

COVER SHEET

PW - 305

SEC Registration Number

KEPPEL PHILIPPINES PROPERTIES,
 INC. AND SUBSIDIARIES

(Company's Full Name)

22nd flr. Units 2203 - 2204 Raffles
 Corporate Center F. Ortigas Jr.
 Avenue (formerly Emerald Avenue)
 Ortigas Center Pasig City

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

Mr. Lee Foo Tuck

(Contact Person)

584-6170

(Company Telephone Number)

09

30

Month Day
(Fiscal Year)

17 - Q

(Form Type)

06

11

Month Day
(Annual Meeting)

(Thirdary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

-

Domestic

-

Foreign

 To be accomplished by SEC Personnel concerned

File Number

 LCU

Document ID

 Cashier

STAMPS

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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 30 September, 2014
2. Commission identification number PW305
3. BIR Tax Identification No. 000-067-618 VAT
4. KEPPEL PHILIPPINES PROPERTIES, INC.
Exact name of issuer as specified in its charter
5. Philippines
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
- 12 ADB Ave, Ortigas Center, Mandaluyong City 1550 (business office temporarily
moved to Units 2203-2204 Raffles Corporate Center F, Ortigas Jr. Avenue (formerly
Emerald Ave.) Ortigas Center, Pasig City)
7. Address of registrant's principal office Postal
Code
(02) 584-6170
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 |
|-------------------------|--|
| Common | 293,828,900 |
| Debt Outstanding | Nil |
11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes No
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

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited 30 September 2014	Audited 31 December 2013
ASSETS		
Current Assets		
Cash and cash equivalents (Note 7)	P134,731,471	P152,478,158
Receivables (Note 7)	3,097,633	3,568,497
Due from related parties (Notes 5 and 7)	189,020,779	182,123,992
Other current assets	19,276,320	17,766,675
Total Current Assets	346,126,203	355,937,322
Non-current Assets		
Receivable – noncurrent portion (Note 7)	1,666,000	1,666,000
Available-for-sale financial assets	79,512,230	79,512,230
Investments in associates and joint venture	1,326,721,226	1,317,469,011
Property and equipment – net (Note 4)	302,114	313,420
Refundable deposits (Note 7)	56,108	56,108
Pension asset – net	328,617	328,617
Total Non-current Assets	1,408,586,295	1,399,345,386
	P1,754,712,498	P1,755,282,708
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 7)	P9,848,453	P6,172,965
Due to related parties (Notes 5 and 7)	100,981,248	100,000,000
Income tax payable	73,670	198,005
Total Current Liabilities	110,903,371	106,370,970
Non-current Liability		
Deferred tax liability	141,195	740,814
Total Liabilities	111,044,566	107,111,784
Equity		
Capital stock	356,104,000	356,104,000
Additional paid-in capital	602,885,517	602,885,517
Other reserves	665,786	665,786
Retained earnings	686,680,274	691,183,266
	1,646,335,577	1,650,838,569
Less: Cost of treasury stock	2,667,645	2,667,645
Total Equity	1,643,667,932	1,648,170,924
	P1,754,712,498	P1,755,282,708

See accompanying Notes to the Condensed Interim Consolidated Financial Statements

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Quarters Ended		Nine Months Ended	
	30 September (Unaudited)		30 September (Unaudited)	
	2014	2013	2014	2013
REVENUE				
Equity in net earnings of associates and joint ventures	P2,256,092	P5,593,184	P9,252,215	P 20,005,459
Management consultancy and franchise fees	1,285,455	2,263,511	4,121,527	6,896,320
Interest income	175,447	433,594	389,417	2,177,508
	3,716,994	8,290,289	13,763,159	29,079,287
GENERAL AND ADMINISTRATIVE EXPENSES				
	4,631,359	5,270,679	18,393,001	16,682,419
OTHER INCOME (CHARGES)				
Foreign exchange losses	(69,708)	(30,035)	(121,007)	(88,441)
Others	7,012	3,520	21,005	186,983
	(62,696)	(26,515)	(100,002)	98,542
INCOME (LOSS) BEFORE TAX	(977,061)	2,993,095	(4,729,844)	12,495,410
PROVISION FOR INCOME TAX				
Current	129,216	250,404	372,767	935,741
Deferred	(153,073)	(631,781)	(599,619)	(674,639)
	(23,857)	(381,377)	(226,852)	261,102
NET INCOME (LOSS)	(953,204)	3,374,472	(4,502,992)	12,234,308
Basic Earnings (Loss) Per Share	P(0.003)	P0.011	P(0.015)	P0.042

See accompanying Notes to the Condensed Interim Consolidated Financial Statements

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Quarters Ended		Nine Months Ended	
	30 September (Unaudited)		30 September (Unaudited)	
	2014	2013	2014	2013
CAPITAL STOCK				
Authorized – ₱1 par value				
Common stock 375,000,000	₱ 375,000,000	₱ 375,000,000	₱ 375,000,000	₱ 375,000,000
Preferred stock 135,700,000	135,700,000	135,700,000	135,700,000	135,700,000
Issued:				
Common stock	296,629,900	296,629,900	296,629,900	296,629,900
Preferred stock	59,474,100	59,474,100	59,474,100	59,474,100
	356,104,000	356,104,000	356,104,000	356,104,000
ADDITIONAL PAID-IN CAPITAL	602,885,517	602,885,517	602,885,517	602,885,517
OTHER RESERVES	665,786	-	665,786	-
RETAINED EARNINGS				
Balance at beginning period	687,633,478	683,341,878	691,183,266	674,528,454
Net Income (Loss)	(953,204)	3,374,472	(4,502,992)	12,234,308
Balance at end of period	686,680,274	686,716,350	686,680,274	686,762,762
	1,646,335,577	1,645,705,867	1,646,335,577	1,645,752,279
Less cost of treasury stock	2,667,645	2,667,645	2,667,645	2,667,645
	₱1,643,667,932	₱1,643,038,222	₱1,643,667,932	₱1,643,084,634

See accompanying Notes to the Condensed Interim Consolidated Financial Statements

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Nine Months Ended 30 September (Unaudited)	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)Profit before income tax	P(4,729,844)	P12,495,410
Adjustments for:		
Interest income	(389,417)	(2,177,508)
Equity in net earnings of associates and joint ventures	(9,252,215)	(20,005,459)
Depreciation and amortization	124,971	702,148
Unrealized foreign exchange losses (gains)	9,676	(21,930)
Loss before changes in working capital	(14,236,829)	(9,007,339)
Decrease (increase) in:		
Receivables	485,907	(36,556)
Amounts due from related parties	(6,896,787)	2,228,169
Other current assets	(1,509,645)	(1,694,397)
Increase (decrease) in:		
Accounts payable and other current liabilities	3,675,488	725,907
Net cash used in operations	(18,481,866)	(7,784,216)
Interest received	374,374	2,189,039
Income tax paid	(497,102)	(927,813)
Net cash used in operating activities	(18,604,594)	(6,522,990)
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisition of property and equipment	(113,665)	(113,638)
CASH FLOWS FROM FINANCING ACTIVITY		
Increase in amounts due to related parties	981,248	33,100
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	(9,676)	21,930
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	(17,746,687)	(6,581,598)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
	152,478,158	164,575,329
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
	P134,731,471	P157,993,731

See accompanying Notes to the Condensed Interim Consolidated Financial Statements.

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Keppel Philippines Properties, Inc. ("the Parent Company") and the following subsidiaries (collectively referred to as "the Group") were incorporated in the Philippines. The Parent Company was incorporated on February 7, 1918 and its corporate life was extended for another fifty (50) years starting February 7, 1968.

Subsidiaries	Percentage of Ownership	Nature of Business
Buena Homes, Inc. (BHI)	100%	Investment holding
CSRI Investment Corporation (CSRI)	100%	Investment holding

The Parent Company is listed in the Philippine Stock Exchange (PSE). Its parent company is Keppel Land Limited (KLL) and the ultimate parent company is Keppel Corporation Limited (KCL), both incorporated in Singapore. As of December 31, 2013 and 2012, the top five beneficial shareholders of the Parent Company are the following:

Subsidiaries	Percentage of Ownership	
	30 September 2014	31 December 2013
KLL	59%	59%
Keppelwealth, Inc.	14%	14%
KCL	10%	10%
PCD Nominee Corporation	10%	10%
Public	7%	7%

The Group holds investments in associates involved in property holding and development and renders management consultancy services to associates.

On December 6, 2010, the Group submitted its application to SEC to temporarily change its business address to Units 2203 and 2204, Raffles Corporate Center, F. Ortigas Jr. Avenue (formerly Emerald Avenue), Ortigas Center, Pasig City due to the ongoing reconstruction of the Group's principal office. The Group's principal office address is Penthouse, Benguet Centre Building, 12 ADB Avenue, Ortigas Center, Mandaluyong City.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The interim condensed consolidated financial statements of the Group have been prepared under the historical cost basis. The interim condensed financial statements are presented in Philippine Peso (P), which is the Group's functional currency. Amounts are rounded off to the nearest Philippine Peso except when otherwise indicated.

Statement of Compliance

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

The interim condensed consolidated financial statements include the accounts of the Parent Company and its subsidiaries, as of September 30, 2014 and 2013 and for each of the three months ended September 30, 2014 and 2013. Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Parent Company 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 period as the Parent Company, using consistent accounting policies.

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 Parent Company 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.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the interim condensed consolidated statement of comprehensive income from the date the Parent Company gains control until the date the Parent Company 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. 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.

3. Future Changes in Accounting Policies

The Group will adopt the following new and amended standards and interpretations enumerated below when these becomes effective.

Effective in 2014

- *Amendments to PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The amendments clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. The amendments will not have any impact on the Group's interim condensed financial position or performance since it does not offset its financial instruments.
- *PAS 36, Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets (Amendments)*
These amendments remove the unintended consequences of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after January 1, 2014 with earlier application permitted, provided PFRS 13 is also applied. The amendments will not have an impact on the Group's interim condensed financial statements since it does not have goodwill allocated to a CGU or intangible asset with an indefinite useful life.

- *Investment Entities (Amendments to PFRS 10, PFRS 12 and PAS 27)*
These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at FVPL. This amendment will not have an impact to the Group's interim condensed financial statements since its investment in subsidiaries would not qualify as investment entities.
- *Philippine Interpretation IFRIC 21, Levies*
This Philippine Interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The interpretation will not have any impact in future financial statements since the Group does not enter into transactions involving levies.
- *PAS 39, Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendment will not have any impact in the interim condensed financial statements as the Group does not enter into hedging transactions.

Effective 2015

- *PAS 19, Employee Benefits- Defined Benefit Plans: Employee Contributions*
The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to PAS 19 are to be retrospectively applied for annual periods beginning on or after July 1, 2014. The amendments do not have a potential impact in the interim condensed financial statements since employees or third parties do not contribute to the Group's retirement plan.

Annual Improvements to PFRSs (2010-2012 cycle)

The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

- *PFRS 2, Share-based Payment - Definition of Vesting Condition*
The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014. This amendment does not apply to the Group as it has no share-based payments.
- *Amendment to PFRS 3, Business Combinations - Accounting for Contingent Consideration in a Business Combination*
The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Group shall consider this amendment for future business combinations.

- **Amendment to PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets***
 The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only on the judgment made by management in aggregating operating segments and have no impact on the Group's interim condensed financial position or performance.
- **Amendment to PFRS 13, *Fair Value Measurement - Short-term Receivables and Payables***
 The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial. The amendment will not have an impact on the Group's financial position or performance since the Group's policy is already consistent with the amendment.
- **Amendment to PAS 16, *Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation***
 The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

 - a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
 - b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment has no impact on the Group's interim condensed financial position or performance since the Group does not carry its property and equipment at revalued amount.
- **Amendment to PAS 24, *Related Party Disclosures - Key Management Personnel***
 The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments will not have an impact on the Group's interim condensed financial position or performance since the key management personnel of the Group are employees of the Group. Related party disclosures are provided in Note 5.
- **PAS 38, *Intangible Assets - Revaluation Method - Proportionate Restatement of Accumulated Amortization***
 The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

- a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
- b. The accumulated amortization is eliminated against the gross carrying amount of the asset.

The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

The amendments are effective for annual periods beginning on or after July 1, 2014. The amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments have no impact on the Group's interim condensed financial position or performance since the Group has no intangible assets.

Annual Improvements to PFRSs (2011-2013 cycle)

The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

- *PFRS 1, First-time Adoption of Philippine Financial Reporting Standards - Meaning of 'Effective PFRSs'*
The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Group as it is not a first-time adopter of PFRS.
- *PFRS 3, Business Combinations - Scope Exceptions for Joint Arrangements*
The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The Group shall consider this amendment for future business combinations.
- *PFRS 13, Fair Value Measurement - Portfolio Exception*
The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no impact on the Group's interim condensed financial position or performance since the Group's accounting policy is already consistent with the improvement.
- *PAS 40, Investment Property*
The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The Group shall consider this amendment for future acquisition of investment property.

No effective date yet

- *PFRS 9, Financial Instruments*
PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting.

respectively. Work on the third phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For liabilities designated as at FVPL using the fair value option, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's interim condensed financial assets and will have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology. The Group will not adopt the standard before the completion of the limited amendments and the third phase of the project.

- *Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate*
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed. Adoption of the interpretation when it becomes effective will not have any impact on the interim condensed financial statements of the Group since it is not involved in the construction of real estate.

4. Property and Equipment

The movement of this account is as follows:

	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
Cost				
At January 1, 2013	P1,404,506	P3,332,989	P2,418,301	P7,155,796
Additions	—	178,505	17,158	195,663
At December 31, 2013	1,404,506	3,511,494	2,435,459	7,351,459
Additions	—	113,665	—	113,665
At September 30, 2014	1,404,506	3,625,159	2,435,459	7,465,124
Accumulated depreciation and amortization				
At January 1, 2013	1,340,162	3,105,787	1,728,028	6,173,977
Depreciation and amortization	64,340	116,688	683,034	864,062
At December 31, 2013	1,404,502	3,222,475	2,411,062	7,038,039
Depreciation and amortization	4	105,949	19,018	124,971
At September 30, 2014	1,404,506	3,328,424	2,430,080	7,163,010
Net book value				
At September 30, 2014	P-	P296,735	P5,379	P302,114
At December 31, 2013	P4	P289,019	P24,397	P313,420

Depreciation expense charged against operations amounted to P0.01 million for the quarters ended September 30, 2014 and P0.2 million for the quarters ended September 30, 2013.

5. Related Party Disclosures

Parties are considered to be related to the Group if it has the ability, directly or indirectly, to control the Group or exercise significant influence over the Group in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

Outstanding balances of transactions with related parties are as follows:

September 30 2014

Category	Amount	Outstanding Balance	Terms	Conditions
Due from				
Associates				
BHSI	P-	P107,200,000	Non-interest-bearing, due and demandable	Unsecured, no impairment
OKEP	93,661	70,096,661	Non-interest-bearing, due and demandable	Unsecured, no impairment
ORDC (a)	11,013	18,474	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment

Category	Amount	Outstanding Balance	Terms	Conditions
OVI Joint venture	108,632	1,588,622	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
SMKL (b), (d)	9,476,020	10,117,022	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
Due to				
Associates				
BHSI (c)	-	59,701,493	Non-interest-bearing, due and demandable	Unsecured, no impairment
OKEP (c)	-	40,298,507	Non-interest-bearing, due and demandable	Unsecured, no impairment
Other related party				
Keppel Land International Limited (KLIL)	981,248	981,248	Non-interest-bearing, due and demandable	Unsecured, no impairment

December 31, 2013

Category	Amount	Outstanding Balance	Terms	Conditions
Due from				
Associates				
BHSI	P=	P107,200,000	Non-interest-bearing, due and demandable	Unsecured, no impairment
OKEP	-	72,803,000	Non-interest-bearing, due and demandable	Unsecured, no impairment
ORDC (a)	1,200,000	-	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
OVI Joint venture	145,818	1,479,990	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
SMKL (b), (d)	7,958,538	641,002	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
Due to				
Associates				
BHSI (c)	-	59,701,493	Non-interest-bearing, due and demandable	Unsecured, no impairment
OKEP (c)	-	40,298,507	Non-interest-bearing, due and demandable	Unsecured, no impairment
Other related party				
Keppel Land International Limited (KLIL)	6,066,919	-	Non-interest-bearing, due and demandable	Unsecured, no impairment

The Group entered into various management and franchise agreements with related parties as follows:

September 30 2014

Category	Basis	Amount	Outstanding	Terms and Conditions
Other related party				
KLIL				
Management fee (e)	Time spent by KLIL personnel	₱5,238,222	₱981,248	payable within 30 to 60 days
Joint venture				
SMKL				
Management fee (b)	2.5% of annual net revenues	2,943,948	596,765	payable within 30 to 60 days
Franchise fee (b)	1.0% of net revenues	1,177,579	226,401	payable within 30 to 60 days

December 31, 2013

Category	Basis	Amount	Outstanding	Terms and Conditions
Other related party				
KLIL				
Management fee (e)	Time spent by KLIL personnel	₱6,066,919	₱-	payable within 30 to 60 days
Joint venture				
SMKL				
Management fee (b)	2.5% of annual net revenues	5,684,670	464,702	payable within 30 to 60 days
Franchise fee (b)	1.0% of net revenues	2,273,868	176,300	payable within 30 to 60 days
Associate				
ORDC				
Management fee (a)	₱100,000 per month	1,200,000	-	payable within 30 to 60 days

Significant transactions with related parties are as follows:

- The Group provides management, advisory and consultancy services to ORDC. The Group bills ORDC management fee for accounting and tax management of ₱0.3 million during the third quarter of 2013 which is included in "Due from related parties" and nil for the third quarter of 2014.
- The Group provides management, advisory and consultancy services to SMKL. As of September 30, 2014, outstanding receivable from SMKL for management and franchise fees included in "Due from related parties" amounted to ₱0.8 million.
- In January 2012, the Parent Company received advances from BHSI and OKEP amounting to ₱59.7 million and ₱40.3 million, respectively.
- The Group's advances to SMKL aggregating to ₱10.1 million as of September 30, 2014 are non interest-bearing.
- KLIL provides consultancy, advisory and support services to the Parent Company. As of September 30, 2014, outstanding payable to KLIL for consultancy fees included in "Accrued expenses" amounted to nil.

Compensation of Key Management Personnel of the Group

Compensation of key management personnel of the Group consists of salaries and other short-term employee benefits amounting to P6.1 million and P3.1 million for the nine months ended September 30, 2014 and 2013, respectively.

6. Basic Earnings(Loss) Per Share

	Nine months ended 30 September	
	2014	2013
Net income (loss) (a)	P(4,502,992)	P12,234,308
Weighted average number of common shares issued and outstanding (b)	293,828,900	293,828,900
Basic Earnings (Loss) per share (a/b)	P(0.015)	P0.042

The basic EPS is equal to the diluted EPS since the Group has no potential shares that will have a dilutive effect on EPS.

7. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, AFS financial assets and amounts due to and from related parties. The Group has various other financial assets and liabilities such as trade receivables and payables, which arise from its operations.

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

Credit Risk

Credit risk arises when a counter party 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, amounts due from related parties, refundable deposits and AFS financial assets. The carrying values of the Group's financial instruments represent maximum exposure to credit risk at reporting date.

The gross maximum exposure to credit risk of the Group approximates its net maximum exposure. There were no amounts that are set-off in accordance with the entities in PAS 32. There were no amounts subject to an enforceable master netting arrangement or similar agreement as of September 30, 2014 and December 31, 2013.

The Group transacts mostly with related parties, thus, there is no requirement for collateral. There are no significant concentrations of credit risk within the Group.

The Group's due from related parties are approximately ninety-nine percent (99%) of total receivables.

The table below shows the credit quality of the Group's financial assets as at September 30, 2014 and December 31, 2013:

September 30, 2014

	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	Total
	High Grade	Low Grade	Total			
Financial assets:						
Loans and receivables:						
Cash and cash equivalents	P134,731,471	P-	P134,731,471	P-	P-	P134,731,471
Receivables	4,763,633	-	4,763,633	-	-	4,763,633
	P139,495,104	P-	P139,495,104	P-	P-	P139,495,104

December 31, 2013

	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	Total
	High Grade	Low Grade	Total			
Financial assets:						
Loans and receivables:						
Cash and cash equivalents	P152,478,158	P-	P152,478,158	P-	P-	P152,478,158
Receivables	5,234,497	-	5,234,497	-	-	5,234,497
	P157,712,655	P-	P157,712,655	P-	P-	P157,712,655

As of September 30, 2014 and December 31, 2013, the Group has no past due and impaired financial assets.

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 assets and liabilities based on contractual undiscounted payments:

September 30, 2014

	On Demand	Less than 3 months	More than 3 months to 1 year	More than one year	Total
Cash and cash equivalents	P134,731,471	P-	P-	P-	P134,731,471
Receivables	3,097,633	-	-	1,666,000	4,763,633
Due from related parties	189,020,779	-	-	-	189,020,779
Refundable deposits	-	-	-	56,108	56,108
	P326,849,883	P-	P-	P1,722,108	P328,571,991
Financial liabilities:					
Accounts payable and other current liabilities*	P-	P6,532,926	P-	P-	P6,532,926
Due to related parties	100,981,248	-	-	-	100,981,248
	P100,981,248	P6,532,926	P-	P-	P107,514,174

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

December 31, 2013

	On Demand	Less than 3 months	More than 3 months to 1 year	More than one year	Total
Financial assets:					
Cash and cash equivalents	P152,478,158	P-	P-	P-	P152,478,158
Receivables	297,375	594,750	2,676,372	1,666,000	5,234,497
Due from related parties	182,123,992	-	-	-	182,123,992
Refundable deposits	-	-	-	56,108	56,108
	P334,899,525	P594,750	P2,676,372	P1,722,108	P339,892,755
Financial liabilities:					
Accounts payable and other current liabilities*	P-	P2,546,061	P-	P-	P2,546,061
Due to related parties	100,000,000	-	-	-	100,000,000
	P100,000,000	P2,546,061	P-	P-	P102,546,061

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

Foreign Currency Risk

The Group's exposure to foreign currency arises from US-dollar denominated bank accounts and SG-dollar denominated consultancy fees due to KLIL.

The Group's foreign currency denominated financial assets pertains to cash in bank account amounting to P214,527 (US\$4,856) as at September 30, 2014 and P571,523 (US\$12,945) as of December 31, 2013. In translating the foreign currency denominated cash in bank account into Philippine peso amounts, the exchange rate used was P44.18 to US\$1.0, as of September 30, 2014, and P44.15 to US\$1.0 as of December 31, 2013.

The Group's foreign currency denominated financial liabilities as at September 30, 2014 amounts to SGD 27,987 and nil for December 31, 2013. In translating the foreign currency denominated liabilities into Philippine peso amounts, the exchange rate used was P35.0612 to SGD1.0, as of September 30, 2014.

The Group manages its foreign currency exposure risk by matching, as far as possible, 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 change 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 other comprehensive income other than those already affecting net income.

September 30, 2014

Currency	Change in Variable	Effect on Income Before Tax
USD	+0.8	P171,622
	-0.8	(171,622)

December 31, 2013

Currency	Change in Variable	Effect on Income Before Tax
USD	+0.8	P457,218
	-0.8	(457,218)

In 2014, the Group used the average change in the quarterly closing rates for the quarter in determining the reasonable possible change in foreign exchange rates.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's short-term deposits with floating interest rates. In 2013, exposure to interest rate risk is minimized since the Group transferred its short term deposits to cash in bank amounting to P158.0 million.

Capital Management

The primary objective of the Group's 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 debt divided by total equity net of treasury stock. The Group's policy is to maintain the percentage of debt to equity ratio below 100%. The Group includes, within total debt, accounts payables 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, which was not disclosed. The percentage of debt to equity as of September 30, 2014 and December 31, 2013 are as follows:

	30 September 2014	31 December 2013
Liabilities*	P107,514,174	P107,111,784
Equity	1,643,667,932	1,648,170,924
Debt to Equity Ratio	6.5%	6.5%

The Group is not subject to any externally imposed capital requirement.

Fair Values

Due to the short-term nature of the Group's financial instruments, their fair values approximate their carrying amounts as of September 30, 2014 and December 31, 2013.

Noncurrent accounts receivable – The fair value is based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 0.67% to 2.66% as of September 30, 2014. The following table sets forth the carrying value and fair value of noncurrent accounts receivable:

	2014
Carrying value	P3,666,000
Fair value	3,615,993

The unquoted club shares are valued at cost less any impairment in value because these club shares do not have a quoted market price in an active market and whose fair value cannot be measured reliably.

Fair Value Hierarchy

As of September 30, 2014 and December 31, 2013, the Group has no financial instrument measured at fair value. During the reporting period ended September 30, 2014 and December 31, 2013, 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.

8. Segment Information

The Group has only one segment as it derives its revenues primarily from investments and management consultancy services rendered to its associates.

Significant information of the reportable segment follows:

	30 September 2014	31 December 2013
	Unaudited	Audited
Operating assets	P1,754,712,498	P1,755,282,708
Operating liabilities	110,903,371	106,370,970
Revenue	13,763,159	37,805,386
Other income (expenses)	(100,002)	3,641,223
Cost and expenses	18,393,001	23,358,840
Segment profit (loss)	(4,502,992)	18,087,769

All revenues are from domestic entities incorporated in the Philippines.

There is no revenue derived from single external customer above 10% of total revenue.

There is no need to present reconciliation since the Group's operating assets, operating liabilities, revenue, cost and expenses and segment profit pertains to a single operating segment.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FINANCIAL CONDITION

As at 30 September 2014, TOTAL ASSETS amounted to ₱1,754.7 million compared with ₱1,755.3 million as at end 2013. The changes in account balances during the period are:

- CASH AND CASH EQUIVALENTS declined by ₱17.7 million due to the net cash used in operating activities
- RECEIVABLES decreased by ₱0.5 million resulting from collection of receivables on sale of investment properties
- DUE FROM RELATED PARTIES increased by ₱6.9 million due to additional charges to associates
- OTHER CURRENT ASSETS increased by ₱1.5 million due to prepaid and advance rental as the result of renewal of lease
- ACCOUNTS PAYABLE & OTHER CURRENT LIABILITIES increased by ₱3.6 million arising from accruals and unpaid administrative charges.

RESULTS OF OPERATIONS

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

THIRD QUARTER 2014 REVENUES amounted to ₱3.7 million, a decrease of ₱4.6 million compared with ₱8.3 million in the same period last year. This is attributable to the combined effect of the following:

- EQUITY IN NET EARNINGS OF ASSOCIATES represents Keppel Philippine Properties' share in the net income/loss of its associated companies. Changes in shares from period to period are dependent upon the results of the operations of the associated companies.

Equity in net earnings of associates decreased by ₱3.3 million due to a decline in profit at SMKL. Its shopping mall, The Podium, is undergoing major renovation in its retail spaces, resulting in lower occupancy and rental rates.

- MANAGEMENT CONSULTANCY AND FRANCHISE FEES went down by ₱1.0 million compared to same period in 2013 due to the decrease in Podium's revenue.
- INTEREST INCOME decreased by ₱0.2 million to ₱0.2 million in the Third Quarter 2014 compared with ₱0.4 million of the same quarter last year. This is due to the decline in bank deposits and interest rate.

THIRD QUARTER 2014 GENERAL AND ADMINISTRATIVE EXPENSES decreased by ₱0.7 million or 13% from ₱5.3 million in the third quarter of 2013 to ₱4.6 million in the third quarter of 2014, due to decreases in staff costs, depreciation and utilities.

As a result, **THIRD QUARTER 2014** operations posted a net loss of ₱1.0 million, from the ₱3.4 million profit in the third quarter of 2013.

KEY PERFORMANCE INDICATORS

For The Quarter Ended	30 September 2014 (Unaudited)	30 September 2013 (Unaudited)	% Change
Return On Assets	(0.05%)	0.19%	(126%)
Earnings(Loss) Per Share	(₱0.0032)	₱0.0115	(128%)
Operating Expense Ratio	124.60%	63.58%	96%
As At	30 September 2014 (Unaudited)	31 December 2013 (Audited)	% Change
Net Tangible Asset Value Per Share	₱3.57	₱3.58	(0.3%)
Working Capital Ratio	3.12:1	3.35:1	(6.9%)

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 income after taxation decreased by ₱4.4 million, from ₱3.4 million in Third Quarter 2013 to a net loss of ₱1.0 million in the same period this year primarily due to the decline in revenues.

	<u>Third Quarter 2014</u>	<u>Third Quarter 2013</u>
Net Income (Loss) After Tax (a)	(₱953,204)	₱3,374,472
Total Assets At Beginning (b)	₱1,755,282,708	₱1,737,070,476
Return On Assets (a/b)	(0.05 %)	0.19%

B. Earnings(Loss) Per Share (EPS) – It shows the income earned from each share of common stock outstanding. The EPS for the Third Quarter 2014 is lower by ₱0.0147 compared to last year due to the decline in revenues.

	<u>Third Quarter 2014</u>	<u>Third Quarter 2013</u>
Net Income(Loss) After Tax (a)	(₱953,204)	₱3,374,472
Number of Common Stock (b)	293,828,900	293,828,900
Earnings(Loss) Per Share (a/b)	(₱0.0032)	₱0.0115

- C. **Operating Expense Ratio** – It measures operating expenses as a percentage of revenues. Operating Expense ratio increased by 96% due to the 12% decrease in operating expenses and a 55% decrease in revenues.

	<u>Third Quarter 2014</u>	<u>Third Quarter 2013</u>
Operating Expenses (a)	P4,631,359	P5,270,679
Revenues (b)	P3,716,994	P8,290,289
Operating Expense Ratio (a/b)	124.60%	63.58%

- D. **Net Tangible Asset Value Per Share** – It shows the tangible value of each share of common stock outstanding. The tangible value per share decrease by 0.3% compared to the previous year due to the decrease in retained earnings in Third Quarter of 2014.

Note: Net Tangible Assets include P594.7 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>September 30, 2014</u>	<u>December 31, 2013</u>
Net Tangible Assets	P1,643,667,932	P1,648,170,924
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 1,048,926,932	P 1,053,429,924
Number of Common Stock, net of Treasury shares (2,801,000)	293,828,900	293,828,900
Net Tangible Asset Value Per Share	P3.57	P3.58

- 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 7.5% as of end of Third Quarter 2014 due to decreased in current assets compared with end of 2013.

	<u>September 30, 2014</u>	<u>December 31, 2013</u>
Current Assets (a)	P346,126,203	P355,937,322
Current Liabilities (b)	P110,903,371	P106,370,970
Working Capital Ratio (a/b)	3.12 : 1	3.35 : 1

FINANCIAL SOUNDNESS INDICATORS

Financial Ratios

	As At	September 2014 Unaudited	December 2013 Audited
Liquidity Ratio	Current assets over current liabilities	3.12:1	3.35:1
Debt to equity ratio	Total liabilities over total equity	0.07:1	0.06:1
Asset to equity ratio	Total assets over total equity	1.07:1	1.06:1

Profitability Ratios

	For The Quarter Ended	September 2014 Unaudited	September 2013 Unaudited
Return on Assets	Net income(loss) after tax over total assets at beginning	-0.05%	0.19%
Return on Equity	Net income (loss) after tax over total equity	-0.06%	0.20%
Earnings (Loss) per share	Net income(loss) over number of common stock outstanding	(P0.0032)	P0.0115

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

- a) As of 30 September 2014:
- o There are no known material commitments for capital expenditures.
 - o 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.
 - o There are no significant elements of income or loss that did not arise from the Company's continuing operations.
 - o There are no seasonal aspects that had a material impact on the results of operations of the Company.
- 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 a party to certain lawsuits or claims arising from the ordinary course of business. The Group management and legal counsels believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the financial statements.
- e) The Philippine real estate industry is cyclical and is sensitive to changes in general economic conditions in the Philippines. Property values in the Philippines are affected by the general supply and demand of real estate.


PART II. OTHER INFORMATION

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

SIGNATURES

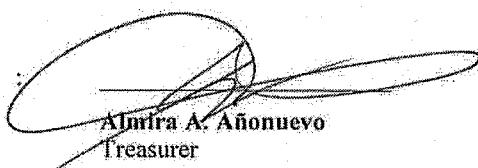
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer : **Keppel Philippines Properties, Inc.**

Signature and Title : 
Lee Foo Tuck
President

Date : **November 04, 2014**

Principal Financial/Accounting Officer/Controller

Signature and Title : 
Almira A. Añonuevo
Treasurer

Date : **November 04, 2014**

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES
(Amounts in Philippine Peso)

AGING OF RECEIVABLES									
As of 30 September 2014									
Type of Accounts Receivable	TOTAL	1 Month	2 - 3 Mos.	4 - 6 Mos	7 mos to 1 Year	1 - 2 Years	3 - 5 Years	5 Years - above	Past due accounts & Items in Litigation
	P	P			P	P			
A. Trade Receivables									
Less: Allowance for Doubtful Accounts									
Net Trade Receivable	0								
B. Non-Trade Receivables									
1. Advances to Officers and Employees	1,915,259	1,370,789	99,000	148,500	297,000				
2. Others	2,833,331	166,000	332,000	498,000	171,331	1,666,000			
3. Accrued interest receivable	15,043	15,043							
Subtotal	4,763,633	1,551,802	431,000	646,500	468,331	1,666,000			
Less: Allowance for Doubtful Accounts	0								
Net Non-Trade Receivables	4,763,633	1,551,802	431,000	646,500	468,331	1,666,000			
Net Receivables	4,763,633								

Receivables Description

Type of Receivable	Nature / Description	Collection Status
A. Trade Receivables		
	0	
	0	
B. Non-Trade Receivables		
1. Advances to Officers and Employees	Staff loans and telephone charges payable in 1 year	Regularly settled through deduction from payroll
2. Others	Installment collection on the sale of investment property & receivable from associate	Collectible until next year
3. Accrued interest receivable	Interest on money market placement	Collectible until next month