's meeting is the increase in the seats of the Board of Directors from seven (7) to eight (8) as the Company has decided to elect an additional independent director in the Board. The current members of the Board of Directors are as follows:

- 1) **Mr. Sam Moon Thong**, 53, was elected Director/Chairman on 27 April 2017 to replace Mr. Ng Ooi Hooi. Mr. Sam joined the Keppel Land Group in 2003 and is currently President, Regional Investments, overseeing the Group's business in India, Thailand, Myanmar, Malaysia, Philippines, Sri Lanka and Middle East. His previous appointments include President, Indonesia, overseeing the Group development and investments in Indonesia as well as General Manager, Investment, overseeing business development and asset management activities outside China and Singapore. Mr. Sam has over 20 years of experience in investing and managing real estate projects in the Asia Pacific region.

Prior to joining Keppel Land Group, Mr. Sam was Vice-President, Real Estate Development and Investment at Ascendas Pte Ltd and Business Development Manager at Fraser Centrepoint Limited, overseeing business development and investment in South-East Asia, South Asia and

China. He started his career with the Urban Redevelopment Authority where he held responsibilities in the Land Management and Sale of Sites Departments.

Mr. Sam is a Director of a number of subsidiaries and associates in the Keppel Land Group.

He holds a Bachelor of Science (Estate Management) (Honours) Degree from National University of Singapore, and a Master of Business Administration Degree from the University of Dubuque, Iowa USA.

- 2) **Mr. Ramon J. Abejuela (Independent Director)**, 69 years old, Filipino, has been an Independent Director of the Company from November 1999 to June 2008. He was re-elected in June 2009 and is currently the Chairman of the Audit Committee of the Company. He is also an Independent Director of Keppel Philippines Holdings, Inc. since 14 September 2017.

Mr. Abejuela has more than 40 years of experience in the field of financial planning, control and consultancy.

Mr. Abejuela also serves as Director and Vice Chairman of the Board of Philippine Nutri-Foods Corporation and NCP Publishing Inc. since 2004.

Mr. Abejuela holds a Bachelor of Science in Chemical Engineering (Cum Laude) Degree from De La Salle University and Master's Degree in Business Management – General Management Curriculum from Asian Institute of Management.

- 3) **Mr. Celso P. Vivas (Independent Director)**, 71, Filipino, has been an Independent Director of Keppel Philippines Properties, Inc. since November 2004 and is a member of the Company's Audit Committee.

Mr. Vivas has over 50 years of experience in audit, finance, enterprise risk management and corporate governance.

Mr. Vivas is a Certified Public Accountant and is currently a member of Marubeni Foundation's Board of Trustees. He is also an Independent Director and Chairman of the Audit Committee of Keppel Philippines Marine, Inc., as well as an Independent Director and is currently the Chairman and Lead Independent Director of the Audit & Risk Management Committee of Keppel Philippines Holdings, Inc. He also serves as an Independent Director of Republic Glass Holdings since June 2017 and is a Director of Goodsoil Marine Realty, Inc. and Goodwealth Realty Development, Inc., subsidiaries of Keppel Philippines Holdings, Inc., and Keppel Subic Shipyard, Inc. He was Risk Consulting Partner and Assurance Business Advisory Partner of SGV & Company until his retirement in 2001.

Mr. Vivas holds a Bachelor of Business Administration (Cum Laude) Degree from the University of the East. He also obtained a Master's Degree in Business Management from the Asian Institute of Management (SGV & Co. Scholar). He is also a graduate of Company Directors' Course from Australian Institute of Company Directors (ICD Scholar).

- 4) **Mr. Stefan Tong Wai Mun**, 45, Malaysian, was elected as a Director of the Company in June 2007. He is currently Director and member of the Audit and Risk Management Committee of Keppel Philippines Holdings, Inc. He is also the Executive Vice President, Director and member of the Audit Committee of Keppel Philippines Marine, Inc. as well as Director of Keppel Subic Shipyard, Inc. He is also Director of various Keppel companies in the Philippines, British Virgin Islands and Hong Kong.

Mr. Tong holds a Bachelor of Commerce (Honours) Degree from University of Western Australia. He is also a Member of the Institute of Chartered Accountants in Australia. His 23 years of work experience included finance, audit, risk, banking and asset management.

- 5) **Mr. Oh Lock Soon**, 59, Singaporean, was elected as a Director and President of the Company to replace Mr. Lee Foo Tuck on 31 March 2017. Prior to his election, Mr. Oh Lock Soon served as the President of Keppel Thai Properties Public Company Limited from Jan. 2012 until June 2016. He

served as an Executive Director at Keppel Thai Properties Public Company Limited from December 2011 until June 2016. Further, under Keppel Land International Ltd., Mr. Oh served as President (Thailand) under the Regional Investments Division.

Prior to joining Keppel Land International Ltd., Mr. Oh served as Director for Qingjian Realty Pte. Ltd. He also served as General Manager for Acacio Concept Singapore Pte. Ltd. in 2010. In 2009, he sat as General Manager of Qingjian Precast Pte. Ltd. Mr Oh was the Chief Operating Officer of TCCCapitalland (Thailand) Limited, a joint venture between Capital Land (Singapore) Limited and TCC Land (Thailand) Limited from Nov 2006 until Dec 2008.

Mr. Oh holds a Bachelor of Science degree in Civil Engineering, Honors from University of Southampton and Master of Science degree in Concrete Structure from the Imperial College of Science, Technology and Medicine, University of London, U.K.

- 6) **Mr. Lim Kei Hin**, 60, Singaporean, was elected as a Director of the Company in June 2011. Mr. Lim joined the Keppel Land Group as Chief Financial Officer in July 2007.

Prior to joining the Keppel Land Group, he was with Singapore Airlines Limited and has more than 20 years of diverse experience having served in different financial and general management roles in Singapore, the Philippines, Australia and the USA. His last appointment was Chief Financial Officer of Singapore Airport Terminal Services Limited.

Mr. Lim is a Director several subsidiaries and associated companies of the Keppel Land Group.

Mr Lim holds a Bachelor of Science (Economics) Degree in Accounting & Finance (Honours) from the London School of Economics & Political Science, UK.

- 7) **Ms. Tan Siew Ngok**, 61, Singaporean, was elected as a Director of the Company in March 2015. Ms. Tan is the General Manager (Finance and Administration) of Keppel Land International (Management) Pte Ltd.. She is also a Director of subsidiaries and associated companies of the Keppel Land Group.

Ms. Tan holds a Bachelor in Commerce (Accountancy) Degree from Nanyang University, Singapore. She is a Fellow of CPA, Australia and a Fellow of Institute of Singapore Chartered Accountants.

(b) The Screening Committee composed of Mr. Sam Moon Thong, Mr. Celso P. Vivas, Independent Director, and Mr. Stefan Tong Wai Mun received recommendations for the position of Independent Director. Said recommendations were signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees. After pre-screening the qualifications of the candidates, the Final List of Candidates was prepared by the Committee, to wit:

Nominee	Nominating Stockholder	Relationship with the Nominee
1. Ramon J. Abejuela	Oh Lock Soon	None
2. Celso P. Vivas	Stefan Tong Wai Mun	None
3. Mayo Jose B. Ongsingco	Stefan Tong Wai Mun	None

- 1) **Ramon J. Abejuela** *(Please see foregoing director's profile)*
- 2) **Celso P. Vivas** *(Please see foregoing director's profile)*
- 3) **Mayo Jose B. Ongsingco**, 66, Filipino, is an Adviser to the Board of Directors of First Metro Investment Corp. since 2015, non-executive director of First Metro Asset Management Inc. since 2017, and independent Director of Mapfre Insular Insurance Corp. and Ominipay, Inc. since 2016 and 2017, respectively. He is also Trustee of De La Salle College of St. Benilde since 2013 and Foundation for Carmelite Scholastics since 2012. He is also a non-executive Director of Rafael-Alunan Agro Development Inc. since 2006. He had been the President and Chief Operating Officer of Insular Life Assurance Co. Ltd. since 2004 up to 2015. From 2002 to 2015, he had been the Vice-Chairman and/or Director of various Insular Life subsidiaries and affiliates such as

Pilipinas Shell Petroleum Corp., Mapfre Insular Insurance Corp., Insular Healthcare Inc., Insular Investment Corp. and Union Bank of the Philippines. Mr. Ongsingco graduated from the De La Salle University with Bachelor's Degrees (Magna Cum Laude) in Economics and Accounting. He also obtained Master's Degree in Business Administration from the University of the Philippines and in National Security Administration from the National Defense College of the Philippines (with Honors). Mr. Ongsingco has 44 years of experience in banking, finance, and insurance.

The Amended By-Laws of the Corporation, as approved by the SEC on 30 March 2007, provides for the procedure on the nomination and election of Independent Directors pursuant to SRC Rule 38, as amended. The Nominations Committee receives recommendations for independent directors, signed by the nominating stockholders with the conformity of the would-be nominee. After pre-screening the qualifications of the nominees, the Committee prepares the Final List of Candidates ("List"). Only the names of nominees appearing in the List shall be eligible for election as independent director at the annual stockholders' meeting.

(c) Nominees for Election as Members of the Board of Directors

The following incumbent members of the Board of Directors were nominated as directors for the calendar year 2018-2019:

- 1) Sam Moon Thong
- 2) Ramon J. Abejuela - Independent Director
- 3) Celso P. Vivas – Independent Director
- 4) Mayo Jose B. Ongsingco – Independent Director
- 5) Stefan Tong Wai Mun
- 6) Oh Lock Soon
- 7) Lim Kei Hin
- 8) Tan Siew Ngok

The Screening Committee has received only eight (8) nominees for director for the forthcoming election.

(d) Incumbent Officers

The current key officers of the Company are as follows:

Sam Moon Thong	Chairman
Oh Lock Soon	President
Pang Chan Fan	Treasurer
Ma. Melva E. Valdez	Corporate Secretary / Corporate Information & Compliance Officer
Myla Gloria A. Amboy	Assistant Corporate Secretary

1. Oh Lock Soon, 58, Singaporean. *(See foregoing director's profile)*
2. Pang Chan Fan, 36, Singaporean, was appointed Treasurer of the Company to replace Ms. Almira Añoneuvo on 9 October 2017. He joined Keppel Land Group under Keppel Land Hospitality Management Pte Ltd. and was assigned as the Financial Controller of Wiseland Investment (Myanmar) Ltd in October 2015. He was then transferred to Keppel Land International Limited and was assigned as Financial Controller of the Company in April 2017. Prior to joining Keppel, he has held positions as a Finance Manager and has started his professional career in audit firms in Singapore.
3. Atty. Ma. Melva E. Valdez, 58, Filipino, has been the Corporate Secretary of the Company since 1999. She also served as Director of the Company from 24 June 2008 to 11 June 2009. She was elected director of Keppel Philippines Holdings (KPH) in 2001. Atty. Valdez is also the

Corporate Secretary of KPH since 1998. She is a Senior Partner and Chairman of the law firm of Bello Valdez Caluya & Fernandez (JGLaw). She is also the Corporate Secretary of Keppel Philippines Marine, Inc. (KPMI), Mabuhay Vinyl Corporation (listed corporation), Subic Shipyard & Engineering Works, Inc., EMS Components Assembly Inc., EMS Resources Technology Inc., EMS Land Services Inc., Alliance Mansols Inc., Creotec Philippines Inc., EMS Services Philippines Inc., EMS Services International Inc., Wartsila Philippines Inc. and Asian Institute of Management. She is also a member of the Board of Directors of Leighton Contractors (Philippines), Inc., Servier Philippines, Inc., Buena Homes (Sandoval), Inc., Cambe Dental Inc., Suretrac Holdings Inc., and Asia Contractors Holdings, Inc. She holds directorship positions in the following companies: Logwin Air + Ocean Philippines, Inc., KPSI Property, Inc., Opon Realty & Development Corp., Opon-Ke Properties, Inc., KP Capital, Inc., Bridex Electric Philippines, Inc., Asia Control Systems Philippines, Inc., Kepwealth Property Philippines, Inc., Trisilco Folec Philippines, Inc. and Norfolk International, Inc. Atty. Valdez graduated from the University of the Philippines with a Bachelor of Arts Degree in Political Science and a Bachelor's Degree in Law. She has 29 years of working experience in her field of profession as a lawyer.

4. Atty. Myla Gloria A. Amboy, 46, Filipino, was elected as the Company's Assistant Corporate Secretary on 31 March 2007. She is a Senior Associate of the law firm of Bello Valdez Caluya & Fernandez (JG Law). She is also the Assistant Corporate Secretary of SM Keppel Land, Inc., Mabuhay Vinyl Corporation (listed corporation), MVC Properties Inc., CSRI Investment Corporation, Creotec Philippines Inc., Buena Homes (Sandoval) Inc., and Opon Ventures Inc. and the Corporate Secretary of Opon Realty Development Corporation, Buena Homes Inc., Opon-KE Properties, Inc., Creotec Philippines Inc., Suretrac Holdings Inc., Cambe Dental Clinic Inc., and Servier International Philippines, Inc. She graduated from San Beda College of Law with a Bachelor's Degree in Law and San Sebastian College with a Bachelor's Degree in Political Science (Cum Laude).

The Officers are elected/appointed annually by the Board of Directors at its organizational meeting following the Annual Meeting of the Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected/appointed and shall have qualified.

a. Significant Employees

There are no other employees other than the officers mentioned herein as executive officers who are expected to make a significant contribution to the business.

b. Family Relationship of Directors and Officers

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the company to become directors or executive officers, any security holder of certain record, beneficial owner or management.

c. Involvement in Certain Legal Proceedings

To the knowledge and/or information of the Company, none of the directors and officers/nominees were involved, during the past five (5) years up to 31 March 2018, in any litigation nor any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in an action by any court or administrative bodies to have violated a securities and commodities law.

d. Certain Relationships and Related Transactions

- a) During the last two (2) years, no director of the Company has received or become entitled to receive any benefit by reason of any contract with the Company, a related corporation, a firm of which the director is a member or a company of which a director has a substantial financial interest.

There are no transactions in the last two (2) years or proposed transactions to which the registrant was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest:

- ii. Any director or executive officer of the Corporation
 - iii. Any nominee for election as a director;
 - iv. Any security holders;
 - v. Any member of the immediate family of the preceding persons.
- b) The parent company of the registrant is Keppel Land Limited (KLL). KLL owns 50.49% of the Company's capital stock.

Details of the Company's related party transactions are explained in Note 10 of the Notes to the Audited Financial Statements of the Company.

- B. No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

The Company has four (4) executive officers as of 31 March 2018.

- a. The aggregate annual compensation (including salary and benefits) paid to the four (4) most highly compensated executive officers is summarized in the table below:

The four (4) most highly compensated executive officers are:

- 1. Oh Lock Soon - President
- 2. Pang Chan Fan - Treasurer
- 3. Joseph Pelaez- Manager – Legal and Compliance
- 4. Michelle G. Curiano - Manager – Human Resources

	Year	Salary	Bonus	Others	Total
		In Php Millions			
Aggregate for top four executive officers	2018 (Estimate)	21.05	5.69	0.07	26.81
	2017 (Actual)	17.55	4.82	0.03	22.40
	2016	6.21	0.21	0.00	6.42
Aggregate for all other officers and directors as a group unnamed	2018 (Estimate)	2.42	0.18	0.02	2.62
	2017	2.87	0.10	0.06	3.06
	2016	1.18	0.00	0.00	1.18

Note: Only the abovementioned officers are considered most highly compensated. The Corporate Secretary is not considered as an executive officer of the Company.

Executive Officers do not receive any other form of remuneration aside from the above compensation. There are no arrangements and/or employment contracts between the Company and executive officers providing for any compensatory plan or arrangement for payment upon resignation, retirement, termination or cessation of employment.

- b. The Company's By-Laws provide that, by resolution of the Board, each Director shall receive a per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten (10%) of the net income before tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders. With respect to directors' remuneration, the directors are being paid directors' fees of P80,000 each per annum. Payment of directors' fee of P80,000 per director for 2017 will be presented to the stockholders for approval at the annual stockholders' meeting. Each director also receives an amount of P10,000 per diem for attendance at every board meeting.
- c. There are no other standard or special arrangements and no special consulting contracts awarded to any director or officer of the Company by which they were compensated, or to be compensated, directly or indirectly, and there are no amounts payable to any of the directors arising from participation in any working committee or special assignments in the current fiscal year or in the coming year.
- d. There are no employment contract/s, termination and change in control arrangements including pension/s or retirement plan/s in which any of the directors and officers will participate.
- e. There are no outstanding warrants or options held by the registrant's chief executive officers, executive officers and all officers and directors as a group.

Item 7. Independent Public Accountant

- a) The Board of Directors has yet to approve the appointment of the Corporation's external auditor based on the recommendation of the Audit Committee, for the year 2018, for a fee to be approved by the Board of Directors. The same will be submitted to the stockholders for approval.

The Audit Committee, composed of Ramon J. Abejuela (Chairman/Independent Director), Celso P. Vivas (Independent Director) and Stefan Tong Wai Mun, evaluates proposals based on the quality of service, commitment for deadline and fees. The Committee may require a presentation from each proponent to clarify some issues.

- b) Isla Lipana & Co., represented by Mr. Roderick M. Danao as partner-in-charge, was the Company's external auditor for the year ended 31 December 2017. Pursuant to SRC Rule 68(b)(iv) of the Amended Implementing Rules and Regulations of the SRC re rotation of external auditors, the Company has not engaged Mr. Roderick M. Danao for more than five (5) years.
- c) Representatives of Isla Lipana & Co. will be present at the stockholders' meeting and are expected to be available to respond to appropriate questions. The accountant/s have the opportunity to make a statement if he/they desire to do so.
- d) The aggregate annual external audit fees billed for each of the last two (2) fiscal years from the audit of the Company's annual financial statements or services that are normally provided by the external auditor are as follows:

	<u>2017</u>	<u>2016</u>
1. Audit and other assurance or related services by the external auditor that are reasonably related to the performance of the auditor's review	P400,000	P400,000
2. Tax Fees	-	-
3. All Other Fees	-	-

- e) During the registrant's two most recent fiscal years or any subsequent interim period:

- 1) No independent accountant who was previously engaged as the principal accountant to audit the registrant's financial statements, or an independent accountant on whom the principal accountant expressed reliance in its report regarding a significant subsidiary has resigned (or indicated it has declined to stand for reelection after the completion of the current audit) or was dismissed; and,
- 2) No new independent accountant has been engaged as either the principal accountant to audit the registrant's financial statement or as an independent accountant on whom the principal accountant has expressed or is expected to express reliance in its report regarding a significant subsidiary.

Item 8. Compensation Plans

- a. The Company has no plan or action to be taken with respect to any stock options, warrants or rights plan.
- b. The Company has no plan or action to be taken with respect to non-cash compensation to be paid or distributed other than the compensation stated in Item 6.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 10. Modification or Exchange of Securities

None

D. OTHER MATTERS

Item 15. Actions with Respect to Reports

The approval of the stockholders on the following matters will be taken:

- a) Annual Report/Audited Financial Statements of the Company for the year ending 31 December 2017. Approval of the Annual Report/Audited Financial Statements constitutes a ratification of the company's performance during the previous fiscal year as contained therein.
- b) Minutes of the 08 June 2017 Annual Meeting of the Stockholders.

Approval of the minutes of the Y2017 Annual Meeting of the Stockholders constitutes ratification of the accuracy and faithfulness of the minutes as to the events that transpired during the said meeting such as

- (1) Approval of the Minutes of the Stockholders' Meeting held on 09 June 2016;
- (2) Chairman's address;
- (3) Presentation and Approval of the Y2016 Annual Report and Audited Financial Statements;
- (4) Ratification of the Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation during the Year under Review;
- (5) Election of Directors;
- (6) Approval of Directors' Remuneration for Y2016; and
- (7) Appointment of External Auditor for Y2016;

This does not constitute a second approval of the same matters taken up at the Y2017 Annual Stockholders' Meeting which have already been approved.

- c) Election of the Members of the Board of Directors for the ensuing calendar year 2018.
- d) Approval of Directors' Remuneration for Y2017.
- e) Appointment of External Auditor for Y2018.

Item 16. Matters Not required to be Submitted

The Company does not intend to submit to a vote of its stockholders any action/s which is/are not required to be submitted to stockholders' vote.

Item 17. Amendment of Charter, Bylaws or other Documents

The amendment of Articles Sixth and Seventh of KPPI's Articles of Incorporation on the number of directors and the terms of the redeemable preferred shares, shall be submitted to the stockholders for approval. The amendment of Article Sixth refers to the increase in the number of directors from seven (7) to eight (8), in view of the Company's decision to elect an additional independent director in the board; on the other hand, the amendment of Article Seventh refers to the extension of the redemption period of the redeemable preferred shares for another five (5) years or from 31 May 2018 to 31 May 2023, considering the financial impact of the redemption to the business operations of the Company.

Item 18. Other Proposed Action

- a) Ratification of all acts and proceedings of the Board of Directors, Officers and Management covering the period from the date of the last annual stockholders' meeting up to 16 May 2018. These acts and proceedings are covered by resolutions of the Board of Directors duly adopted in the course of business such as: appointment of signatories, approval of signing authorities and limits, treasury matters related to opening of bank accounts, and appointment of officers.

No action on any matter, other than those stated in the agenda for the meeting, is proposed to be taken except for matters of incidence that may properly come during the meeting.

Item 19. Voting Procedures

An affirmative vote by the stockholders owning at least two-thirds of the outstanding capital stock shall be sufficient to approve matters requiring shareholders' action.

The holders of a majority interest of all outstanding stock of the company entitled to vote at the meeting, in person or by proxy, shall constitute a quorum for the transaction of business.

The holders of common stock are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. In all matters included in the agenda, except the election of directors, the counting of votes will be done through the regular method (or voting by raising of hands). For the election of directors, the counting will be cumulative. The Corporate Secretary assisted by the Company's External Auditor, shall be responsible for the counting/validation of votes.

PART II

INFORMATION REQUIRED IN A PROXY FORM

NOT APPLICABLE

PART III

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig on 18 April 2018.

KEPPEL PHILIPPINES PROPERTIES, INC.


MA. MELVA E. VALDEZ
Corporate Secretary

MANAGEMENT REPORT

❖ INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

External Audit Fees and Services

Audit and Audit Related Fees

Isla Lipana & Co. was the external auditor of the registrant for the year ended 31 December 2017 and 2016. The external auditor for the year ended 31 December 2015 was Sycip Gorres Velayo and Co. (SGV). The Company incurred aggregate charges amounting to P565,070.00 in FY2015 for the audit of the Company's annual financial statements. For FY2016 and FY2017, the Company was billed for the audit of its annual financial statements in the aggregate amount of P400,000.00 for each year. Fees Paid to Independent Accountant is made up of audit and audit related fees only. There were no other fees paid.

There were no other services performed by Isla Lipana for the last two (2) fiscal years.

The Audit Committee reviews and pre-approves all audit plans and other services to be performed by the external auditors prior to submission to the Board of Directors for approval. The Audit Committee's approval policies and procedures comprise of assessing the proposed scope of audit work to be conducted, evaluating if there are material audit issues to be resolved, and then determining whether the fee charged is commensurate with the work carried out.

Tax Fees : Nil

All Other Fees : Nil

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no disagreements with the independent accountants relating to accounting principles or practices, financial statement disclosure, or auditing scope or procedure for the last two (2) fiscal years.

❖ BUSINESS AND GENERAL INFORMATION

BUSINESS

Keppel Philippines Properties, Inc. (the "Parent Company" or "KPPI"), and its subsidiaries (collectively referred to as "the Group") are stock corporations organized under the laws of the Philippines. The Parent Company was first incorporated on 07 February 1918 under the name Hoa Hin Co., Inc., then renamed to Cebu Shipyard and Engineering Works, Inc. in 1957, then to its present name Keppel Philippines Properties, Inc. in 1998. Its corporate life was extended for fifty (50) years starting February 7, 1968. On May 5, 2017, the SEC approved the Parent Company's application to further extend its corporate life for another 50 years starting February 6, 2018.

KPPI holds investments in associates involved in property holding and development and renders property management consultancy services to these associates. Associated companies are engaged in acquisition and development of suitable land sites for residential, office and commercial uses. The Parent Company is majority owned by Keppel Land Limited (KLL), a subsidiary of Keppel Corporation Limited (KCL) of Singapore.

Subsidiaries

CSRI Investment Corporation (CSRI) was incorporated in the Philippines and was registered with the SEC on 25 October 1990. CSRI, a wholly owned subsidiary of KPPI, is a holding company with investments in stocks, shares, securities and other investment instruments similar or related in nature. CSRI transferred its shipyard related properties to Keppel Cebu Shipyard, Inc. in August 1999. Its source of income is solely from investment in securities.

Buena Homes, Inc. (BHI) was incorporated in the Philippines on 25 May 2000. BHI, a wholly owned subsidiary of KPPI, is engaged in property holding and development. It is presently developing Palmdale Heights, a residential condominium project in Pasig City through Buena Homes (Sandoval) Inc. (BHSI), which is 40% owned by it.

Associates

SM Keppel Land, Inc. (SMKL), which is 40% owned by KPPI, is engaged in property development and leasing. Its current project includes the "The Podium" Mall. It is located in the central business district of Ortigas, Mandaluyong City, Metro Manila. The first phase of The Podium is under retrofitting since October 2017 and is expected to be completed in October 2018. Meanwhile, the second phase of The Podium, a six-storey mall with six-level basement carpark, has commenced its operations in October 2017, other than the sixth level of the mall which is for the cinemas that is expected to be completed in July 2018. The operations of the malls are handled by Shopping Center Management Corporation, an entity under the control of Banco de Oro Unibank, Inc., SMKL's joint venture partner for the aforementioned project. A 42-storey Grade A, LEED Gold certified office tower (estimated gross floor area of 112,500 sqm) will be constructed on top of the expanded retail mall. Construction of the office tower has commenced after operation of the mall in September 2017.

Buena Homes (Sandoval) Inc. (BHSI), which is 40% owned by BHI, is engaged in property development. Its current project, Palmdale Heights, is a suburban middle-income residential development located on a 23,924 sqm site in Sandoval Avenue, Brgy. Pinagbuhatan, Pasig City, Metro Manila. The project comprises six residential blocks (with a total of 828 units at 138 units per block), two-storey clubhouse, swimming pools, parks, playgrounds and parking areas for sale with a total of 232 parking slots. Each residential unit has a floor area of 40 to 50 sqm.

❖ MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Comparative Financial Update and Analysis

KEY PERFORMANCE INDICATORS

a) For First Quarter ended 31 March 2017

For The Quarter Ended	31 March 2018 (Unaudited)	31 March 2017 (Unaudited)	% Change
Return On Assets	(1.55%)	(0.39%)	297%
Loss Per Share	₱0.086	₱0.023	274%
Operating Expense Ratio	(102.71%)	333.65%	(131%)
As At	31 March 2018 (Unaudited)	31 December 2017 (Audited)	% Change
Net Tangible Asset Value Per Share	₱3.23	₱3.31	(2.42%)
Working Capital Ratio	5.0:1	5.1:1	(1.96%)

- A. Return On Assets** - It indicates how effectively the assets of the Group are utilized in generating profit. Net loss after tax for the first quarter of 2018 amounted to ₱25.2 million which increased by ₱18.5 million from ₱6.7 million net loss for the same period of 2017. This unfavorable increase was mainly due to the significant decrease in share in results of associated companies.

	<u>First Quarter 2018</u>	<u>First Quarter 2017</u>
Net Loss After Tax (a)	₱25,202,863	₱6,733,982
Total Assets At Beginning (b)	₱1,627,357,787	₱1,737,255,335
Return On Assets (a/b)	(1.55%)	(0.39%)

- B. **Loss Per Share** - It represents the equivalent apportionment of net loss to each share of common stock outstanding. For the first quarter of 2018 and 2017, loss per share amounted to ₱0.086 and ₱0.023, respectively. This unfavorable performance is due to higher net loss incurred in the first quarter of 2018 as compared to the same period in 2017.

	<u>First Quarter 2018</u>	<u>First Quarter 2017</u>
Net Loss After Tax (a)	₱25,202,863	₱6,733,982
Number of Common Stock (b)	293,828,900	293,828,900
Loss Per Share (a/b)	₱0.086	₱0.023

- C. **Operating Expense Ratio** - It measures operating expenses as a percentage of revenues. The Operating Expense Ratio decreased by 131% due to the increase in operating expenses by 35% and decrease in revenues and income (loss) by 539%.

	<u>First Quarter 2018</u>	<u>First Quarter 2017</u>
Operating Expenses (a)	₱12,596,119	₱9,256,802
Revenues and Income (b)	(₱12,263,684)	₱2,774,422
Operating Expense Ratio (a/b)	(102.71%)	333.65%

- D. **Net Tangible Asset Value Per Share** - It measures the equivalent entitlement of each share of common stock outstanding in the tangible assets. The tangible value per share decrease by 2.42% compared to the previous year due to the decrease in retained earnings resulting from net loss incurred during the first quarter of 2018.

Note: Net Tangible Assets include ₱594.7 million subscription proceeds for Preferred Stock. As this Preferred Stock is redeemable, the subscription proceeds have been excluded from Net Tangible Assets in the computation of Net Tangible Asset per Share.

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Net Tangible Assets	₱1,542,869,352	₱1,568,072,215
Less: Preferred Stock	(59,474,100)	(59,474,100)
Share Premium on Preferred Stock	(535,266,900)	(535,266,900)
Net Tangible Assets Attributable To Common Stock	₱948,128,352	₱973,331,215
Number of Common Stock, net of Treasury shares (2,801,000)	293,828,900	293,828,900
Net Tangible Asset Value Per Share	₱3.23	₱3.31

- E. **Working Capital Ratio** - The Group's ability to meet current obligations is measured by computing the ratio of current assets over current liabilities. The Working Capital Ratio as at first quarter of 2018 and 2017 slightly remained the same.

	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Current Assets (a)	₱291,917,793	₱302,391,530
Current Liabilities (b)	₱58,540,105	₱59,285,572
Working Capital Ratio (a/b)	5.0 : 1	5.1 : 1

Results of Operations

The Group holds investments in associates involved in property development. It derives its revenue from rendering management consultancy services to associates.

First Quarter 2018 Compared to same period in 2017

Total revenue and income (loss) decreased by ₱15.1 million or 539% from an income result of ₱2.8 million in 2017 to a loss result of ₱12.3 million in 2018. The decrease was mainly due to lower share in results of associated companies.

- Changes in **Share in results of associated companies** from period to period are dependent upon the results of the operations of the associated companies. The first quarter of 2018 showed a share in net loss of ₱15.2 million as compared to a share in net income of ₱0.6 million in the same quarter in 2017. The said share in loss relates mainly to the net loss reported by SMKL during the first quarter of 2018, and which net loss resulted mainly from significant depreciation charge (relating to the capitalized renovation costs of The Podium which was opened in October 2017) and interest expense incurred by the said associated company during the quarter.
- **Management consultancy and franchise fees** increased by ₱0.5 million from ₱1.5 million in 2017 to ₱2.0 million in 2018 due to the increase in The Podium's rental income on which these fees from SMKL are based.

General and Administrative Expenses increased by ₱3.3 million or 35% from ₱9.3 million in 2017 to ₱12.6 million in 2018. The increase was mainly due to the increase in supervision and oversight costs relating to the ongoing construction of SMKL mixed-use development that are deemed non-capitalizable by the Group.

Provision for income tax increased by ₱0.2 million or 96% from ₱0.3 million in 2017 to ₱0.5 million in 2018 due to higher revenue for the three months ended 2018.

As a result, **First Quarter 2018** operations posted a net loss of ₱25.2 million, an increase of ₱18.5 million or 274% from ₱6.7 million net loss in the first quarter of 2017.

As a result, **First Quarter 2018** operations posted a net loss of 25.2 million, an increase of 18.5 million or 274% from 6.7 million net loss in the first quarter of 2017. As mentioned above, due to the net loss results of the Group's associated companies, the Group's share in results of associated companies decreased as well. It is noted however that there are some phases of the Group's investment that are estimated to be in completion within early 2019. With the completion of these phases, the Group anticipates a more profitable position from end of 2019 onwards.

Financial Condition

First Quarter 2018 Compared to year ended December 2017

Total Assets declined by ₱26.0 million from ₱1,627.4 million in 2017 to ₱1,601.4 million in 2018. The significant changes in account balances during the period are as follows:

- **Cash and cash equivalents** decreased by ₱10.3 million due to the net cash used in operating activities, partially offset by net cash provided by investing activities.
- **Investments in associates and joint venture** decreased by ₱15.2 million due to the share in results of associated companies during the three months ended 2018.

b) Full Fiscal Years 2016 to 2017

KEY PERFORMANCE INDICATORS

For The Years Ended	December 2017	December 2016	% Change
Return On Assets	(2.18%)	(1.71%)	27%
Loss Per Share	₱0.13	₱0.10	30%
Operating Expense Ratio	263.00%	317.47%	-17%
Net Tangible Asset Value Per Share	₱3.31	₱3.44	-4%
Working Capital Ratio	5.1:1	2.3:1	122%

- a. Return On Assets – It indicates how effectively the assets of the Group are utilized in generating profit. Net loss after tax amounted to ₱ 37.8 million in 2017 which increased by ₱ 7.6 million from ₱ 30.2 million in 2016. The higher net loss is due to a significant increase in general and administrative expenses and other expenses, net, offset with increase in revenue.

	<u>2017</u>	<u>2016</u>
Net Loss After Tax (a)	₱37,848,940	₱30,174,609
Number of Common Stock (b)	293,828,900	293,828,900
Loss Per Share (a/b)	₱0.13	₱0.10
	<u>2017</u>	<u>2016</u>
Net Loss After Tax (a)	₱37,848,940	₱30,174,609
Total Assets At Beginning (b)	1,737,255,335	1,767,973,179
Return On Assets (a/b)	(2.18%)	(1.71%)

- b. Loss Per Share – It represents the equivalent apportionment of net loss to each share of common stock outstanding. This unfavorable performance is due to higher net loss incurred in 2016 as compared to 2015.
- c. Operating Expense Ratio – It measures operating expenses as a percentage of revenues. The operating expense ratio decreased by 17% due to the 58% increase in revenues coupled with a 31% increase in operating expenses.

	<u>2017</u>	<u>2016</u>
Operating Expenses (a)	₱58,815,765	₱44,996,312

Revenues (b)	22,363,552	14,173,488
Operating Expense Ratio (a/b)	263.00%	317.47%

- d. Net Tangible Asset Value Per Share – It measures the equivalent entitlement of each share of common stock outstanding in the tangible assets. The tangible value per share decreased by 0.4% compared to 2016 to the decrease in retained earnings resulting from loss incurred during the current year.

Note: Net Tangible Assets include ₱594.7 million subscription proceeds for Preferred Stock. As these Preferred Stocks are redeemable, the subscription proceeds have been excluded from Net Tangible Assets in the computation of Net Tangible Asset Per Share.

	<u>2017</u>	<u>2016</u>
Net Tangible Assets	₱1,568,072,215	₱1,606,246,898
Less : Preferred Stock	594,741,000	594,741,000
Net Tangible Assets Attributable To Common Stock	973,331,215	1,011,505,898
Number of Common Stock	293,828,900	293,828,900
Net Tangible Asset Value Per Share	₱3.31	₱3.44

- e. Working Capital Ratio – The Group's ability to meet current obligations is measured by determining current assets over current obligations. The Working Capital ratio increased by 122% as compared to 2016.

	<u>2017</u>	<u>2016</u>
Current Assets (a)	₱302,391,530	₱304,021,399
Current Liabilities (b)	59,285,572	130,939,028
Working Capital Ratio (a/b)	5.1:1	2.3:1

c) Full Fiscal Years 2015 to 2016

KEY PERFORMANCE INDICATORS

For The Years Ended	December 2016	December 2015	% Change
Return On Assets	(1.71%)	(0.79%)	116%
Loss Per Share	₱0.10	₱0.05	100%
Operating Expense Ratio	317.47%	195.33%	63%
Net Tangible Asset Value Per Share	₱3.44	₱3.55	3%
Working Capital Ratio	2.3:1	2.6:1	(12%)

- a. Return On Assets – It indicates how effectively the assets of the Group are utilized in generating profit. Net loss after tax amounted to ₱30.2 million in 2016 which increased by ₱16.1 million from ₱14.1 million in

2015. The higher losses is due to a significant increase in general and administrative expenses combined with a drop in equity in net earnings of associates and a joint venture.

	<u>2016</u>	<u>2015</u>
Net Loss After Tax (a)	P30,174,609	P14,061,329
Total Assets At Beginning (b)	1,767,973,179	1,782,211,889
	<u>2016</u>	<u>2015</u>
Net Loss After Tax (a)	P30,174,609	P14,061,329
Number of Common Stock (b)	293,828,900	293,828,900
Loss Per Share (a/b)	P0.10	P0.05
Return On Assets (a/b)	(1.71%)	(0.79%)

- b. Loss Per Share – It represents the equivalent apportionment of net loss to each share of common stock outstanding. This unfavorable performance is due to higher net loss incurred in 2016 as compared to 2015.
- c. Operating Expense Ratio – It measures operating expenses as a percentage of revenues. The operating expense ratio increased by 62% due to the 24% decrease in revenues coupled with a 24% increase in operating expenses.

	<u>2016</u>	<u>2015</u>
Operating Expenses (a)	P44,996,312	P36,322,415
Revenues (b)	14,173,488	18,595,456
Operating Expense Ratio (a/b)	317.47%	195.33%

- d. Net Tangible Asset Value Per Share – It measures the equivalent entitlement of each share of common stock outstanding in the tangible assets. The tangible value per share decrease by 0.3% compared to the previous year due to the decrease in retained earnings resulting from loss incurred during the current year.

Note: Net Tangible Assets include P594.7 million subscription proceeds for Preferred Stock. As these Preferred Stocks are redeemable, the subscription proceeds have been excluded from Net Tangible Assets in the computation of Net Tangible Asset Per Share.

	<u>2016</u>	<u>2015</u>
Net Tangible Assets	P1,606,246,898	P1,636,677,155
Less : Preferred Stock	594,741,000	594,741,000
Net Tangible Assets Attributable To Common Stock	1,011,505,898	1,041,936,155
Number of Common Stock	293,828,900	293,828,900

Net Tangible Asset Value Per Share

P3.44

P3.55

- e. Working Capital Ratio – The Group's ability to meet current obligations is measured by determining current assets over current obligations. The Working Capital ratio decreased by 12%.

	<u>2016</u>	<u>2015</u>
Current Assets (a)	P304,021,399	P342,026,296
Current Liabilities (b)	130,939,028	131,000,212
Working Capital Ratio (a/b)	2.3:1	2.6:1

d) Full Fiscal Years 2014 to 2015

KEY PERFORMANCE INDICATORS

For The Years Ended	December 2015	December 2014	% Change
Return On Assets	(0.79%)	0.13%	(708%)
Earnings (Loss) Per Share	(P0.048)	P0.008	(700%)
Operating Expense Ratio	195.26%	91.94%	112%
Net Tangible Asset Value Per Share	P3.55	P3.59	(1%)
Working Capital Ratio	2.6:1	2.8:1	(7%)

- a. Return On Assets - The Group gauges its performance by determining the return on assets (net income after tax over total assets at beginning). It indicates how effectively the assets of the Group are utilized in generating profit. Net loss after taxation amounted to P14.1 million in 2015 which decreased by P16.4 million from net income of P2.3 million in 2014. The decrease is due primarily to a significant drop in equity in net earnings of associates and a joint venture.

	<u>2015</u>	<u>2014</u>
Net Income (Loss) After Tax (a)	(P 14,061,329)	P 2,298,288
Total Assets At Beginning (b)	P 1,782,211,889	P 1,755,282,708
Return On Assets (a/b)	(0.79%)	0.13%

- b. Earnings Per Share – It shows the income earned from each share of common stock outstanding. The EPS in 2015 was lower by 698% compared to last year mainly due to the decrease in income after tax.

	<u>2015</u>	<u>2014</u>
Net Income(Loss) After Tax (a)	(P 14,061,329)	P 2,298,288
Number of Common Stock (b)	293,828,900	293,828,900

Earnings(Loss) Per Share (a/b)	(P 0.048)	P 0.008
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- c. Operating Expense Ratio – It measures operating expenses as a percentage of revenues. The operating expense ratio increased by 112% due to the 33% decrease in revenues and 42% increase in operating expenses.

	<u>2015</u>	<u>2014</u>
Operating Expenses (a)	P 36,335,835	P 25,454,425
Revenues (b)	P 18,608,876	P 27,685,775
Operating Expense Ratio (a/b)	195.26%	91.94%

- d. Net Tangible Asset Value Per Share – It shows the tangible value of each share of common stock outstanding. The tangible value per share is the same in 2015 and 2014.

Note: Net Tangible Assets include P594.7 million subscription proceeds for Preferred Stock. As these Preferred Stocks are redeemable, the subscription proceeds have been excluded from Net Tangible Assets in the computation of Net Tangible Asset Per Share.

	<u>2015</u>	<u>2014</u>
Net Tangible Assets	P1,636,677,155	P1,650,450,063
Less: Preferred Stock	(59,474,100)	(59,474,100)
APIC on Preferred Stock	<u>(535,266,900)</u>	<u>(535,266,900)</u>
Net Tangible Assets Attributable To Common Stock	P 1,041,936,155	P 1,055,709,063
Number of Common Stock, net of Treasury shares (2,801,000)	293,828,900	293,828,900
Net Tangible Asset Value Per Share	P3.55	P3.59

- e. Working Capital Ratio – The Group's ability to meet obligations is measured by determining current assets over current obligations. The Working Capital ratio decreased by 7.0%.

	<u>2015</u>	<u>2014</u>
Current Assets (a)	P 342,026,296	P 369,039,611
Current Liabilities (b)	P 131,000,212	P 131,756,629
Working Capital Ratio (a/b)	2.6:1	2.8:1

RESULTS OF OPERATIONS

Year Ended 31 December 2017 Compared To 2016

REVENUE. The Group generated total gross revenues of P22.4 million, an increase of P8.2 million or 58% from P14.2 million in 2016. The increase was due to higher share of results of associated companies and interest income, offset by a slight decrease in management consultancy and franchise fees.

- **SHARE OF RESULTS OF ASSOCIATED COMPANIES** increased by P6.9 million or 101% from P6.8 million in 2016 to P13.7 million in 2017. This account represents the Group's share in the net income/loss of its associated companies. Changes in share of results from period to period are

dependent upon the results of the operations of the associated companies. The increase was mainly attributed to SMK operations due to the reversal of provision that is no longer required, deferred income from straight-lining of rental revenue and deferred income tax benefit from net operating loss carryover, offset by increase in depreciation, interest expense, repairs and maintenance and advertising and promotions related to the commencement of operations of Phase 2 of The Podium retail mall in October 2017.

- **INTEREST INCOME** increased by P1.3 million or 68% from P1.9 million in 2016 to P3.2 million in 2017 due to higher interest rates on deposit placements.

GENERAL AND ADMINISTRATIVE EXPENSES increased by P13.8 million or 31% from P45.0 million in 2016 to P58.8 million in 2017 mainly due to the increase in supervision and oversight costs relating to the ongoing construction of SMK mixed-use development, that are deemed non-capitalizable by the Company.

OTHER INCOME (EXPENSE), NET. In contrast with the P1.3 million Other Income, net reported in 2016, there was a P1.9 million Other Expense, net shown in 2017 mainly due to a significant provision for doubtful account set up in the current year.

As a result, the Group's operations posted a net loss for the year amounting to P37.8 million, an increase of P7.6 million or 25% from the P30.2 million net loss in 2016.

Year Ended 31 December 2016 Compared To Same Period In 2015

The Group generated total gross revenues of P14.2 million, a decrease of P4.4 million or 24% from P18.6 million in 2015. The 24% decrease was due to lower equity in net earnings of associates which was partially offset by a light increase in management consultancy, franchise fees, and interest income.

- Equity in net earnings of associates and a joint venture decreased by P5.8 million (46%) from P12.6 million in 2015 to P6.8 million in 2016. This account represents KPPI's share in the net income/loss of its associated companies. Changes in share in net earnings from period to period are dependent upon the results of the operations of the associated companies. The decrease is due to net loss incurred by BHSI in 2016 as compared to net income earned in 2015. This was brought about by lower sales resulting in overheads exceeding gross profit. On the other hand, SMK showed a gradual increase in net income resulting from higher occupancy rate in 2016 as compared to 2015.
- Management and franchise fees increased by P0.4 million, from P5.1 million in 2015 to P5.5 million in 2016, on account of higher revenue of SMK on which these fees are based.
- Interest income increased by P0.9 million, from P1.0 million in 2015 to P1.9 million in 2016 due to higher interest rate on bank time deposits.

General and administrative expenses increased by P8.7 million (24%) from P36.3 in 2015 to P45.0 in 2016 due to increase in staff cost resulting from additional hires during the year.

Net loss for the year amounted to P30.2 million, an increase of P16.1 million from the P14.1 million loss in 2015. As mentioned above, due to lower equity in net earnings of associates, the Company's equity in net earnings decreased as well. It is noted however that there are some phases of the Company's investment that are estimated to be in completion within late 2017 to early 2019. With the completion of these phases, the Company anticipates a more profitable position from end of 2017 onwards.

Year Ended 31 December 2015 Compared To 2014

The Group generated total gross revenues of P18.6 million, a decrease of P9.1 million or 33% from P27.7 million in 2014. This is due to the combined effects of the following:

- Equity in net earnings of associates and a joint venture decreased by P7.7 million (38%) from P20.3 million in 2014 to P12.6 million in 2015. This account represents KPPI's share in the net income/loss of its associated companies. Changes in share in net earnings from period to period are dependent upon the results of the operations of the associated companies. The decrease is due to the combined

effects of BHSI loss on disposal of its land coupled with SMKL's lower net income caused by Podium's decline in occupancy and rental rate. Podium's mall operation was affected by the on-going major renovation in its retail spaces.

- Management and franchise fees went down by P1.6 million, from P6.7 million in 2014 to P5.1 million in 2015 due to the decrease in Podium's rental income on which these fees from SMKL are based.
- Interest income increased by P0.4 million, from P0.6 million in 2014 to P1.0 million in 2015 due to higher level of cash and cash equivalents.

General and administrative expenses increased by P10.8 million (42%) from P25.5 in 2014 to P36.3million in 2015, due to increase in salaries and professional fees.

Financial Position

Year Ended 31 December 2017 Compared To 2016

Total assets declined by p109.9 million from p1,737.3 million in 2016 to p1,627.4 million in 2017. The significant changes in account balances from period to period are as follows:

- Cash and cash equivalents decreased by P25.2 million due to the net cash used in operating activities, partially offset by cash from investing activities.
- Receivables decreased by P3.1 million due to the provision for doubtful accounts in 2017 and realization of accrued revenue.
- Due from related parties increased by P26.7 million which is mainly accounted for by the unpaid balance from the approved reduction over BHSI's share capital.
- Investment in associates and joint venture decreased by P109.5 million due to the approved reduction over BHSI's share capital, partially offset by the increase in share of results of associated companies.
- Deferred income tax assets, Net increased by P1.5 million related to the increase in tax base on accruals in 2017.

Year Ended 31 December 2016 Compared To 2015

Total assets decreased by P30.7 million to P1,737.3 million in 2016 as compared with the prior year's figure of P1,768.0 million.

The significant causes of material changes in financial position from period to period are as follows:

- i. Cash and cash equivalents declined by P3.0 million due to net cash used in operating activities, partly offset by collection of intercompany advances.
- ii. Receivables decreased by P2.5 million resulting from collection.
- iii. Due from related parties decreased by P35.0 million due to collection from associates.
- iv. Other current assets increased by P2.6 million on account from prepaid rent.
- v. Investments in associates and a joint venture increased by P6.6 million due to the equity in net earnings of associates in 2016.

Year Ended 31 December 2015 Compared To 31 December 2014

Total assets decreased by P14.2 million to P1,768 million in 2015 as compared with last year's figure of P1,782.2 million.

The significant causes of material changes in financial position from period to period are as follows:

- i. Cash and cash equivalents increased by P55.4 million from P151.5 million in 2014 to P206.9 million in 2015. The increase is due to collection of reimbursable charges and receipt of payment for loan advances from associates amounting to P71.5 million which was partly offset by cash used in operations.
- ii. Receivables increased by P1.5 million from P5.2 million in 2014 to P6.7 million in 2015. The increase results from additional advances to employees.
- iii. Due from related parties decreased by P84.2 million from P192.9 million in 2014 to P108.7 million in 2015. The decrease is primarily due to collection of reimbursable charges and receipt of payment for loan advances from associates.
- iv. Investments in associates and joint venture increased by P12.7 million to P1,345.6 million from P1,332.9 million last year due to the increase in equity in net earnings of associates which amounted to P12.7 million.

Competition

As a property developer, KPPI considers the following property developers as the industry's key players in terms of end products:

	Comprehensive Income YTD 3Q2017 In Php Billions
Ayala Land Inc.	20.7
SM Prime Holdings, Inc.	20.5
Robinson's Land Corporation	4.6

Source: Published corporate disclosures.

Competitive pressures are expected to remain as new players have embarked on aggressive developments.

In the residential sector, BHSI faces stiff competition from other developers who have set their targets on the middle income, a market segment that has also been the focus of BHSI. With its track record as a developer of quality housing projects, BHSI will remain competitive in this sector.

In the retail sector, the market is expected to remain competitive as more developers venture into, or expand in this sector. The Podium has established its presence since its launch in August 2002. With its unique design and spacious ambiance, The Podium has become the preferred meeting place for young professionals and also the venue of choice for gala events.

Major Risk Factors

The Parent Company's business activities are conducted in the Philippines and its revenues and operating profits are derive from its investments and the activities of its associates, SMK and BHSI, in the Philippines which exposes the Parent Company to changes in the Philippine economy.

The Group is also exposed to financial, operating and administrative risks which are normal in the course of business.

To manage these risks management is highly committed in ensuring that business processes are clearly defined, in compliance with the Parent's Company's policies and procedures, and are performed effectively and efficiently in satisfying stakeholders' needs.

Moreover, BHSI and SMKL obtain updates on markets/prices and current economic and political developments. An assessment is then made of the financial viability of proposed projects in the light of current economic, political and industry indicators.

Known Trends, Events or Uncertainties

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

Events that will trigger direct or contingent financial obligations

There are no events nor any default or acceleration of an obligation that will trigger direct or contingent financial obligation that is material to the Parent Company.

Material off-balance sheet transactions, arrangement or obligation

There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Parent Company with unconsolidated entities or other persons created during the reporting period.

Significant Elements of Income or Loss

There is no significant element of income that arose from continuing operations.

❖ **REGISTRANT'S DIRECTORS AND EXECUTIVE OFFICERS INCLUDING THEIR PRINCIPAL OCCUPATION OR EMPLOYMENT, NAME AND PRINCIPAL BUSINESS OF ANY ORGANIZATION BY WHICH SUCH PERSONS ARE EMPLOYED:**

Name of Directors and Officers	Position	Principal Occupation/Name and Principal Business of Organization
Sam Moon Thong	Director /Chairman	President, Regional Investments, Keppel Land Group
Ramon J. Abejuela	Independent Director	Director, Philippine Nutri-Foods Corp., NCP Publishing Corp. and St. James COPA Foundation
Celso P. Vivas	Independent Director	Vice Chairman and CEO, Corporate Governance Institute of the Philippines
Stefan Tong Wai Mun	Director	Director & President, Keppel Philippines Holdings, Inc.
Lim Kei Hin	Director	Chief Financial Officer, Keppel Land Group, Real Estate Company
Oh Lock Soon	Director/President	
Tan Siew Ngok	Director	General Manager (Finance & Administration), Keppel Land International Limited, Real Estate Company
Almira A. Añonuevo	Treasurer/Manager, Finance & Administration	
Ma. Melva E. Valdez	Corporate Secretary	Senior Partner& Chairman, Jimenez Gonzales Bello Valdez Caluya & Fernandez Law Offices
Myla Gloria A. Amboy	Asst. Corp. Secretary	Senior Associate, Jimenez Gonzales Bello Valdez Caluya & Fernandez Law Offices

➤ Please see Part I, pages 6 to 10 for the directors' and officers' profiles.

❖ **MARKET PRICE**

The common equity of the Parent Company is traded in the Philippine Stock Exchange. The Parent Company has no restriction for any cash dividends declared that limit the ability to pay on common equity or that are likely to do so in the future. However, no cash dividends were declared from 2003 to 2016.

STOCK PRICES	2018		2017		2016	
	High	Low	High	High	High	High
First Quarter	P4.30	P4.28	P4.21	P4.02	P6.75	P3.50
Second Quarter	N/A	N/A	4.20	4.14	6.70	4.01
Third Quarter	N/A	N/A	4.50	4.12	5.49	4.22
Fourth Quarter	N/A	N/A	4.16	4.15	5.60	4.01

The Parent Company has no plans of acquisition, business combination, or other reorganization that will take effect in the near future that involves issuances of securities.

There were no recent sales of unregistered or exempt securities.

The Parent Company's common shares were last traded on 08 March 2018 (the latest practicable trading date) at P4.28 per share.

Holders

As of 28 March 2018, the number of shareholders on record was 1,243 and common shares outstanding were 293,828,900. Following is the table of the Company's top 20 stockholders as of 28 March 2018:

	Name	No. of Shares Held	% to Total
1.	Keppel Land Limited	148,365,050	50.49
2.	Kepwealth, Inc	51,033,178	17.37
3.	Keppel Corporation Limited	35,783,742	12.18
4.	Molten Pte Ltd	19,951,723	6.79
5.	PCD Nominee Corporation - Filipino	12,537,714	4.27
6.	PCD Nominee Corporation – Foreign	4,456,139	1.52
7.	International Container Terminal Services Inc.	4,265,171	1.45
8.	George S. Dee, Jr.	3,442,891	1.17
9.	PNOC Shipping and Transport Corporation	2,227,511	0.76
10.	Visayan Surety & Insurance Corporation	1,671,664	0.57
11.	Sulpicio Lines, Inc.	694,719	0.24
12.	Augusto Go	410,423	0.14
13.	Negros Navigation Company, Inc.	357,777	0.12
14.	Eduardo Go Hayco	269,277	0.09
15.	Ho Tong Hardware, Inc.	248,018	0.08
16.	Adrienne Gotian Chu	236,795	0.08
17.	Mary Margaret G. Dee	236,788	0.08
18.	Tessa L. Navera	225,005	0.08
19.	Janette Nellie Go Chiu	200,055	0.07
20.	Rafanan/Antonio Diosdado	181,453	0.06
	East Visayan Mailing Corp.	181,453	0.06

Dividends

CASH DIVIDENDS PER SHARE – The Company declared no dividends in 2017, 2016, and 2015.

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with the law and applicable rules and regulations. The portion of retained earnings corresponding to the undistributed equity in net earnings of the subsidiaries and associates amounted to ₱559.3 million, ₱545.6 million, and ₱538.8 million as of 31 December 2017, 2016, 2015 and 2014, respectively. These amounts are not available for distribution as dividends until declared by the subsidiaries and associates. Retained earnings are further restricted by ₱ 2.7 million representing the cost of shares held in treasury as of 31 December 2017, 2016, and 2015.

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, the Parent Company's retained earnings available for dividend declaration as of 31 December 2017, 2016, and 2015 amounted to ₱156.2 million, and ₱137.8 million, respectively.

❖ CORPORATE GOVERNANCE

The Parent Company complies with the principles and practices of good corporate governance by adherence to its Amended Manual on Corporate Governance ("the Amended Manual").

The Parent Company has a Compliance Officer who diligently performs the duties and responsibilities under the Amended Manual, by reporting to Directors and Officers the pertinent requirements on corporate governance from time to time, and monitoring the compliance of such requirements. The Amended Manual is updated by incorporating new and improved governance and management practices, obtained through attendance at corporate governance seminars conducted by institutions accredited by SEC. The appointment/designation of the Compliance Officer has been immediately disclosed to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).

The Board of Directors ("The Board") has continued to observe the Parent Company's corporate missions and visions to ensure the long-term success of the Corporation and its continued competitiveness in the industry.

The Compliance Officer ensures that the Board of Directors, its officers and employees comply with all the leading practices and principles on good corporate governance as embodied in the Parent Company's Amended Manual. The Parent Company also complies with the appropriate self-rating assessment and performance evaluation system to determine and measure compliance in accordance with the Amended Manual.

The Parent Company has created committees required under the Amended Manual, namely, Audit Committee, Nominations/Screening Committee, and Compensation/Remuneration Committee. The creation of said committees and the corresponding members thereof have been immediately disclosed to the SEC and the PSE. Each committee aforementioned performed their functions and responsibilities set forth in the Amended Manual.

The Audit Committee meets regularly to review all financial reports to comply with relevant accounting and regulatory standards, and performs oversight of financial management functions. As required by the Rules, two (2) independent directors are members of the Audit Committee, with one (1) independent director serving as head of said Committee.

The Nomination/Screening Committee complied with the provisions of the Corporation's Amended Manual of Corporate Governance on the pre-screening of all candidates nominated to become a member of the Board of Directors. The qualifications of director mentioned in the Amended Manual have also been strictly followed.

All of the directors of the Parent Company have attended and actively participated in Corporate Governance Seminars.

The Parent Company has submitted its Annual Corporate Governance Report to SEC and PSE on 30 May 2017 and 31 May 2017, respectively.

Upon the written request of the stockholder, the Parent Company undertakes to furnish said stockholder a copy of SEC Form 17-A free of charge, except for exhibits attached thereto which shall be charged at cost. Any written request for a copy of SEC Form 17-A shall be addressed as follows:

Keppel Philippines Properties, Inc.
Units 2203-2204 Raffles Corporate Center
F. Ortigas Jr. Road, Ortigas Center
Pasig City

Attention: The Corporate Secretary

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **CELSO P. VIVAS**, Filipino, of legal age and a resident of No. 125 Wilson Circle, San Juan, Greenhills, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of Keppel Philippines Properties Inc. and have been its independent directors since 2008.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Keppel Philippines Holdings Inc.	Independent Director & Chairman of the Audit Committee	Present Position
Keppel Philippines Marine Inc.	Independent Director & Chairman of the Audit Committee	Present Position
Marubeni Foundation	Member, Board of Trustees	Present Position
Canadian Chamber of Commerce	Member, Board of Trustees	Present Position

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Keppel Philippines Properties Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable.		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be): - NOT APPLICABLE

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Not applicable.		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in Keppel Philippines Properties Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. – NOT APPLICABLE
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and SEC issuances.
8. I shall inform the Corporate Secretary of Keppel Philippines Properties Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this ___ day of April 2018, at PASIG CITY, Philippines.

CELSO P. VIVAS

Affiant

SUBSCRIBED AND SWORN to before me this ___ day of April 2018 at PASIG CITY, Philippines, affiant personally appeared before me and exhibited to me his/her Social Security ID No. 123-305-216.

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ATTY. JAMES ANTHONY D. BETITO
Notary Public – Pasig City
Commission (2018-2019)
709 Mega Plaza Condo, ADB Ave, Pasig City
Attorney's Roll No. 58148
IBP # 017041 - 11/10/17/Rizal
PTR#3839235/01.03.18/Pasig City
MCLE Compliance No. V - 0017140 Mar 24, 2020

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **RAMON J. ABEJUELA**, Filipino, of legal age and a resident of 116 Ma. Cristina Street, Ayala Alabang Village, Muntinlupa City, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of Keppel Philippines Properties Inc. and have been its independent directors since 2009.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Philippine Nutri-Foods Corporation	Director	Present position
NCP Publishing Corporation	Director	Present position
Keppel Philippines Holdings, Inc.	Independent Director	Present position

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Keppel Philippines Properties Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not applicable		

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be): - NOT APPLICABLE

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Not applicable		


6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in Keppel Philippines Properties Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. – NOT APPLICABLE
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and SEC issuances.
8. I shall inform the Corporate Secretary of Keppel Philippines Properties Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this 18 day of April 2018, at PASIG CITY, Philippines.


RAMON J. ABEJUELA
 Affiant

SUBSCRIBED AND SWORN to before me this 18 day of April 2018 at PASIG CITY, Philippines, affiant personally appeared before me and exhibited to me his/her Tax Identification No. 172-761-781.

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ATTY. JAMES ANTHONY O. BENITO
 Notary Public - Pasig City
 Commission (2016-2019)
 709 Maga Plaza Condo, ADB Ave. Pasig City
 Attorney's Roll No. 58148
 IBP # 017041 - 11/10/17/Rizal
 PTR/3839235/01.03.18/Pasig City
 MCLE Compliance No. V - 0017140 Mar 2018

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **MAYO JOSE B. ONGSINGCO**, Filipino, of legal age and a resident of No. 69, 9th Street cor. J. Rodriguez Avenue, New Manila, Quezon City, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of Keppel Philippines Properties Inc. and will be elected as such only for this year 2018.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Rafael Alunan Agro-Development, Inc.	Non-executive Director	2006 up to present
Foundation for Carmelite Scholastics	Trustee	2012 up to present
De La Salle College of St. Benilde	Trustee	2013 up to present
First Metro Investment Corporation	Adviser to the Board of Directors	2015 up to present
Mapfre Insular Insurance Corporation	Independent Director	2016 up to present
First Metro Asset Management, Inc.	Non-executive Director	2017 up to present
Omnipay, Inc.	Independent Director	2017 up to present
Keppel Philippines Holdings, Inc.	Independent Director	2017 up to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Keppel Philippines Properties Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
Not Applicable		



5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding/I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be): - NOT APPLICABLE

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Not Applicable		

6. (For those in government service/affiliated with a government agency or GOCC) I have the required written permission or consent from the (head of the agency/department) to be an independent director in Keppel Philippines Properties Inc., pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules. – NOT APPLICABLE
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and SEC issuances.
8. I shall inform the Corporate Secretary of Keppel Philippines Properties Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this ___ day of April 2018, at PASIG CITY, Philippines.


MAYO JOSE B. ONGSINGCO
Affiant

PASIG CITY SUBSCRIBED AND SWORN to before me this ___ day of April 2018 at PASIG CITY, Philippines, affiant personally appeared before me and exhibited to me his driver's license N16-69-032925 expiring on 08 May 2022.

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ATTY. JAMES D. BELLO
Notary Public for the City
of Pasig (2014-2018)
705 Mega Plaza Center, 405 Ave. Pasig City
Atty. Reg. No. 123, 456
Bar No. 12345 - 1234567890
PTR No. 123456789, Pasig City
MCE Com. No. V-0017140 dated 29, 2016

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY)S.S.

CERTIFICATION


I, **MA. MELVA E. VALDEZ**, being the Corporate Secretary of Keppel Philippines Properties, Inc. (KPPI), do hereby certify that none of the current directors of KPPI works in the government of the Republic of the Philippines.

This certification is issued in compliance with the requirement of the Securities and Exchange Commission- Market Securities Regulation Department.

18 April 2018, Makati City, Philippines.


MA. MELVA E. VALDEZ
Corporate Secretary

SUBSCRIBED AND SWORN TO before me a Notary Public, for and in the City of Pasig, Philippines, personally appeared Ma. Melva E. Valdez and exhibited to me her Tax Identification Number 123-493-209.


MARIA REISKA E. CHON
Notary Public - Pasig City
Appointed by the Department of Justice
NOTARY PUBLIC
17th Floor, Robinsons Equitable Tower, 44 ADB Ave.,
cor. E. Poveda Drive, Ortigas Center, Pasig City
IBP No. 019558 / 31 December 2017 / Quezon City
PIR No. 8985325 / 22 January 2019 / Pasig City
MLES Co-Attendance No. V-0017322
Attorney's Roll No. 64310

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