

# COVER SHEET

P W - 3 0 5

SEC 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 . A N D S U B S I D I A R I E S

(Company's Full Name)

2 6 t h F l o o r , T h e P o d i u m W e s t T o w e r  
A D B A v e n u e , W a c k - W a c k G r e e n h i l l s  
E a s t , M a n d a l u y o n g C i t y 1 5 5 5

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

**Jona Arrol Cabrera**

(Contact Person)

**8539-0460**

(Company Telephone Number)

0 6 3 0  
Month Day  
(Fiscal Year)

1 7 - Q  
(Form Type)

0 6 1 4  
Month Day  
(Annual Meeting)

**N/A**

(Secondary License Type, If Applicable)

**CFD**

Dept. Requiring this Doc.

**N/A**

Amended Articles Number/Section

**1,210 as at 30 June 2024**

Total No. of Stockholders

Total Amount of Borrowings

–

Domestic

–

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION  
CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended June 30, 2024
2. Commission identification number PW305
3. BIR Tax Identification No. 000-067-618 VAT

**KEPPEL PHILIPPINES PROPERTIES, INC.**

4. Exact name of issuer as specified in its charter  
Philippines
5. Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code:  (SEC Use Only)

**26<sup>th</sup> Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills East,  
Mandaluyong City, 1555**

7. Address of registrant's principal office Postal Code  
**(02) 8539-0460 local 4990**
8. Registrant's telephone number, including area code

**Not applicable**

9. Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
<b>Common</b>	<b>293,828,900</b>
<b>Debt Outstanding</b>	<b>Nil</b>

11. Are any or all of the securities listed on the Philippine Stock Exchange?  
**Yes [ / ] No [ ]**

Name of stock exchange: **Philippine Stock Exchange**  
Class of securities listed: **Common Stock**

12. Indicate by check mark whether the registrant:
- a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and SRC Rule 17.1 thereunder or Sections 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)  
**Yes [ / ] No [ ]**
- b) Has been subject to such filing requirements for the past 90 days.  
**Yes [ / ] No [ ]**

## **PART I - FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

#### **Keppel Philippines Properties, Inc. and Subsidiaries**

Interim Consolidated Statements of Financial Position  
As at June 30, 2024  
(With comparative figures as at December 31, 2023)  
(All amounts in Philippine Peso)

	Notes	June 30, 2024 (Unaudited)	December 31, 2023 (Audited)
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	2	586,403,256	6,546,707,097
Receivables	3	1,707,537	20,772,123
Due from related parties	10	81,599	3,377,434
Prepayments and other current assets	4	32,063,854	27,039,954
		620,256,246	6,597,896,608
<b>Current assets – discontinued operation</b>			
Receivable from sale of investment in joint venture	6	-	6,994,777
Total current assets		620,256,246	6,604,891,385
<b>Non-current assets</b>			
Investments in associates	7	85,516,097	1,025,684,477
Financial assets at fair value through other comprehensive income	5	225,000	79,512,230
Property and equipment, net		145,681	197,222
Deferred income tax assets		-	1,678,707
Other non-current assets	4	21,456,454	27,351,277
Total non-current assets		107,343,232	1,134,423,913
<b>Total assets</b>		<b>727,599,478</b>	<b>7,739,315,298</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current liabilities</b>			
Accounts payable and other current liabilities	8	163,203,517	15,527,087
Due to related parties	10	24,662,941	21,420,000
		187,866,458	36,947,087
<b>Current liabilities – discontinued operation</b>			
Provision for transaction cost	6	33,760,000	33,760,000
Capital gains tax payable	6	-	909,280,125
Total current liabilities		221,626,458	979,987,212
<b>Non-current liability</b>			
Deferred tax liability		1,841,389	-
Total liabilities		223,467,847	979,987,212
<b>Equity</b>			
Share capital		356,104,000	356,104,000
Share premium	9	67,618,617	602,885,517
Treasury shares	9	(62,141,745)	(2,667,645)
Retained earnings	9	142,550,759	5,803,006,214
Total equity		504,131,631	6,759,328,086
<b>Total liabilities and equity</b>		<b>727,599,478</b>	<b>7,739,315,298</b>

The notes from pages 6 to 25 are an integral part of these interim consolidated financial statements.

**Keppel Philippines Properties, Inc. and Subsidiaries**

Interim Consolidated Statements of Comprehensive Income  
For each of the six months ended June 30  
(All amounts in Philippine Peso)

	Notes	Quarters Ended June 30,		Six Months Period Ended June 30,	
		2024 (Unaudited)	2023 (Unaudited)	2024 (Unaudited)	2023 (Unaudited)
<b>Gross revenue</b>					
Interest income	2	54,281,137	91,353	139,901,344	186,934
Share in net income of associates	7	719,700	75,157	5,914,820	130,723
Management consultancy and franchise fees		-	11,826,088	-	23,948,942
<b>Income from continuing operations</b>		55,000,837	11,992,598	145,816,164	24,266,599
General and administrative expenses	11	(20,646,069)	(15,413,153)	(25,195,686)	(26,682,124)
Other income, net		111,584,712	1,413,786	125,827,344	2,633,304
<b>Net income (loss) before income tax from continuing operations</b>		145,939,480	(2,006,769)	246,447,822	217,779
Income tax expense		(9,773,977)	(670,777)	(30,955,331)	(1,892,561)
<b>Net income (loss) from continuing operations</b>		136,165,503	(2,677,546)	215,492,491	(1,674,782)
<b>Income from discontinued operation</b>					
Share in net income of associates and joint venture		-	-	-	58,596,561
<b>Net income (loss) for the period</b>		136,165,503	(2,677,546)	215,492,491	56,921,779
Other comprehensive loss		-	-	-	(11,105)
<b>Comprehensive income (net) for the period</b>		136,165,503	(2,677,546)	215,492,491	56,910,674
<b>Basic earnings (loss) per share from continuing operations</b>	13	0.46	(0.01)	0.73	(0.01)
<b>Basic earnings per share from discontinued operations</b>	13	-	-	-	0.20
<b>Basic earnings (loss) per share</b>	13	0.46	(0.01)	0.73	0.19

The notes from pages 6 to 25 are integral part of these interim consolidated financial statements.

**Keppel Philippines Properties, Inc. and Subsidiaries**

Interim Consolidated Statements of Changes in Equity  
For each of the six months ended June 30  
(All amounts in Philippine Peso)

	Share capital		Share premium	Treasury shares	Other reserves	Retained earnings	Total equity
	Common	Preferred					
<b>Balances at January 1, 2024</b>	296,629,900	59,474,100	602,885,517	(2,667,645)	-	5,803,006,214	6,759,328,086
Total comprehensive income for the period	-	-	-	-	-	215,492,491	215,492,491
Redemption of preferred shares	-	-	(535,266,900)	(59,474,100)	-	(1,427,378,400)	(2,022,119,400)
Declaration of cash dividends	-	-	-	-	-	(4,448,569,546)	(4,448,569,546)
<b>Balances at June 30, 2024</b>	296,629,900	59,474,100	67,618,617	(62,141,745)	-	142,550,759	504,131,631
<b>Balances at January 1, 2023</b>	296,629,900	59,474,100	602,885,517	(2,667,645)	1,682,548	2,512,873,373	3,470,877,793
Total comprehensive income (loss) for the period	-	-	-	-	(11,105)	56,921,779	56,910,674
<b>Balances at June 30, 2023</b>	296,629,900	59,474,100	602,885,517	(2,667,645)	1,671,443	2,569,795,152	3,527,788,467

The notes on pages 6 to 25 are integral part of these interim consolidated financial statements.

## Keppel Philippines Properties, Inc. and Subsidiaries

Interim Consolidated Statements of Cash Flows  
For each of the six months ended June 30  
(All amounts in Philippine Peso)

	Notes	2024 (Unaudited)	2023 (Unaudited)
<b>Cash flows from operating activities</b>			
Income before income tax			
Continuing operations		246,447,822	217,779
Discontinued operation		-	58,596,561
Income before income tax		246,447,822	58,814,340
Adjustments from continuing operations:			
Depreciation and amortization expense	11	51,541	2,725,435
Share in net income of associates	7	(5,914,820)	(130,723)
Unrealized foreign exchange gain	12	(7,365,556)	(12,974)
Interest income	2	(139,901,344)	(186,934)
Interest expense on lease liability		-	290,370
Retirement benefit expense		-	243,715
Gain on reversal of liabilities		-	(502,325)
Gain on sale of office equipment		-	(3,491)
Adjustments from discontinued operation -			
Share in net income of associates and joint venture		-	(58,596,561)
Operating income before working capital changes		93,317,643	2,640,852
Decrease (increase) in:			
Receivables		12,775,687	(4,494,928)
Due from related parties		3,295,835	4,818,375
Prepayments and other current assets		(1,498,313)	(2,256,160)
Increase in:			
Accounts payable and other current liabilities		149,906,155	2,375,083
Due to related parties		3,242,941	4,008,821
Net cash used in operations		261,039,948	7,092,043
Interest income received		146,190,243	208,098
Interest portion of lease liability paid		-	(290,370)
Income taxes paid		(27,295,724)	(5,152,088)
Net cash from operating activities		379,934,467	1,857,683
<b>Cash flows from investing activities</b>			
Dividend income received	7	946,083,200	-
Proceeds from redemption of preferred shares	5	79,287,230	-
Proceeds from sale of office equipment			3,491
Acquisition of assets			(37,049)
Discontinued operation:			
Proceeds from sale of an investment in joint venture	6	6,994,777	-
Payment of capital gains tax payable related to the sale of an investment in joint venture	6	(909,280,125)	-
Net cash from (used in) investing activities		123,085,082	(33,558)
<b>Cash flows from financing activity</b>			
Payments for the principal portion of lease liability		-	(2,476,915)
Payment for the redemption of preferred shares	9	(2,022,119,400)	
Dividend paid to stockholders	9	(4,448,569,546)	
Net cash used in financing activity		(6,470,688,946)	(2,476,915)

	Notes	2024 (Unaudited)	2023 (Unaudited)
<b>Effect of changes in foreign exchange rates in cash equivalents</b>		7,365,556	-
<b>Net decrease in cash and cash equivalents</b>		(5,960,303,841)	(652,790)
Cash and cash equivalents at January 1		6,546,707,097	39,719,571
<b>Cash and cash equivalents at June 30</b>		586,403,256	39,066,781

The notes on pages 6 to 25 are integral part of these interim consolidated financial statements.

## Keppel Philippines Properties, Inc. and Subsidiaries

Notes to Interim Consolidated Financial Statements

As at and for the six months ended June 30, 2024

(With comparative figures as at December 31, 2023 and for the six months ended June 30, 2023)

(In the Notes, all amounts are shown in Philippine Peso, unless otherwise indicated)

### **Note 1 - Corporate information**

Keppel Philippines Properties, Inc. (KPPI or the “Parent Company”) was incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC) on February 7, 1918 primarily to invest or acquire interest in, purchase, own or hold, directly or indirectly, shares of stocks and to undertake in property development activities through its associates and joint venture. The Parent Company’s corporate life was extended for another fifty (50) years starting February 7, 1968. On May 5, 2017, the Parent Company’s corporate life was further extended for another fifty (50) years from February 6, 2018.

The Parent Company is listed in the Philippine Stock Exchange (PSE) through an initial public offering (IPO) in 1989. There was no follow-on offering after the IPO. Its immediate parent company is Keppel Management Ltd. (KML; previously known as Keppel Land Limited) and the ultimate Parent Company is Keppel Ltd. (KL, previously known as Keppel Corporation Limited), both incorporated in Singapore. KL is listed in the Singapore Exchange Securities Trading Limited.

The Group’s principal office address is 26<sup>th</sup> Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills East, Mandaluyong City.

As at June 30, 2024 and December 31, 2023, the top five shareholders of the Parent Company are the following:

Shareholders	Percentage of ownership
KML	50%
Kepwealth, Inc.	17%
KL	12%
Molten Pte Ltd	7%
Public*	14%

\*8% direct ownership and 6% through PCD Nominee Corporation

The Parent Company holds investments in associates (Note 7).

As at June 30, 2024 and December 31, 2023, the Parent Company’s subsidiaries and associates, which were all incorporated in the Philippines are as follows:

	Percentage of ownership	Effective ownership interest	Nature of business
Subsidiaries			
CSRI Investment Corporation (CSRI)	100	100	Investment holding
Buena Homes, Inc. (BHI)	100	100	Investment holding
Associates			
Opn Realty and Development Corporation (ORDC)	40	40	Investment holding
Opn Ventures, Inc. (OVI)	40	64	Investment holding
Opn-KE Properties, Inc. (OKEP)	40	78	Investment holding

CSRI was incorporated in the Philippines on 25 October 1990. CSRI, a wholly owned subsidiary of KEP, is a holding company with investments in marketable equity securities and other investments. On 02 December 2022, CSRI’s Board of Directors approved the dissolution through shortening of CSRI’s corporate term effective on 31 January 2024 which was approved by the SEC on



03 February 2023. On 25 March 2024, the Municipality of Mandaluyong City issued a certificate of CSRI's retirement of business. On 26 April 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7,796,025 resulting in derecognition of its investment in CSRI.

BHI was incorporated in the Philippines on 25 May 2000. BHI, a wholly owned subsidiary of KEP, was previously engaged in property holding and development. On 14 November 2023, BHI's Board of Directors approved the dissolution through shortening of BHI's corporate term effective on 31 January 2025 which was approved by the SEC on 31 January 2024. As at date, BHI is in the process of its liquidation and application for closure with the relevant local government units and with the Bureau of Internal Revenue (BIR).

### **Note 2 – Cash and cash equivalents**

Cash and cash equivalents consist of:

	June 30, 2024	December 31, 2023
Cash equivalents	460,695,423	6,528,215,204
Cash in banks	125,657,833	18,436,893
Cash on hand	50,000	55,000
	<u>586,403,256</u>	<u>6,546,707,097</u>

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term deposits made for varying periods of up to three (3) months from maturity and earns interest at the respective short-term deposit rates that range from 3.00% to 6.00% per annum in 2023 and 4.00% to 6.00% per annum in 2024.

Interest income from cash and cash equivalents amounted P139.9 million and Po.2 million for the period ended June 30, 2024 and 2023, respectively. Accrued interest receivable on short-term deposits is presented as part of "Receivables" (Note 3).

### **Note 3 - Receivables**

Receivables consist of:

	June 30, 2024	December 31, 2023
Accrued interest	1,540,606	7,829,505
Receivable from SMKL	87,089	1,069,138
Withholding tax receivables	1,540	1,207,023
Accrued income	-	10,619,656
Others	78,302	46,801
	<u>1,707,537</u>	<u>20,772,123</u>

Accrued interest pertains to income accrued from the Group's short-term deposits and are collectible within 30 to 90 days.

Receivable from SM Keppel Land, Inc. (SMKL) represents non-interest bearing and unsecured advances made to SMKL that are collectible within 30 to 90 days.

Withholding tax receivables represent withholding taxes whose creditable withholding tax certificates have not yet been received.

**Note 4 - Prepayments and other current assets; Other non-current assets**

Prepayments and other current assets consist of:

	June 30, 2024	December 31, 2023
Tax credit	21,420,000	21,420,000
Creditable withholding taxes	9,620,669	4,882,198
Prepayments	549,126	357,447
Input value added tax (VAT)	474,059	380,309
	32,063,854	27,039,954

Tax credit includes tax credit received from the Bureau of Internal Revenue (BIR) for the withholding and remittance of final withholding taxes in relation to the Parent Company's redemption of preferred shares in year 2010 (Note 10). This can be applied against future applicable income tax liabilities per the BIR rules and regulations and is valid until May 16, 2027. In January 2024, the Parent Company has applied for the cash conversion of the tax credit and is awaiting approval from BIR, and the Parent Company assessed to receive the refund in year 2024.

Creditable withholding taxes pertain to the amounts withheld by the Group's counterparties in relation to management fees which management has determined that these are recoverable and can be applied against future income taxes. As at June 30, 2024 and December 31, 2023, the Group expects to utilize P9.6 million of the creditable withholding taxes within one (1) year. The remaining creditable withholding taxes amounting to P21.5 million and P27.4 million as at June 30, 2024 and December 31, 2023, respectively, and is classified and presented as part of "Other non-current assets."

Prepayments pertain to the unamortized portion of PSE annual listing fee, insurance and software support fee for the Company's accounting system. Prepayments also include security and utility deposits from existing lease term agreement

Input VAT represents the amount of VAT that the Group paid on the goods and services it purchased.

**Note 5 - Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income (FVOCI) consist of:

	June 30, 2024	December 31, 2023
Club shares (a)	225,000	225,000
Preferred equity securities (b)	-	79,287,230
	225,000	79,512,230

*(a) Club shares*

The original cost in investment in the Club Filipino Inc. de Cebu shares amounted to P0.2 million as at June 30, 2024 and December 31, 2023. No movement in the fair value gains on financial assets at FVOCI was recognized by the Parent Company for the six months ended June 30, 2024 and 2023.

*(b) Preferred equity securities*

Preferred equity securities pertain to investments in redeemable preferred shares of OKEP and OVI which were acquired in 2012 at ten pesos (P10) per share. These investments are classified as financial assets at FVOCI as the characteristics of the investments do not give the Group significant influence over OKEP and OVI. These investments are carried at cost less impairment as they do not have a quoted market price in an active market and their fair values cannot be reliably measured.

The features and conditions of the redeemable preferred shares are as follows:

- Non-voting, except for the cases provided for under Section 6, Paragraph 6 of the Corporation Code of the Philippines.
- Entitled to preference in the distribution of dividends. After payment of such preferred dividends, the holders of such preferred shares shall be entitled to participate pro rata with holders of common shares in the remaining profits.
- Redeemable at the option of the issuer, in full or in part, within a period of ten (10) years from date of issuance, at a price to be determined by the Board of Directors (BOD).
- If not redeemed within the period of ten (10) years, the holder shall have the option to:
  - (a) Convert the preferred shares to participating preferred shares; or
  - (b) Hold the redeemable preferred shares for another five (5) years, after which the holder can choose to convert to either common shares or participating preferred shares.

Redeemable preferred shares of OKEP and OVI are redeemable at the option of the issuer within a call period of ten (10) years from March 2, 2012 and February 29, 2012, respectively. Upon expiration of the redemption period, OKEP and OVI did not exercise its right to redeem the preferred shares from the Parent Company. On May 11, 2022, the Parent Company's BOD approved to hold the redeemable preferred shares for another five (5) years. On July 29, 2022, the BOD of OKEP and OVI accepted the Parent Company's decision to continue to hold the preferred shares.

On February 2, 2024, the Parent Company's BOD approved the acceptance of OKEP and OVI's redemption of 3,128,722 and 4,800,000 preferred shares, respectively, held by the Parent Company at a redemption price equivalent to the issue price of P10.00 per share. The Parent Company collected redemption price from OKEP and OVI amounting to P31.3 million and P48.0 million, respectively, on February 12, 2024.

#### **Note 6 – Sale of investment in joint venture**

On March 25, 2023, a Share Purchase Agreement was executed between the shareholders of SMKL for KPPI and OKEP (collectively the "Seller") to sell all its redeemable preferred shares and common shares in SMKL constituting 40% and 10% interest held in SMKL, respectively, to BDO Unibank, Inc. (BDO). The completion of the sale had been subjected to the satisfaction of conditions precedent, including but not limited to the obtaining of the requisite regulatory approvals and shareholders' approval of KPPI and OKEP.

With the expected recovery of the investment's carrying value through sale, the Group's investment in SMKL (previously presented under non-current assets as "Investment in associates and joint venture") was classified as "Investment in joint venture held-for-sale" in accordance with PFRS 5, Noncurrent assets held-for-sale and discontinued operation. The carrying amount of this investment amounted to P2,902.7 million as at March 31, 2023 and is deemed to be lower as compared to its fair value less cost to sell. The Parent Company determined the fair value less cost to sell to be the agreed price stated at the Share Purchase Agreement reduced by incremental related expenses (cost to sell). There were no significant movement in carrying value from March 25 to March 31, 2023.

The carrying amount of the investment in joint venture as at March 31, 2023 follows:

	Note	Amount
January 1		
Cost		602,645,772
Accumulated share in equity		2,251,022,018
		2,853,667,790
Share in equity of SMKL		48,993,780
March 31	7	2,902,661,570

The Group recognized share in equity from SMKL's operation from January 1, 2023 up until March 31, 2023, the date of re-classification to assets held-for-sale, in accordance with the share purchase agreement. The amount is recorded under share in net income of associates and joint venture in the consolidated statements of total comprehensive income.

The sale was completed with the satisfaction of all conditions precedent on December 22, 2023 (the closing date).

Below summarizes the details of the sale of the investment in joint venture.

	Note	Amount
Purchase price		6,528,677,503
Cost to sell		(35,164,170)
Net purchase price		6,493,513,333
Carrying amount of investment in joint venture held-for-sale	7	(2,902,661,570)
Gain on sale of investment in joint venture before taxes		3,590,851,763
Capital gains tax		(909,280,125)
Gain on sale of investment in joint venture after taxes		2,681,571,638

The purchase price consists of share in the net asset value of SMK L after adjustments as approved and agreed between the Sellers and BDO as at closing date. On the same date, the Parent Company has collected P6,521.7 million of the purchase price, while the remaining P7.0 million was collected in January 2024. The cost to sell include actual incurred transaction costs amounting to P1.4 million and provisions amounting to P33.8 million for the Parent Company's share in any unrecorded liabilities and condominiumization expense of SMK L to be determined no later than one year from its sale, which were agreed between the Sellers and BDO in the Share Purchase Agreement.

Capital gains tax resulted from the gain on sale of investment in joint venture, payable within 30 days from the completion of the sale. This tax was paid in January 2024.

The Parent Company's share in net income of associates from OKEP's sale of its 10% interest in SMK L are summarized below:

	Gain on sale of SMK L investment	Parent Company ownership	Parent Company's share
OKEP	705,856,269	40%	282,342,508
OVI	423,513,761	40%	169,405,505
ORDC	254,108,257	40%	101,643,302
Total	1,383,478,287		553,391,315

For the period from January 1 to March 31, 2023, the Parent Company recognized share in net income in SMK L through OKEP amounting to P9.6 million.

Following the sale of investment in joint venture, the Parent Company presented the resulting gain on sale of its investment in joint venture and the Parent Company and OKEP's share in net income of SMK L from January 1 to March 31, 2023 as part of discontinued operation in the statement of total comprehensive income. Prior year's share of the Parent Company and OKEP's share in net income of SMK L were also reclassified for comparative information and presentation.

Likewise, the assets and liabilities related to the sale of investment in joint venture which include Receivable from sale of investment in joint venture, Capital gains tax payable and Provision for transaction cost, are presented as part of discontinued operation in the consolidated statement of financial position as of December 31, 2023.

## Note 7 - Investments in associates

Details of investments in associates are as follows:

	Note	June 30, 2024	December 31, 2023
<b>Cost</b>			
At January 1		51,343,671	653,989,443
Sale of investment in joint venture	6	-	(602,645,772)
At period/year end		51,343,671	51,343,671
<b>Accumulated share in results of associates and a joint venture presented in profit or loss</b>			
At January 1		973,715,859	2,659,681,540
Share in results of associates and joint venture			
Continuing operations		5,914,820	2,062,241
Discontinued operations	6	-	611,987,876
		5,914,820	614,050,117
Sale of investment in joint venture	6	-	(2,300,015,798)
At period/year end		979,630,679	973,715,859
Cash dividends received		(946,083,200)	-
<b>Presented in other comprehensive income</b>			
At January 1		624,947	624,947
Share in other comprehensive income		-	-
At period/year end		624,947	624,947
		85,516,097	1,025,684,477

The carrying values of the Group's investments in associates, the related percentages of ownership and the cash dividends received are shown below:

	Percentage of ownership		Carrying amount		Cash dividends
	June 30, 2024	December 31, 2023	June 30, 2024	December 31, 2023	June 30, 2024
Associates					
OKEP (i)	40%	40%	45,560,671	549,796,106	507,383,200
OVI (ii)	40%	40%	24,805,384	296,736,863	273,760,000
ORDC (iii)	40%	40%	15,150,042	179,151,508	164,940,000
			85,516,097	1,025,684,477	946,083,200

No dividends were received in 2023. These investments were accounted for using the equity method. As at June 30, 2024 and December 31, 2023, there were no quoted prices for these investments.

These associates were all incorporated and have their principal place of business in the Philippines.

### (i) OKEP

OKEP is 40%-owned by the Parent Company and 60%-owned by OVI. The Group has determined that it does not have control over OKEP in its operating and financing policies and capital decisions.

### (ii) OVI

OVI is 40%-owned by the Parent Company and 60%-owned by ORDC. The Group has determined that it does not have control over OVI in its operating and financing policies and capital decisions.

(iii) ORDC

ORDC is 40%-owned by the Parent Company and 60%-owned by Keppel Philippines Marine, Inc. Retirement Plan (KPMIRP). Majority of the BOD members of ORDC are independent of the Parent Company and act in the interest of KPMIRP. As such, the Group has determined that it does not have control over ORDC.

The primary purpose of OKEP, OVI and ORDC is to acquire by purchase, lease, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds.

**Note 8 – Accounts payable and other current liabilities**

The account consists of:

	June 30, 2024	December 31, 2023
Dividends payable	152,955,343	553,981
Accrued expenses	8,450,601	10,239,844
Taxes payable	1,584,975	1,745,339
Accounts payable	212,598	-
Output VAT, net	-	1,555,644
Deferred output VAT, net	-	1,432,279
	163,203,517	15,527,087

On April 12, 2024, the Parent Company declared cash dividends amounting to P15.14 per common share for stockholders of record as of April 29, 2024, payable on May 22, 2024. The dividends payable mainly pertain to the P152.4 million unclaimed cash dividends from the said dividend declaration. This also includes amounts declared when the Parent Company's name was still Cebu Shipyard and Engineering Works, Inc.

Accrued expenses mainly pertain to accruals on salaries and other employee benefits and other operating expenses which are to be settled within 30 to 60 days.

Taxes payable pertain to the amount withheld for transactions subject to withholding tax which are to be remitted the following month after the reporting date.

Accounts payable represent payable to suppliers and are normally settled within 30 to 60 days.

**Note 9 - Equity**

*(a) Share capital and treasury shares*

Share capital consist of:

	June 30, 2024		December 31, 2023	
	Number of shares	Amount	Number of shares	Amount
Common shares - P1 par value				
Authorized	375,000,000		375,000,000	
Issued	296,629,900	296,629,900	296,629,900	296,629,900
Preferred shares - P1 par value				
Authorized	135,700,000		135,700,000	
Issued	59,474,100	59,474,100	59,474,100	59,474,100
		356,104,000		356,104,000
Treasury shares	(62,275,100)	(62,141,745)	(2,801,000)	(2,667,645)
		293,962,255		353,436,355

Preferred shares, which were issued on November 11, 2003 at a price of P10 per share, are redeemable in full or in part at the option of the Parent Company, within a call period of seven (7) years from May 31, 2011, the date of approval of the SEC. On April 5, 2019, the SEC approved the extension of the redemption period for another five (5) years expiring on May 31, 2023. On November 20, 2023, SEC approved the extension for another one (1) year until May 31, 2024.

The redeemable preferred shares have the following terms and conditions:

- No voting rights, except on matters specifically provided for under Section 6, Paragraph 6 of the Corporation Code of the Philippines.
- Redemption price will be equivalent to the issue price with an annual premium to be approved by the BOD. Likewise, the fairness of the annual premium must be confirmed by an independent financial advisor.
- No dividend entitlement.
- Preference over common shareholders with respect to the distribution of assets upon dissolution.

On December 22, 2023, the BOD approved and authorized the redemption of 59,474,100 redeemable preferred shares held by KML at a redemption price of Php10.00 per share plus an annual premium of 12% payable in cash upon redemption. The BOD determined the annual premium rate after taking into consideration the opinion of the independent financial advisor and research on pricing of preferred shares of comparable companies and KML's long-term investment in the Parent Company.

On May 22, 2024, KPPI redeemed KML's 59,474,100 redeemable preferred shares at a redemption price of Php10.00 per share plus an annual premium of 12% for and in consideration of P2,022.1 million in cash settlement.

*(b) Share premium*

The details of share premium presented in the consolidated statement of financial position and consolidated statement of changes in equity are as follows:

	June 30, 2024	December 31, 2023
Common shares	67,618,617	67,618,617
Preferred shares	-	535,266,900
	<u>67,620,671</u>	<u>602,885,517</u>

*(c) Retained earnings*

As at June 30, 2024, total retained earnings of the Group amounted to P142.6 million (2023 – P5,803.0 million). These amounts are not available for distribution as dividends until declared by the associates.

Retained earnings are further restricted for the payment of dividends to the extent of the cost of shares held in treasury as at June 30, 2024 and December 31, 2023.

On December 22, 2023, the BOD approved and authorized the appropriation of Retained Earnings amounting to P1,427.4 million corresponding to the annual premium on the Parent Company's redeemable preferred shares.

On April 12, 2024, the BOD of KPPI approved the declaration and payment of cash dividends of P15.14/share to stockholders of record as of April 29, 2024 payable on May 22, 2024. The Group has remaining unpaid cash dividend amounting to P153.0 million as of June 30, 2024 (Note 8).

**Note 10 - Related party disclosures**

In the normal course of business, the Group transacts with companies which are considered related parties under PAS 24, *Related Party Disclosures*. The significant related party transactions for the six months ended June 30 and outstanding balances as at June 30, 2024 and December 31, 2023 are as follows:

Related party	Transactions		Outstanding receivable (payable)		Terms and conditions
	2024 (6 months)	2023 (6 months)	2024	2023	
<b>Due from related parties</b>					
<b>Associates</b>					
<b>OKEP</b>					
Operating advances (a)	65,227	108,333	-	15,095	Non-interest-bearing, unsecured, collectible in cash upon demand
<b>OVI</b>					
Operating advances (a)	34,482	108,333	-	3,308,571	Non-interest-bearing, unsecured, collectible in cash upon demand
<b>ORDC</b>					
Operating advances (a)	31,721	163,237	-	13,595	Non-interest-bearing, unsecured, collectible in cash upon demand
<b>Affiliates</b>					
<b>Keppel Philippine Holdings, Inc.</b>					
Operating advances (a)	54,817	-	54,817	13,391	Non-interest-bearing, unsecured, collectible in cash upon demand
<b>Kepwealth, Inc.</b>					
Operating advances (a)	-	-	13,391	13,391	Non-interest-bearing, unsecured, collectible in cash upon demand
<b>Kepventures, Inc.</b>					
Operating advances (a)	-	-	13,391	13,391	Non-interest-bearing, unsecured, collectible in cash upon demand
			<b>81,599</b>	<b>3,377,434</b>	
<b>Entities under common control</b>					
<b>KML</b>					
Tax credit (b)	-	-	(21,420,000)	(21,420,000)	Non-interest-bearing, unsecured, payable in cash upon demand
Operating advances (b)	(3,164,959)	-	(3,164,959)	-	Non-interest-bearing, unsecured, payable in cash upon demand
<b>KL(RI)</b>					
Operating advances (c)	(2,404,127)	(4,319,395)	(77,982)	-	Non-interest-bearing, unsecured, payable in cash upon demand
			<b>(24,662,941)</b>	<b>(21,420,000)</b>	
<b>Shareholders</b>					
<b>Dividends payable</b>					
Cash dividends (d)	(4,448,569,564)	-	(152,955,343)	(553,981)	Outstanding balance is payable in cash on pay-out date as approved by the Company's BOD, non-interest bearing and unsecured

- (a) The Parent Company made operating advances for expenses incurred by its associates and affiliates. These operating advances represent expenses incurred in the normal operations paid on behalf of the Group's associates and affiliates. These are recharged at cost.
- (b) Tax credit pertains to the withholding tax credit from the BIR in year 2022 amounting to P21.4 million in relation to the Parent Company's redemption of preferred shares in year 2010. Operating advances for the expenses incurred by the Group from KML are recharged at cost.
- (c) Keppel Land (Regional Investments) Pte. Ltd. (KL(RI)), an entity under common control, provide support services to the Group. Operating advances for the expenses incurred by the Group from KL(RI)



are recharged at cost.

- (d) On April 12, 2024, the BOD of KPPI approved the declaration and payment of cash dividends of P15.14/share to stockholders of record as of April 29, 2024 payable on May 22, 2024. The Group has remaining unpaid cash dividend amounting to P153.0 million as of June 30, 2024 (Note 8).

Transactions related to key management personnel of the Group for the six months ended June 30 are as follows:

	2024	2023
Salaries and other short-term employee benefits	1,418,652	9,966,649
Bonuses and allowances	497,000	1,100,700
	1,915,652	11,067,349

There were neither share-based compensation, termination benefits nor other long-term benefits given to key management personnel as at and for the periods ended June 30, 2024 and 2023. There were no outstanding balances with key management personnel as at June 30, 2024 and 2023.

Details of related party transactions for the six months ended June 30 and outstanding balances as at June 30, 2024 and December 31, 2023 that were eliminated during consolidation are as follows:

Subsidiary	Transactions		Outstanding receivable		Terms and conditions
	2024 (6 months)	2023 (6 months)	2024	2023	
Due from subsidiaries					
BHI	72,302	118,855	-	25,658	Non-interest-bearing, unsecured, collectible in cash upon demand
CSRI	9,447	123,591	-	13,595	
			-	39,253	

#### **Note 11 - General and administrative expenses**

General and administrative expenses for the six months ended June 30 are as follows:

	2024	2023
Professional fees	11,075,193	3,117,129
Taxes and licenses	8,781,181	2,867,975
Salaries and employee benefits	2,585,391	14,138,765
Rental	715,968	304,393
Repairs and maintenance	680,830	577,852
Transportation and travel	559,177	304,635
Postage, printing, and advertising	216,607	186,647
Membership and dues	126,750	710,295
Representation and entertainment	111,578	27,361
Utilities	52,157	925,912
Depreciation and amortization	51,541	2,725,435
Bank and other charges	37,531	22,457
Insurance	29,385	224,115
Office supplies	11,976	27,597
Retirement benefit expense	-	243,715
Other expenses	160,421	277,841
	25,195,686	26,682,124

Other expenses consist of storage costs, photocopy charges and janitorial services.

## **Note 12 – Other income, net**

Other income, net for the six months ended June 30 are as follows:

	2024	2023
Foreign exchange gain (loss)	118,364,537	(37,410)
Unrealized foreign exchange gain	7,365,556	12,974
Intercompany charges	97,251	2,442,294
Gain on reversal of liabilities	-	502,325
Gain on sale of property and equipment	-	3,491
Interest expense on lease liabilities	-	(290,370)
	125,827,344	2,633,304

## **Note 13 - Earnings per share**

Earnings per share from continuing operations for the six months ended June 30 are as follows:

	2024	2023
Net income (loss) from continuing operations	215,492,491	(1,674,782)
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings (loss) per share	0.73	(0.01)

Earnings per share from discontinued operation for the six months ended June 30 are as follows:

	2024	2023
Net income from discontinued operation	-	58,596,561
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings per share	-	0.20

Earnings per share from operations for the six months ended June 30 are as follows:

	2024	2023
Net income from operations	215,492,491	56,921,779
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings per share	0.73	0.19

The Group has no potential shares that will have a dilutive effect on income per share.

The weighted average number of shares outstanding as at June 30, 2024 and 2023 is computed as follows:

Issued shares	296,629,900
Treasury shares	(2,801,000)
Weighted average number of shares outstanding	293,828,900

## **Note 14 - Financial risk and capital management**

### **14.1 Financial risk management**

The Group's principal financial assets and financial liabilities comprise cash and cash equivalents, receivables, financial assets at FVOCI, due to and from related parties, and refundable deposits. The Group has various other financial assets and financial liabilities which arise from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, and liquidity risk. The Group's BOD and management review and agree on the policies for managing each of these risks as summarized below:

*(a) Foreign currency risk*

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's exposure to foreign currency arises from its payables to KL(RI) and time deposits as at June 30, 2024 and December 31, 2023.

The Group's foreign currency-denominated monetary liabilities in United States Dollars (USD) are as follows:

	June 30, 2024
Cash equivalents	2,904,399
Exchange rates	58.68
PHP equivalent	170,430,133

The Group's foreign currency-denominated monetary liabilities in Singaporean dollars (SGD) are as follows:

	June 30, 2024
Due to related parties	73,975
Exchange rates	43.29
PHP equivalent	3,242,941

The Group manages its foreign currency exposure risk by matching receipts and payments in each individual currency. Foreign currency is converted into relevant domestic currency as and when the management deems necessary.

The following table demonstrates the sensitivity to a reasonably possible percentage change as at June 30, 2024 in the Philippine Peso exchange rate, with all other variables held constant, of the Group's income before tax. There is no impact on the Group's equity other than those already affecting the net income.

	USD		SGD	
	Change in variable	Net income before tax increase (decrease)	Change in variable	Net income before tax increase (decrease)
PHP against foreign currency				
- strengthened	1.96%	3,340,431	4.33%	138,663
- weakened	(1.96%)	(3,340,431)	(4.33%)	(138,663)

The Group used the average change in period closing rates in determining the reasonable possible change in foreign exchange rates.

*(b) Credit risk*

Credit risk arises when the counterparty to a financial asset of the Group is unable to fulfill its obligation at the time the obligation becomes due. Credit risk arises from the Group's financial assets, which comprise cash and cash equivalents, receivables, due from related parties, financial asset at FVOCI and refundable deposits. As at June 30, 2024 and December 31, 2023, the carrying values of the Group's financial instruments represent maximum exposure to credit risk at reporting date.

There are no financial assets and liabilities that are offset and reported as net amount in the interim consolidated statement of financial position. There were no amounts subject to an enforceable master netting arrangement or similar agreement as at June 30, 2024 and December 31, 2023.

The Group transacts mostly with related parties, thus, there is no requirement for collateral. The Group's due from related parties are approximately 0.05% and 10.84% of total receivables as at June 30, 2024 and December 31, 2023, respectively.

A default on a financial asset is when the counterparty fails to make contractual payments within 60 days or when they fall due.

Below are the Group's financial assets classified under three categories which reflect their credit risk as at June 30, 2024 and December 31, 2023:

		Stage 1 – Performing	Stage 2 - Underperforming	Stage 3 – Non-performing	Total
<i>June 30, 2024</i>					
Cash and cash equivalents*	(i)	586,353,256	-	-	586,353,256
Receivables**	(ii)	1,705,997	-	-	1,705,997
Due from related parties	(ii)	81,599	-	-	81,599
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits***	(iv)	238,656	-	-	238,656
		588,604,508	-	-	588,604,508
<i>December 31, 2023</i>					
Cash and cash equivalents*	(i)	6,546,652,097	-	-	6,546,652,097
Receivables**	(ii)	26,559,877	-	-	26,559,877
Due from related parties	20(i)	3,377,434	-	-	3,377,434
FVOCI	(iii)	79,512,230	-	-	79,512,230
Refundable deposits***	(iv)	266,655	-	-	266,655
		6,656,368,293	-	-	6,656,368,293

\*Cash and cash equivalents exclude cash on hand.

\*\*Receivables exclude withholding tax receivables.

\*\*\*Refundable deposits is presented under "Prepayments and other current assets."

The above assets were classified by the Group based on changes in credit quality under three-stage model for impairment. Stage 1 pertains to assets of the Group that is not credit-impaired on initial recognition. Stage 2 pertains to assets of the Group with significant increase in credit risk but not yet deemed to be credit-impaired. Financial assets that are credit-impaired are classified under Stage 3.

The Group applies PFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables presented under receivables and due from related parties. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance as at June 30, 2024 and December 31, 2023 was determined as follows:

	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
<i>June 30, 2024</i>				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	1,705,997	-	-	1,705,997
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	81,599	-	-	81,599
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-

	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
<i>December 31, 2023</i>				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	26,559,877	-	-	26,559,877
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	3,377,434	-	-	3,377,434
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	79,512,230	-	-	79,512,230
Loss allowance	-	-	-	-

*(i) Cash and cash equivalents and accrued interest*

Cash and cash equivalents and related accrued interest have minimal exposure to credit risk as the Group only transacts with reputable banks and financial institutions that are independently rated parties with good, if not the highest credit ratings, such as universal and commercial banks as defined by the Philippine Banking System.

The remaining cash in the interim consolidated statement of financial position pertains to cash on hand which is not subject to credit risk.

*(ii) Receivables*

Receivables from related parties

The credit exposure of the Group on receivables from related parties is considered to be low as these parties have no history of default and have a strong credit history. Additionally, credit risk is minimized since the related parties are paying on normal credit terms based on contracts.

The maximum credit risk exposure is equal to the carrying amount as at June 30, 2024 and December 31, 2023.

Other receivables

As at June 30, 2024 and December 31, 2023, other receivables are classified as fully performing and no history of default.

None of the financial assets that are fully performing has been renegotiated in the last year.

*(iii) Financial asset at FVOCI*

Financial asset at FVOCI consist primarily of redeemable preferred shares. Financial asset at FVOCI is reported at carrying amounts which are assumed to approximate their fair values (Note 5).

The maximum credit risk exposure is equal to the carrying amount as at June 30, 2024 and there is no significant credit exposure as at December 31, 2023.

*(iv) Refundable deposits*

Refundable deposits consist primarily of amounts related to the Group's lease agreements. Refundable deposits are reported at their carrying amounts which are assumed to approximate their fair values. There is no significant credit exposure on refundable deposits since these are recoverable at the end of the lease term.

(c) *Liquidity risk*

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and short-term deposits. The Group also monitors its risk to shortage of funds through monthly evaluation of the projected and actual cash flow information.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	More than 3 months to 1 year	More than 1 year	Total
<i>June 30, 2024</i>					
Accounts payable and other current liabilities*	152,955,343	8,663,199	-	-	161,618,542
Due to related parties	24,662,941	-	-	-	24,662,941
	177,618,284	8,663,199	-	-	186,281,483
<i>December 31, 2023</i>					
Accounts payable and other current liabilities*	553,981	10,239,844	-	-	10,793,825
Due to related parties	21,420,000	-	-	-	21,420,000
	21,973,981	10,239,844	-	-	32,213,825

\*Accounts payable and other current liabilities exclude taxes payable.

## 14.2 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Group monitors capital using percentage of debt to equity, which is total liabilities divided by total equity net of treasury shares. The Group's policy is to maintain the percentage of debt to equity ratio below 100%. The Group includes, within total debt, accounts payable and other current liabilities and amounts due to related parties.

The Group's objective is to ensure that there are no known events that may trigger direct or contingent financial obligation that is material to the Group, including default or acceleration of an obligation. There are no changes in the Group's objectives, policies and processes for managing capital from the previous period.

The percentages of debt to equity are as follows:

	June 30, 2024	December 31, 2023
Liabilities	223,467,847	979,987,212
Equity	504,131,631	6,759,328,086
Percentage of debt to equity	44.33%	14.50%

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, the PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Company has fully complied with this requirement.

### **14.3 Fair value estimation**

Due to the short-term nature of the Group's financial instruments, their fair values approximate their carrying amounts as at June 30, 2024 and December 31, 2023, except for financial assets at FVOCI.

The financial assets pertaining to investment in preferred equity shares and unquoted club shares are valued at FVOCI. The management has assessed that the cost less any impairment, if any, is the best estimate for fair value as these do not have a quoted market price in an active market and the Group has performed assessment to determine that cost represents the best estimate of fair value.

An increase in the net asset values of the investees will result to increase in the fair value of the investment in preferred shares. Any fair value gain or loss on these investments is not material to the interim consolidated financial statements.

#### Fair value hierarchy

The valuation of the financial assets at FVOCI is categorized as Level 3 measurement.

During the reporting period ended June 30, 2024 and December 31, 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

### **Note 15 - Summary of significant accounting policies**

#### **15.1 Basis of preparation**

The interim consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards ("PFRS"). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards ("PAS"), and interpretations of the Philippine Interpretations Committee ("PIC"), Standing Interpretations Committee ("SIC") and International Financial Reporting Interpretations Committee ("IFRIC") which have been approved by the Financial Reporting Standards Council ("FRSC") and adopted by the SEC.

The interim consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at FVOCI and plan assets of defined benefit pension plan measured at fair value.

#### Changes in accounting policy and disclosures

*Amendments and improvements to existing standards and interpretations adopted by the Group.*

A number of new standards, amendments to existing standards and interpretations are effective for annual periods after January 1, 2024. None of these standards are expected to have a significant impact on the interim consolidated financial statements of the Group.

#### **15.2 Consolidation**

The interim consolidated financial statements include the accounts of the Parent Company and its subsidiaries as at June 30, 2024 and December 31, 2023 and for each of the period ended June 30, 2024 and 2023. Subsidiaries are all entities over which the Group has control. Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company since the subsidiaries are wholly-owned by the Parent Company.

All intra-group balances, transactions and unrealized gains and losses resulting from intra-group transactions are eliminated in full.

#### *Assessment of control*

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee;
- Exposure, or rights, to variable returns from involvement with the investee; and
- The ability to use power over the investee to affect the amount of the investor's returns

The Group re-assesses whether or not it controls the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

### **15.3 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial instrument in the consolidated statement of financial position, when, and only when, it becomes a party to the contractual provisions of the instrument.

#### Financial assets

##### *(a) Classification*

The Group classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Group did not hold financial assets under the category financial assets at FVPL as at June 30, 2024 and December 31, 2023.

##### *(i) Amortized cost*

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Group's financial assets measured at amortized cost comprise cash and cash equivalents, receivables, due from related parties and refundable deposits in the consolidated statement of financial position.

##### *(ii) Fair value through other comprehensive income*

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. The Group's financial assets measured at FVOCI represent unquoted preferred shares of related parties and unquoted investments in club shares. These are classified as "Financial assets at fair value through other comprehensive income" in the consolidated statement of financial position.



*(b) Recognition and measurement*

(i) Initial recognition and measurement

The measurement at initial recognition did not change on adoption of PFRS 9.

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(ii) Subsequent measurement

*Amortized cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/losses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of total comprehensive income.

*Equity investments*

The Group subsequently measures all equity investments at fair value through profit or loss, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

*(c) Impairment*

The Group applied the simplified approach permitted by PFRS 9, which requires expected lifetime losses to be recognized from initial recognition of receivables and due from related parties. Impairment testing of receivables and due from related parties.

*Equity investments*

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments, a significant or prolonged decline in the fair value of security below its cost is also evidence that the assets are impaired.

If any such evidence exists the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is removed from equity and recognized in profit or loss. Impairment losses recognized in the profit or loss on equity instruments are not reversed through profit or loss.

*(d) Derecognition*

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

## Financial liabilities

### *(a) Classification*

The classification and measurement of financial liabilities under PFRS 9 remains the same as in PAS 39 except where an entity has chosen to measure a financial liability at fair value through profit or loss. For such liabilities, changes in fair value related to changes in own credit risk are presented separately in other comprehensive income. The Group did not measure its financial liabilities at FVTPL as at June 30, 2024 and December 31, 2023.

The Group classifies its financial liabilities in the following categories: financial liabilities at FVTPL (including financial liabilities held for trading and those that designated at fair value); and other financial liabilities. The Group's financial liabilities are limited to other financial liabilities at amortized cost. Financial liabilities at amortized cost pertains to issued financial instruments that are not classified as FVTPL and contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. These are included in current liabilities, except for maturities greater than twelve (12) months after the reporting period which are classified as non-current liabilities.

The Group's trade and other payables (excluding payable to government agencies), and due to related parties are classified under other financial liabilities at amortized cost.

### *(b) Recognition and derecognition*

Financial liabilities not carried at FVTPL are initially recognized at fair value plus transaction costs. Financial liabilities are derecognized when extinguished, i.e., when the obligation is discharged or is cancelled, expires, or paid.

### *(c) Measurement*

Other financial liabilities are carried at amortized cost using the effective interest method.

## Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty. As at June 30, 2024 and December 31, 2023, there were no offsetting of financial assets and liabilities.

## **15.4 Investments in associates**

Associates are entities in which the Group has significant influence, and which are neither subsidiaries nor joint ventures of the Group. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence is similar to those necessary to determine control over subsidiaries.

Investments in associates are accounted for using the equity method of accounting from the date from which the entity becomes an associate. The difference between the cost of the investments and the Group's share of the net fair value of the investee's identifiable assets and liabilities is treated as a "Fair value adjustment" and included in the carrying amount of the investment.

Under the equity method, the investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate, less dividends declared and impairment in value. If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses. The interest in an associate is the carrying amount of the investment in the associate and under the equity

method together with any long-term interests that, in substance, form part of the investor's net investment in the associate. After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss with respect to the Group's net investments in the associates. The consolidated statement of comprehensive income reflects the Group's share in the results of operations of the associates. This is included in the "Share of results of associates" account in the consolidated statement of comprehensive income. After the Group's interest is reduced to zero, additional losses are provided to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any change and discloses this, when applicable, in the consolidated statement of changes in equity.

The reporting dates of the associates and the Group are identical and the accounting policies of the associates conform to those used by the Group for like transactions and events in similar circumstances.

Unrealized gains arising from intercompany transactions with its associates are eliminated to the extent of the Group's interest in the associate. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred.

Upon loss of significant influence over the associates, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associates upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

#### **15.5 Events after the reporting period**

Post period-end events that provide additional information about the Group's position at reporting date (adjusting events) are reflected in the interim consolidated financial statements. Post period-end events that are not adjusting events are disclosed in the interim consolidated financial statements when material.

## **Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

### RESULTS OF OPERATIONS

*Six months ended June 30, 2024 as compared to the same period in 2023*

The net income for the period ended June 30, 2024 increased by ₱158.6 million from ₱56.9 million to ₱215.5 million mainly due to the interest income earned by the proceeds from the sale of investment in joint venture that was placed in short-term time deposits. Other reasons for the increase in net income are as follows.

- Increase in **OTHER INCOME** by ₱123.2 million from ₱2.6 million to ₱125.8 million in 2024 mainly due to realized foreign exchange gain on the Parent Company’s short-term time deposit in USD.
- Decrease in **GENERAL AND ADMINISTRATIVE EXPENSES** by ₱1.5 million from ₱26.7 million to ₱25.2 million in 2024 due to lower salaries, wages and benefits from lower payroll headcount and lower depreciation from fully depreciated assets, partly offset by the payment of one-time remuneration director’s fee and payment of assessed tax arising from the tax audit for year 2022.

The aforementioned increases in net income was partially offset by the following:

- Decrease in **SHARE IN NET INCOME OF ASSOCIATES AND JOINT VENTURE** by ₱52.7 million due to the sale of the investment in joint venture in 2023. Majority of the amount of share in net income is derived from the said joint venture.
- Increase in **INCOME TAX EXPENSE** by ₱29.1 million from ₱1.9 million to ₱31.0 million in 2024 mainly due to the final tax on interest income.
- Decrease in **MANAGEMENT CONSULTANCY AND FRANCHISE FEES** by ₱23.9 million mainly due to the sale of the investment in joint venture in 2023.

### FINANCIAL CONDITION

*As of June 30, 2024 as compared to as of December 31, 2023*

**TOTAL ASSETS** decreased by ₱7,011.7 million from ₱7,739.3 million as of December 31, 2023 to ₱727.6 million as of June 30, 2024. The significant changes in account balances during the period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱5,960.3 million due to the net cash from operating, investing and financing activities such as payment of capital gains tax related to the sale of investment in joint venture, cash dividend paid to stockholders and payment of redeemable preference shares, partly offset by the interest income earned on short-term time deposits and dividend income received from associates.
- **RECEIVABLES; RECEIVABLE FROM SALE OF INVESTMENT IN JOINT VENTURE** decreased by ₱26.1 million mainly due to the collection of remaining receivable from sale of investment in joint venture in 2024.
- **DUE FROM RELATED PARTIES** decreased by ₱3.3 million due to the collection of operating advances made on behalf of the Group’s associates.
- **PREPAYMENTS AND OTHER CURRENT; NONCURRENT ASSETS** decreased by ₱0.8 million mainly due to no longer recognition of creditable withholding taxes related to the management consultancy fees as at June 30, 2024.
- **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** decreased by ₱79.3 million due to the redemption of OKEP and OVI’s preferred shares.

- **INVESTMENTS IN ASSOCIATES** decreased by ₱940.2 million due to the dividends received from associates.
- **DEFERRED INCOME TAX ASSETS, NET** decreased by ₱1.7 million due to the derecognition of deferred tax on accrued bonuses as of June 30, 2024.

**TOTAL LIABILITIES** decreased by ₱756.5 million from ₱980.0 million as of December 31, 2023 to ₱223.5 million as of June 30, 2024 mainly due to the payment of capital gains tax related to the sale of investment in joint venture and payment of withholding taxes related to cash dividend on May 22, 2024.

**TOTAL EQUITY** decreased by ₱6,255.2 million from ₱6,759.3 million as of December 31, 2023 to ₱504.1 million as of June 30, 2024 due to cash dividend declaration on May 22, 2024 and redeemable preference shares.

#### KEY PERFORMANCE INDICATORS

	For the period ended June 30		For the year ended
	2024 (Unaudited)	2023 (Unaudited)	December 31 2023 (Audited)
Return on assets <sup>1</sup>	5.09%	(0.05%)	(0.10%)
Earnings (loss) per share <sup>2</sup>	₱0.73	(₱0.01)	(₱0.02)
Net tangible asset value per share <sup>3</sup>	₱1.72	₱9.98	₱20.98
Working capital ratio <sup>4</sup>	2.80:1	71.79:1	6.74:1
Debt-to-equity ratio <sup>5</sup>	0.44:1	0.01:1	0.14:1

<sup>1</sup> Net income (loss) from continuing operations divided by average total assets

<sup>2</sup> Net income (loss) from continuing operations divided by No. of common stock outstanding

<sup>3</sup> Total assets less liabilities, preferred shares and related share premium divided by No. of common stock outstanding

<sup>4</sup> Total current assets divided by current liabilities

<sup>5</sup> Total liabilities divided by total equity

**TRENDS, EVENTS OR UNCERTAINTIES THAT HAVE HAD OR THAT ARE REASONABLY EXPECTED TO AFFECT REVENUES OR INCOMES**

a) As at June 30, 2024:

- There are no known material commitments for capital expenditures.
- 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 revenues or income from continuing operations.
- There are no significant elements of income or loss that did not arise from the Group's continuing operations.
- There are no seasonal aspects that had a material impact on the results of operations of the Group.

b) 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 Group.

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

d) The Group is not a party to certain lawsuits or claims arising from the ordinary course of business.

**PART II. OTHER INFORMATION**

There are no additional material information to be disclosed which were not previously reported under SEC Form 17-C.

**Keppel Philippines Properties, Inc.**

Aging of Receivables  
As at June 30, 2024  
(All amounts in Philippine Peso)

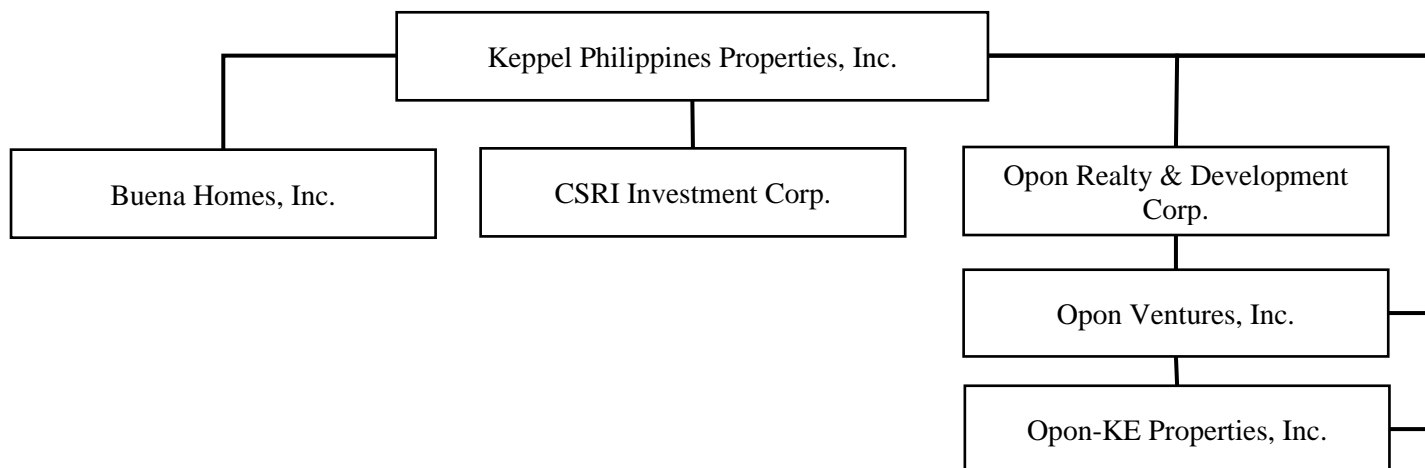
Type of Account Receivable	Neither past due nor impaired	Past due but not impaired				Impaired	Total
		< 30 days	31-90 days	91-120 days	> 120 days		
Non-Trade Receivables							
Accrued interest receivables	1,540,606	-	-	-	-	-	1,540,606
Receivable from SMKL	87,089	-	-	-	-	-	87,089
Others	79,842	-	-	-	-	-	79,842
Sub-total	1,707,537	-	-	-	-	-	1,707,537
Less: Allowance for doubtful accounts	-	-	-	-	-	-	-
<b>Net Receivables</b>	<b>1,707,537</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,707,537</b>

**Account Receivable Description**

Type of Receivables	Nature/Description	Collection Period
Accrued interest receivable	Interest on money market placements	Collectible upon maturity within 30-60 days
Receivables from SMKL	Operating advances	Collectible within 30-90 days
Others		

**Keppel Philippines Properties, Inc. and Subsidiaries**  
 26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills East  
 Mandaluyong City

Keppel Group Structure  
 As at June 30, 2024



<u>Subsidiaries</u>	<u>Percentage of Ownership</u>	<u>Nature of Business</u>
Buena Homes, Inc.	100%	Investment Holding
CSRI Investment Corp.	100%	Investment Holding

<u>Associates</u>	<u>Percentage of Ownership</u>	<u>Nature of Business</u>
Opon Realty & Development Corp.	40%	Investment Holding
Opon Ventures, Inc.	40%	Investment Holding
Opon-KE Properties, Inc.	40%	Investment Holding



## Keppel Philippines Properties, Inc.

### Financial Ratios (All amounts in Philippine Peso)

	June 30, 2024 (Unaudited)	June 30, 2023 (Unaudited)	December 31, 2023 (Audited)
Liquidity/current ratio <sup>1</sup>	2.80:1	71.79:1	6.74:1
Acid test ratio <sup>2</sup>	2.65:1	70.49:1	6.71:1
Solvency ratio <sup>3</sup>	0.96:1	0.23:1	-
Debt-to-equity ratio <sup>4</sup>	0.44:1	0.01:1	0.14:1
Asset-to-equity ratio <sup>5</sup>	1.44:1	1.01:1	1.14:1
Interest rate coverage ratio <sup>6</sup>	N/A	N/A	N/A
Return on equity <sup>7</sup>	5.93%	(0.05%)	(0.11%)
Return on assets <sup>8</sup>	5.09%	(0.05%)	(0.10%)
Net profit margin <sup>9</sup>	147.78%	(6.90%)	(9.46%)
Earnings (loss) per share <sup>10</sup>	₱0.73	(₱0.01)	(₱0.02)

<sup>1</sup> Total current assets divided by total current liabilities

<sup>2</sup> Quick assets (total current assets less investment in a joint venture held for sale, prepayments and other current assets) divided by total current liabilities

<sup>3</sup> Net income (loss) from continuing operations before depreciation and amortization divided by total liabilities

<sup>4</sup> Total liabilities divided by total equity

<sup>5</sup> Total assets divided by total equity

<sup>6</sup> Net income (loss) from continuing operations before interest expense and tax divided by interest expense

<sup>7</sup> Net income (loss) from continuing operations after tax divided by average total equity

<sup>8</sup> Net income (loss) from continuing operations after tax divided by average total assets

<sup>9</sup> Net income (loss) from continuing operations after tax divided by gross income

<sup>10</sup> Net income (loss) from continuing operations after tax divided by no. of common stock outstanding

**Keppel Philippines Properties, Inc. and Subsidiaries**

Schedule A  
Financial Assets  
As at June 30, 2024  
(All amounts in Philippine Peso)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Income received and accrued
Financial assets at fair value through other comprehensive income			
Club Filipino Inc. de Cebu	12	225,000	-
Total financial assets at fair value through other comprehensive income		225,000	-
Cash and cash equivalents*		586,403,256	139,901,344
Receivables**		1,707,537	-
Due from related parties		81,599	-
Refundable deposits***		238,656	-
<b>Total financial assets</b>		<b>588,656,048</b>	<b>139,901,344</b>

\*Cash and cash equivalents exclude cash on hand.

\*\*Receivables exclude withholding tax receivables.

\*\*\*Refundable deposits is presented under "Prepayments and other current assets."

## Keppel Philippines Properties, Inc. and Subsidiaries

### Schedule B Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties) As at June 30, 2024 (All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amounts written off	Current	Non-current	Balance at end of year
Opon-KE Properties, Inc.	15,095	65,227	(80,322)	-	-	-	-
Opon Ventures, Inc.	3,308,571	34,482	(3,343,053)	-	-	-	-
Opon Realty and Development Corporation	13,595	31,721	(45,316)	-	-	-	-
Keppel Philippine Holdings, Inc.	13,391	54,817	(13,391)	-	54,817	-	54,817
Kepwealth, Inc.	13,391	-	-	-	13,391	-	13,391
Kepventures, Inc.	13,391	-	-	-	13,391	-	13,391

## Keppel Philippines Properties, Inc. and Subsidiaries

### Schedule C

#### Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

As at June 30, 2024

(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts provided for/ written off	Current	Non-current	Balance at end of period
Buena Homes, Inc.	25,658	72,302	(97,960)	-	-	-	-
CSRI Investment Corporation	13,595	9,447	(23,042)	-	-	-	-
Total	39,253	81,750	-	-	-	-	-

**Keppel Philippines Properties, Inc. and Subsidiaries**

Schedule D  
Long Term Debt  
As at June 30, 2024  
(All amounts in Philippine Peso)

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
<b>Not Applicable</b>			

**Keppel Philippines Properties, Inc. and Subsidiaries**

Schedule E  
Indebtedness to Related Parties  
As at June 30, 2024  
(All amounts in Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
Keppel Management Ltd.	21,420,000	24,584,959
Keppel Land (Regional Investments), Pte. Ltd.	-	77,982

**Keppel Philippines Properties, Inc. and Subsidiaries**

Schedule F  
Guarantees of Securities of Other Issuers  
As at June 30, 2024  
(All amounts in Philippine Peso)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
<b>Not Applicable</b>				

**Keppel Philippines Properties, Inc. and Subsidiaries**

Schedule G  
Capital Stock  
As at June 30, 2024

The details of authorized and paid-up capital stock are as follows:

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Common shares of stock	375,000,000	296,629,900	-	-	-	-
Treasury stock		(2,801,000)	-	-	-	-
Outstanding common stock		293,828,900	-	255,133,693	10,007	38,685,200
Preferred stock	135,700,000	59,474,100	-	-	-	-
<b>Total</b>		<b>353,303,000</b>	<b>-</b>	<b>255,133,693</b>	<b>10,007</b>	<b>38,685,200</b>



## Keppel Philippines Properties, Inc.

### Reconciliation of Retained Earnings Available for Dividend Declaration As at June 30, 2024 (All amounts in Philippine Peso)

Unappropriated Retained Earnings, <i>beginning of the period</i>	3,450,513,374
Add: Category A: Items that are directly credited to Unappropriated retained earnings	
Reversal of Retained earnings appropriation/s	-
Effect of restatements or prior-period adjustments	-
Others (describe nature)	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings	
Dividend declaration during the reporting period	(4,448,569,546)
Retained earnings appropriated during the reporting period	-
Effect of restatements or prior-period adjustments	-
Treasury shares	(4,448,569,546)
<b>Unappropriated Retained Earnings, as adjusted</b>	<b>(998,056,172)</b>
Add/Less: Net Income for the period	215,492,491
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	
Equity in net income of associate/joint venture, net of dividends declared	940,168,380
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Unrealized fair value gain of investment property	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
Realized fair value gain of investment property	-
Other Realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Add: Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through	-

Cont.

profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Adjusted net income		1,155,660,871
Add: Category D: Non-actual losses recognized th profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category E: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use asset and,lease liability set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP-gain (loss)	-	
Others (describe nature)	-	-
<b>Total retained earnings available, end of the period available for dividend declaration</b>		<b>157,604,699</b>

SIGNATURES

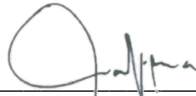
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : Keppel Philippines Properties, Inc.



Signature and Title : \_\_\_\_\_

**Tan Kuang Liang**  
President



\_\_\_\_\_  
**Jona Arrol V. Cabrera**  
Treasurer

Date : 26 July 2024