COVER SHEET

PW-305

SEC Registration Number

KEPPEL PHILIPPINES PROPERTIES, INC. AND A SUBSIDIARY

(Company's Full Name)

26th Floor, The Podium West Tower ADB Avenue, Wack-Wack Greenhills East, Mandaluyong City 1555

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

Jona Arrol Cabrera

(Contact Person)

8539-0460

(Company Telephone Number)

0 6	3 0	17-Q	0 4	2 4
Month	*Day*		*Month*	*Day*
(Fiscal Year)		(Form Type)	(Annual Meeting)	

N/A

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings

1,203 as at 30 June 2025

Total No. of Stockholders

–	–
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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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 **June 30, 2025**

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)

7. **26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills East, Mandaluyong City, 1555**
   Address of registrant's principal office Postal Code

8. **(02) 8539-0460 local 4990**
   Registrant's telephone number, including area code

9. **Not applicable**
   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 [ ]

    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 a Subsidiary

Interim Consolidated Statements of Financial Position
As at June 30, 2025
(With comparative figures as at December 31, 2024)
(All amounts in Philippine Peso)

	Notes	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets			
Current assets			
Cash and cash equivalents	2	473,434,676	480,667,147
Receivables	3	2,034,511	1,917,194
Due from a related party	8	-	174,309
Prepayments and other current assets	4	25,743,560	25,474,723
Total current assets		501,212,747	508,233,373
Non-current assets			
Investments in associates	7	77,369,662	76,696,816
Deferred income tax assets		1,144,250	-
Financial assets at fair value through other comprehensive income	5	225,000	225,000
Property and equipment, net		56,468	94,140
Other non-current assets	4	28,458,820	28,460,756
Total non-current assets		107,254,200	105,476,712
Total assets		608,466,947	613,710,085
Liabilities and Equity			
Current liabilities			
Accounts payable and other current liabilities	9	82,904,750	84,733,263
Due to a related party	8	20,973,943	20,973,943
Provision for transaction cost	6	17,810,366	19,811,308
Total current liabilities		121,689,059	125,518,514
Non-current liability			
Deferred income tax liability		-	440,998
Total liabilities		121,689,059	125,959,512
Equity			
Share capital		356,104,000	356,104,000
Share premium		67,618,617	67,618,617
Treasury shares		(62,141,745)	(62,141,745)
Retained earnings		125,197,016	126,169,701
Total equity		486,777,888	487,750,573
Total liabilities and equity		608,466,947	613,710,085

The notes from pages 6 to 24 are an integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and a Subsidiary

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, 2025 (Unaudited)	Quarters Ended June 30, 2024	Six Months Period Ended June 30, 2025 (Unaudited)	Six Months Period Ended June 30, 2024
Gross revenue					
Interest income	2	5,975,728	54,281,137	11,949,796	139,901,344
Share in net income of associates	7	814,985	719,700	672,846	5,914,820
Income		6,790,713	55,000,837	12,622,642	145,816,164
General and administrative expenses	10	(4,288,473)	(20,646,069)	(8,198,568)	(25,195,686)
Other (loss) income, net	11	(2,676,305)	111,584,712	(4,781,696)	125,827,344
(Loss) income before income tax		(174,065)	145,939,480	(357,622)	246,447,822
Income tax expense		(438,482)	(9,773,977)	(615,063)	(30,955,331)
Net (loss) income for the period		(612,547)	136,165,503	(972,685)	215,492,491
Other comprehensive income		-	-	-	-
Total comprehensive (loss) income for the period		(612,547)	136,165,503	(972,685)	215,492,491
Basic earnings per share	12	-	0.46	-	0.73

The notes from pages 6 to 24 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and a Subsidiary

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

	Share capital		Share	Treasury	Retained earnings			
	Common	**Preferred**	**premium**	**shares**	**Appropriated**	**Unappropriated**	**Total**	**Total equity**
Balances at January 1, 2025	296,629,900	59,474,100	67,618,617	(62,141,745)	2,667,645	123,502,056	126,169,701	487,750,573
Total comprehensive loss for the period	-	-	-	-	-	(972,685)	(972,685)	(972,685)
Balances at June 30, 2025	296,629,900	59,474,100	67,618,617	(62,141,745)	2,667,645	122,529,371	125,197,016	486,777,888
Balances at January 1, 2024	296,629,900	59,474,100	602,885,517	(2,667,645)	1,430,046,045	4,372,960,169	5,803,006,214	6,759,328,086
Total comprehensive income for the period	-	-	-	-	-	215,492,491	215,492,491	215,492,491
Redemption of preferred shares	-	-	(535,266,900)	(59,474,100)	(1,427,378,400)	-	(1,427,378,400)	(2,022,119,400)
Declaration of cash dividends	-	-	-	-	-	(4,448,569,546)	(4,448,569,546)	(4,448,569,546)
Balances at June 30, 2024	296,629,900	59,474,100	67,618,617	(62,141,745)	2,667,645	139,883,114	142,550,759	504,131,631

The notes on pages 6 to 24 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and a Subsidiary

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

	Notes	2025 (Unaudited)	2024 (Unaudited)
Cash flows from operating activities			
(Loss) income before income tax		(357,622)	246,447,822
Adjustments for:			
Unrealized foreign exchange loss (gain)	11	4,577,000	(7,365,556)
Loss from deconsolidation of a subsidiary	11	218,797	
Depreciation	10	37,672	51,541
Gain on reversal of liabilities	11	(23,718)	-
Share in net income of associates	7	(672,846)	(5,914,820)
Interest income	2	(11,949,796)	(139,901,344)
Operating (loss) income before working capital changes		(8,170,513)	93,317,643
Decrease (increase) in:			
Receivables		214,000	12,775,687
Due from related parties		174,309	3,295,835
Prepayments and other current assets		(544,337)	(1,498,313)
Increase (decrease) in:			
Accounts payable and other current liabilities		(723,733)	149,906,155
Due to related parties		-	3,242,941
Net cash (used in) from operations		(9,050,274)	261,039,948
Interest income received		11,618,479	146,190,243
Income taxes paid		(3,189,911)	(27,295,724)
Net cash (used in) from operating activities		(621,706)	379,934,467
Cash flows from investing activities			
Liquidating dividends received	8	11,189,488	-
Dividend income received	7	-	946,083,200
Proceeds from redemption of preferred shares	5	-	79,287,230
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)
Payment of transaction costs related to the sale of an investment in joint venture		(2,000,942)	-
		(2,000,942)	(902,285,348)
Net cash from investing activities		9,188,546	123,085,082
Cash flows from financing activity			
Payments for the principal portion of lease liability		-	-
Payment for the redemption of preferred shares	8	-	(2,022,119,400)
Dividend paid to stockholders	8	-	(4,448,569,546)
Net cash used in financing activity		-	(6,470,688,946)

	Notes	2025 (Unaudited)	2024 (Unaudited)
Effect of deconsolidation of a subsidiary		(11,222,311)	-
Net decrease in cash and cash equivalents		(2,655,471)	(5,967,669,397)
Cash and cash equivalents at January 1		480,667,147	6,546,707,097
Effect of changes in foreign exchange rates in cash equivalents		(4,577,000)	7,365,556
Cash and cash equivalents at June 30		473,434,676	586,403,256

The notes on pages 6 to 24 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and a Subsidiary

Notes to Interim Consolidated Financial Statements
As at and for the six months ended June 30, 2025
(With comparative figures as at December 31, 2024 and for the six months ended June 30, 2024)
(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.

As of June 30, 2025 and December 31, 2024 , the shareholders of the Parent Company are the following:

Shareholders	Percentage of ownership`
KML	50.49%
Kepwealth, Inc.	17.37%
KL	12.18%
Molten Pte. Ltd.	6.79%
Public	13.17%

The 86.83% total shareholdings of KML, Kepwealth, Inc., KL and Molten Pte. Ltd. were lodged with the Philippine Depository and Trust Corporation in March 2025.

The public ownership represents 7.17% direct ownership and 6.00% through PCD Nominee Corporation as at June 30, 2025 and December 31, 2024.

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

As at June 30, 2025 and December 31, 2024, the Parent Company's subsidiary and associates, which were all incorporated in the Philippines are as follows:

	2025		2024		
	Percentage of ownership	Effective ownership interest	Percentage of ownership	Effective ownership interest	Nature of business
Subsidiary					
Buena Homes, Inc. (BHI)	-	-	100	100	Investment holding
Associates					
Opon Realty and Development Corporation (ORDC)	40	40	40	40	Investment holding
Opon Ventures, Inc. (OVI)	40	64	40	64	Investment holding
Opon-KE Properties, Inc. (OKEP)	40	78	40	78	Investment holding

Keppel embarked on a multi-dimensional transformation to turn from a balance sheet player into an asset-light asset manager, from a conglomerate with vertical silos into a horizontally integrated company with end-to-end value chains. The Parent Company is conducting strategic reviews to synchronize with the transformation and will continue to explore possible avenues to maximize shareholders' value.

Aligned with this transformation strategy, dormant subsidiaries and associates of the Parent Company applied for dissolution through the shortening of their respective corporate terms. These entities have sufficient cash to settle all its third-party creditors before its dissolution.

BHI was incorporated in the Philippines on May 25, 2000. BHI, a wholly-owned subsidiary of the Parent Company, was previously engaged in property holding and development. On November 14, 2023, BHI's Board of Directors (BOD) approved BHI's dissolution through shortening of its corporate term effective on January 31, 2025 which was approved by the SEC on January 31, 2024. On April 4, 2025 and April 15, 2025, BHI completed the processing of its business closure with the Municipality of Mandaluyong City and the Bureau of Internal Revenue (BIR), respectively. On March 31, 2025, BHI declared liquidating dividends to the Parent Company amounting to P11.2 million that resulted in a loss from deconsolidation amounting to P0.3 million (Note 8) and the derecognition of the Parent Company's investment in BHI.

CSRI was incorporated in the Philippines on October 25, 1990. CSRI, a wholly-owned subsidiary of the Parent Company, is a holding company with investments in marketable equity securities and other investments. On December 2, 2022, CSRI's BOD approved CSRI's dissolution through shortening of its corporate term effective on January 31, 2024 which was approved by the SEC on February 3, 2023. On March 25, 2024 and July 18, 2024, CSRI completed the processing of its business closure with the Municipality of Mandaluyong City and the BIR, respectively. On April 26, 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7.8 million that resulted in a loss from deconsolidation amounting to P0.2 million (Note 8) and the derecognition of the Parent Company's investment in CSRI.

ORDC, OVI and OKEP were incorporated 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. On July 26, 2024, the BOD of these associates approved the dissolution through shortening of their corporate term effective on September 30, 2025 which was approved by the SEC on September 11, 2024 for ORDC and on September 16, 2024 for OVI and OKEP. The process of dissolution with the relevant local government agencies and with the BIR will commence after September 30, 2025.

The Parent Company has 1,003 shareholders, owning 100 or more shares each, as at June 30, 2025 and December 31, 2024.

The Group's principal and registered office address is at 26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills, Mandaluyong City. As at June 30, 2025 and December 31, 2024, the Group has three (3) employees.

<u>Note 2 – Cash and cash equivalents</u>

Cash and cash equivalents consist of:

	June 30, 2025	December 31, 2024
Cash equivalents	463,079,256	453,902,026
Cash in banks	10,315,420	26,725,121
Cash on hand	40,000	40,000
	473,434,676	480,667,147

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 4.25% to 6.00% per annum in 2025 (2024: 4.00% to 6.13%).

Interest income from cash and cash equivalents amounted P11.9 million and P139.9 million for the period ended June 30, 2025 and 2024, respectively. Accrued interest on short-term deposits is presented as part of "Receivables" (Note 3).

Note 3 - Receivables

Receivables consist of:

	June 30, 2025	December 31, 2024
Accrued interest	2,026,211	1,694,894
Receivable from a government agency	-	130,000
Others	8,300	92,300
	2,034,511	1,917,194

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

Receivable from a government agency represents outstanding maternity benefit claims from the Social Security System (SSS).

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

Prepayments and other current assets consist of:

		June 30, 2025	December 31, 2024
Tax credit	(i)	21,420,000	21,420,000
Creditable withholding taxes	(ii)	2,496,597	2,495,136
Input value added tax (VAT)	(iii)	1,228,982	1,197,851
Others	(iv)	597,981	361,736
		25,743,560	25,474,723

(i) Tax credit includes tax credit received from the BIR amounting to P21.4 million for the withholding and remittance of final withholding taxes in relation to the Parent Company's redemption of preferred shares in year 2010 (Note 5). This can be applied against future applicable income tax liabilities or can be applied as a tax refund. In 2024, the Parent Company has applied for the cash conversion of the tax credit and is awaiting approval from BIR. The Parent Company assessed to receive the refund within 12 months from reporting date.

(ii) 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.

(ii.a) The Group expects to utilize P2.5 million of the creditable withholding taxes within one (1) year.

(ii.b) The Group expects to utilize P28.5 million of the creditable withholding taxes beyond one (1) year which was classified and presented as part of "Other non-current assets."

(iii) Input VAT represents the amount of VAT that the Group paid on the goods and services it purchased for its business operations.

(iv) Others mainly consists of current portion of security and utility deposits from existing lease term agreements.

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

Financial assets at fair value through other comprehensive income (FVOCI) amounted to P225,000 as of June 30, 2025 and December 31, 2024.

(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, 2025 and December 31, 2024. 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, 2025 and 2024.

(b) Preferred equity securities

Preferred equity securities pertain to investments in redeemable preferred shares of OVI and OKEP 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 OVI and OKEP. 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 OVI and OKEP are redeemable at the option of the issuer within a call period of ten (10) years from February 29, 2012 and March 2, 2012, respectively. Upon expiration of the redemption period, OVI and OKEP 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 OVI and OKEP 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 4,800,000 and 3,128,722 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 OVI and OKEP amounting to P48.0 million and P31.3 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 SM Keppel Land, Inc. (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:

	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	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.

	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	(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 SMKL 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 SMKL to be determined no later than one year from its sale, which were agreed between the Sellers and BDO in the Share Purchase Agreement. The provision also covers tax indemnity to BDO on SMKL's open tax period as of the closing date, claimable until the third year anniversary of the closing date. Out of this provision for transaction cost, P18.0 million was paid to BDO as of June 30, 2025.

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 SMKL are summarized below:

	Gain on sale of SMKL 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 SMKL 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 SMKL 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 SMKL 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:

	June 30, 2025	December 31, 2024
Cost		
At January 1 and at period/year end	51,343,671	51,343,671
Accumulated share in results of associates presented in profit or loss		
At January 1	25,353,145	973,715,859
Share in net income of associates	672,846	5,401,868
Reclassification	-	624,947
Impairment loss	-	(8,306,329)
Cash dividends received	-	(946,083,200)
At period/year end	26,025,991	25,353,145
Presented in other comprehensive income		
At January 1	-	624,947
Reclassification	-	(624,947)
At period/year end	-	-
	77,369,662	76,696,816

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

	Percentage of ownership		Carrying amount	
	June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
Associates				
OKEP (i)	40%	40%	42,269,983	41,400,832
OVI (ii)	40%	40%	22,638,491	22,668,045
ORDC (iii)	40%	40%	12,461,188	12,627,939
			77,369,662	76,696,816

The reconciliation of the associates net assets multiplied by the ownership interest and the carrying amount of each investment is shown in the table below:

	Notes	OKEP	OVI	ORDC
June 30, 2025				
Net assets		102,544,145	62,329,295	10,637,582
Ownership interest		40%	40%	40%
		41,017,658	24,931,718	4,255,033
Goodwill		1,252,325	(2,293,227)	8,206,155
		42,269,983	22,638,491	12,461,188
December 31, 2024				
Net assets		1,447,047,341	107,032,097	12,508,167
Ownership interest		40%	40%	40%
		578,818,937	42,812,839	5,003,267
Goodwill		8,304,230	301,615,206	173,819,096
Investments in redeemable preferred shares	5	(31,287,230)	(48,000,000)	-
Cash dividends received	8	(507,383,200)	(273,760,000)	(164,940,000)
Impairment losses		(7,051,905)	-	(1,254,424)
		41,400,832	22,668,045	12,627,939

The associates were accounted for using the equity method. Cash dividends totaling P946.1 million was declared and paid on February 2, 2024 and February 12, 2024, respectively. As at June 30, 2025 and December 31, 2024, there were no quoted prices for these investments.

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

On July 26, 2024, the BOD of these associates approved the dissolution through shortening of their corporate term effective on September 30, 2025 (Note 1).

(i) ORDC

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

(ii) OVI

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

(iii) OKEP

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

Note 8 - 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, 2025 and December 31, 2024 are as follows:

	Transactions		Outstanding receivable (payable)		
Related party	2025 (6 months)	2024 (6 months)	2025	2024	Terms and conditions
Due from related parties					
Entities under common control					
KL(RI)					
Operating advances (a)	47,953	-	-	174,309	Non-interest-bearing,
Keppel Philippine Holdings, Inc.					unsecured, unguaranteed,
Operating advances (a)	63,886	-	-	-	collectible in cash upon demand at gross amount.
Associates					
OKEP					
Operating advances (a)	45,654	65,227	-	-	Non-interest-bearing,
Cash dividends (b)	-	507,383,200	-	-	unsecured, unguaranteed
Redemption of preferred shares (c)	-	31,287,230	-	-	and collectible in cash upon
OVI					demand at gross amount.
Operating advances (a)	45,654	34,482	-	-	
Cash dividends (b)	-	273,760,000	-	-	
Redemption of preferred shares (c)	-	48,000,000	-	-	
ORDC					
Operating advances (a)	45,654	31,721	-	-	
Cash dividends (b)	-	164,940,000	-	-	
			-	174,309	
Entities under common control					
KML					
Tax credit (d)	-	-	(21,420,000)	(21,420,000)	Non-interest-bearing,
Operating advances (a)	-	(3,164,959)	446,057	446,057	unsecured, unguaranteed
Redemption of preferred shares (e)	-	(2,022,119,400)	-	-	and payable in cash upon
KL(RI)					demand at gross amount.
Operating advances (f)	-	(2,404,127)	-	-	
			(20,973,943)	(20,973,943)	
Shareholders					
Dividends payable					
Cash dividends (g)	-	(4,448,569,564)	(79,209,261)	(81,208,807)	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) OKEP, OVI and ORDC declared and paid cash dividends to the Parent Company on February 2, 2024 and February 12, 2024, respectively (Note 7).

(c) 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 5).

(d) In 2010, the Parent Company redeemed its preferred shares from KML on which final withholding tax was withheld and remitted to the BIR. In May 2022, the BIR issued a tax credit certificate under the name of KPPI, and as result, the Parent Company recognized the amount as tax credit (Note 4) with a corresponding due to KML as agreed by the parties.

(e) On May 22, 2024, the Parent Company redeemed KML's 59,474,100 redeemable preferred shares and paid in cash a redemption price of P10.00 per share plus an annual premium of 12% or P2,022.1 million.

(f) 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.

(g) On April 12, 2024, the Parent Company declared cash dividends amounting to P15.14 per common share or P4,448.6 million for stockholders of record as of April 29, 2024, due on May 22, 2024. The dividends payable pertain to P78.7 million unclaimed cash dividends related to the April 12, 2024 declaration and P0.5 million unclaimed cash dividends declared when the Parent Company's name was still Cebu Shipyard and Engineering Works, Inc.

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

	2025	2024
Salaries and other short-term employee benefits	1,533,861	1,418,652
Bonuses and allowances	1,032,000	497,000
	2,565,861	1,915,652

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, 2025 and 2024. There were no outstanding balances with key management personnel as at June 30, 2025 and 2024.

Loss of control

(a) BHI's corporate term has ended on January 31, 2025 and as a result, the Parent Company lost control over BHI. Accordingly, the following assets and liabilities of BHI as of January 31, 2025, were deconsolidated from the Group's consolidated financial statements.

Assets:	
Cash	11,256,521
Input VAT	276,705
	11,533,226
Liabilities:	
Accrued expenses	90,731
Net assets	11,442,495

On March 31, 2025, BHI declared liquidating dividends to the Parent Company amounting to P11.2 million that resulted in a loss from its deconsolidation of P0.3 million.

(b) CSRI's corporate term has ended on January 31, 2024 and as a result, the Parent Company lost control over CSRI. The following are the assets and liabilities of CSRI as of January 31, 2024.

Assets:	
Cash	7,958,681
Input VAT	120,390
	8,079,071
Liabilities:	
Accrued expenses and other current liabilities	86,180
Due to parent company	13,749
	99,929
Net assets	7,979,142

On April 26, 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7.8 million.

Note 9 – Accounts payable and other current liabilities

The account consists of:

	Note	June 30, 2025	December 31, 2024
Dividends payable	8	79,209,261	81,208,807
Accrued expenses		3,555,853	2,828,232
Taxes payable		139,636	696,224
		82,904,750	84,733,263

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 as of June 30, 2025 pertains to P78.7 million (2024: P80.7 million) unclaimed cash dividends related to the April 12, 2024 cash dividend declaration and P0.5 million unclaimed cash dividends 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.

Note 10 - General and administrative expenses

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

	2025	2024
Salaries and employee benefits	3,357,099	2,585,391
Professional fees	2,663,951	11,075,193
Rental	878,861	715,968
Transportation and travel	381,451	559,177
Repairs and maintenance	186,319	680,830
Taxes and licenses	165,904	8,781,181
Postage, printing, and advertising	163,318	216,607
Membership and dues	131,200	126,750
Insurance	59,499	29,385
Representation and entertainment	54,518	111,578
Utilities	45,247	52,157
Depreciation	37,672	51,541
Bank charges	13,505	37,531
Other	60,024	172,397
	8,198,568	25,195,686

Other expenses consist of storage costs, office supplies and notarial fees, among others

Note 11 – Other (loss) income, net

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

	2025	2024
Gain on reversal of liabilities	23,718	-
Intercompany charges	12,825	97,251
Realized foreign exchange (loss) gain	(22,442)	118,364,537
Loss from deconsolidation of a subsidiary	(218,797)	-
Unrealized foreign exchange (loss) gain	(4,577,000)	7,365,556
	(4,781,696)	125,827,344

Note 12 - Earnings per share

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

	2025	2024
Net (loss) income from operations	(972,685)	215,492,491
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings per share	-	0.73

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, 2025 and 2024 is computed as follows:

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

Note 13 - Financial risk and capital management

13.1 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, refundable deposits, accounts payable and other current liabilities. 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 mainly from its time deposits as at June 30, 2025 and December 31, 2024.

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

	June 30, 2025	December 31, 2024
Cash equivalents	3,016,857	2,964,886
Exchange rates	56.50	58.80
PHP equivalent	170,452,421	174,335,293

The Group did not have foreign currency-denominated monetary assets and liabilities other than the short-term deposits as at June 30, 2025 and December 31, 2024.

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 change of 3.91% (2024 – 2.17%) 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.

	Net income before tax increase (decrease) June 30, 2025	Net income before tax increase (decrease) December 31, 2024
PHP against USD		
- strengthened	6,664,690	3,783,076
- weakened	(6,664,690)	(3,783,076)

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

(b) Interest rate risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no significant exposure to interest rate risk on cash and cash equivalents as these are subject to fixed interest rates. As such, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(c) 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 a related party, financial asset at FVOCI and refundable deposits. As at June 30, 2025 and December 31, 2024, 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, 2025 and December 31, 2024.

The Group transacts mostly with related parties, thus, there is no requirement for collateral. The Group's due from a related party are nil and 8.33% of total receivables as at June 30, 2025 and December 31, 2024, 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, 2025 and December 31, 2024:

		Stage 1 – Performing	Stage 2 - Underperforming	Stage 3 – Non-performing	Total
June 30, 2025					
Cash and cash equivalents*	(i)	473,394,676	-	-	473,394,676
Receivables**	(ii)	2,034,511	-	-	2,034,511
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits***	(iv)	238,656	-	-	238,656
		475,892,843	-	-	475,892,843
December 31, 2024					
Cash and cash equivalents*	(i)	480,627,147	-	-	480,627,147
Receivables**	(ii)	1,787,194	-	-	1,787,194
Due from related parties	(ii)	174,309	-	-	174,309
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits***	(iv)	238,656	-	-	238,656
		483,052,306	-	-	483,052,306

**Cash and cash equivalents exclude cash on hand.*
***Receivables exclude receivable from a government agency.*
****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, 2025 and December 31, 2024 was determined as follows:

	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
June 30, 2025				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	2,034,511	-	-	2,034,511
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-
December 31, 2024				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	1,787,194	-	-	1,787,194
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from a related party	174,309	-	-	174,309
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
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, 2025 and December 31, 2024.

Other receivables

As at June 30, 2025 and December 31, 2024, 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, 2025 and December 31, 2024.

(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.

(d) 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
June 30, 2025					
Accounts payable and other current liabilities*	79,209,261	3,555,853	-	-	82,765,114
Due to a related party	20,973,943	-	-	-	20,973,943
	100,183,204	3,555,853	-	-	103,739,057
December 31, 2024					
Accounts payable and other current liabilities*	81,208,807	2,828,232	-	-	84,037,039
Due to a related party	20,973,943	-	-	-	20,973,943
	102,182,750	2,828,232	-	-	105,010,982

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

13.2 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, 2025	December 31, 2024
Liabilities	121,689,059	125,959,512
Equity	486,777,888	487,750,573
Percentage of debt to equity	25.00%	25.82%

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.

13.3 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, 2025 and December 31, 2024, except for financial assets at FVOCI.

The financial assets pertaining to investment in unquoted club shares are valued at FVOCI. Based on the Group's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities.

Fair value hierarchy

The valuation of the financial assets at FVOCI is categorized as Level 3 measurement using cost which represents the best estimate of the fair value as the instruments are unquoted securities.

During the reporting period ended June 30, 2025 and December 31, 2024, 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 14 - Summary of significant accounting policies

14.1 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 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, 2025. None of these standards are expected to have a significant impact on the interim consolidated financial statements of the Group.

14.2 Consolidation

The interim consolidated financial statements include the accounts of the Parent Company and its subsidiaries as at June 30, 2025 and December 31, 2024 and for each of the period ended June 30, 2025 and 2024. 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.

14.3 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, 2025 and December 31, 2024.

(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) FVOCI

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition, measurement depends on the Group's business model for managing the asset and cash flow characteristic of the asset.

(i) *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.

(ii) *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 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 accounts payable and other current liabilities (excluding payable to government agencies), and due to a related party are classified under other financial liabilities at amortized cost.

(b) Recognition and measurement

Financial liabilities not carried at FVTPL are initially recognized at fair value less transaction costs.

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, 2025 and December 31, 2024, there were no offsetting of financial assets and liabilities.

14.4 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 in net (loss) income 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.

14.5 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 notes to the financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

Six months ended June 30, 2025 as compared to the same period in 2024

The Group reported a net loss for the period ended June 30, 2025 of ₱1.0 million, a complete reversal from the ₱215.5 million net income reported in the same period in 2024. This reversal is due to the following:

- Decrease in **INTEREST INCOME** by ₱128.0 million due to the decline in short-term time deposit placements resulting from the payment of redemption price to KML and cash dividends to shareholders in 2024.
- Changes in **SHARE IN NET INCOME OF ASSOCIATES** from period to period are dependent upon the results of the operations of the associates. The Group recorded a share in net income of associates in 2025 of ₱0.7 million, as against the share in net income of ₱5.9 million in 2024.
- **OTHER (LOSS) INCOME, NET**. Against the ₱125.8 million income in 2024, the Company incurred a ₱4.8 million loss in 2025 as the Group incurred foreign exchange loss of ₱4.6 million this year compared to last year's foreign exchange gain of ₱125.8 million

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

- Decrease in **GENERAL AND ADMINISTRATIVE EXPENSES** by ₱17.0 million to ₱8.2 million in 2025 mainly due to lower taxes and licenses, professional fees and repairs and maintenance.
- Decrease in **INCOME TAX EXPENSE** by ₱30.4 million to ₱0.6 million in 2025 mainly due to the decrease in final taxes on interest income and the recorded deferred taxes on unrealized foreign exchange loss.

FINANCIAL CONDITION

As of June 30, 2025 as compared to as of December 31, 2024

TOTAL ASSETS decreased by ₱5.2 million from ₱613.7 million as of December 31, 2024 to ₱608.5 million as of June 30, 2025. The significant changes in account balances during the period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱7.3 million due to the net cash used in operating activities and the unrealized foreign exchange loss on short-term deposits denominated in USD.
- **RECEIVABLES** increased by ₱0.1 million mainly due to the higher accrued interest income from higher short-term time deposit .
- **DUE FROM A RELATED PARTY** decreased by ₱0.2 million due to collection.
- **INVESTMENTS IN ASSOCIATES** increased by ₱0.7 million due to the share in results of associates for the period ended June 30, 2025.
- **DEFERRED INCOME TAX ASSETS, NET** increased by ₱1.1 million due to the recognition of deferred tax on unrealized foreign exchange loss as of June 30, 2025.
- **PROPERTY AND EQUIPMENT, NET** decreased by ₱0.04 million due to depreciation.

TOTAL LIABILITIES decreased by ₱4.3 million from ₱126.0 million as of December 31, 2024 to ₱121.7 million as of June 30, 2025 mainly due to the payment of cash dividend and transaction costs related to the sale of investment in joint venture.

TOTAL EQUITY decreased by ₱1.0 million from ₱487.8 million as of December 31, 2024 to ₱486.8 million as of June 30, 2025 due to the net loss recognized for the period ended June 30, 2025.

KEY PERFORMANCE INDICATORS

	For the period ended June 30 2025 (Unaudited)	2024 (Unaudited)	For the year ended December 31 2024 (Audited)
Return on assets [1]	(0.16%)	5.09%	4.77%
(Loss) earnings per share [2]	-	₱0.73	₱0.68
Net tangible asset value per share [3]	₱1.66	₱1.72	₱1.66
Working capital ratio [4]	4.12:1	2.80:1	4.05:1
Debt-to-equity ratio [5]	0.25:1	0.44:1	0.26:1

[1] *Net (loss) income divided by average total assets*
[2] *Net (loss) income divided by No. of common stock outstanding*
[3] *Total assets less liabilities, preferred shares and related share premium divided by No. of common stock outstanding*
[4] *Total current assets divided by current liabilities*
[5] *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, 2025:

   - 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, 2025
(All amounts in Philippine Peso)

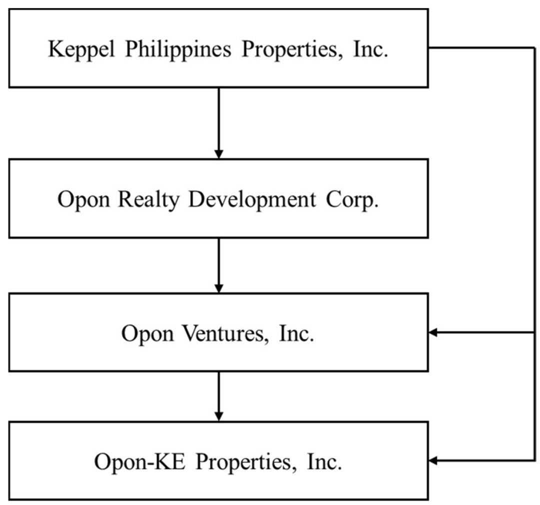
	Neither past due nor impaired	Past due but not impaired				Impaired	Total
		< 30 days	31-90 days	91-120 days	> 120 days		
Type of Account Receivable							
Non-Trade Receivables							
Accrued interest	2,026,211	-	-	-	-	-	2,026,211
Others	8,300	-	-	-	-	-	8,300
Sub-total	2,034,511	-	-	-	-	-	2,034,511
Less: Allowance for doubtful accounts	-	-	-	-	-	-	-
Net Receivables	**2,034,511**	**-**	**-**	**-**	**-**	**-**	**2,034,511**

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
Others		

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

Keppel Group Structure
As at June 30, 2025



Associates	Percentage of Ownership	Nature of Business
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, 2025 (Unaudited)	June 30, 2024 (Unaudited)	December 31, 2024 (Audited)
Liquidity/current ratio [1]	4.12:1	2.80:1	4.05:1
Acid test ratio [2]	3.91:1	2.65:1	3.85:1
Solvency ratio [3]	(0.01:1)	0.96:1	1.58:1
Debt-to-equity ratio [4]	0.25:1	0.44:1	0.26:1
Asset-to-equity ratio [5]	1.25:1	1.44:1	1.26:1
Interest rate coverage ratio [6]	N/A	N/A	N/A
Return on equity [7]	(0.20%)	5.93%	5.49%
Return on assets [8]	(0.16%)	5.09%	4.77%
Net (loss) profit margin [9]	(7.71%)	147.78%	126.72%
(Loss) earnings per share [10]	-	₱0.73	₱0.68

[1] *Total current assets divided by total current liabilities*

[2] *Quick assets (total current assets less investment in a joint venture held for sale, prepayments and other current assets) divided by total current liabilities*

[3] *Net (loss) income before depreciation and amortization divided by total liabilities*

[4] *Total liabilities divided by total equity*

[5] *Total assets divided by total equity*

[6] *Net (loss) income before interest expense and tax divided by interest expense*

[7] *Net (loss) income after tax divided by average total equity*

[8] *Net (loss) income after tax divided by average total assets*

[9] *Net (loss) income after tax divided by gross income*

[10] *Net (loss) income after tax divided by no. of common stock outstanding*

Keppel Philippines Properties, Inc.

Schedule A
Financial Assets
As at June 30, 2025
(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	5	225,000	-
Total financial assets at fair value through other comprehensive income		225,000	-
Cash and cash equivalents*		473,394,676	11,949,796
Receivables**		2,034,511	-
Refundable deposits***		238,656	-
Total financial assets		475,892,843	11,949,796

**Cash and cash equivalents exclude cash on hand.*

***Receivables exclude receivable from a government agency.*

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

Keppel Philippines Properties, Inc.

Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
As at June 30, 2025
(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
Keppel Land (Regional Investments), Pte. Ltd.	174,309	-	(174,309)	-	-	-	-

Keppel Philippines Properties, Inc.

Schedule C
Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of Financial Statements
As at June 30, 2025
(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
Not Applicable							

Keppel Philippines Properties, Inc.

Schedule D
Long Term Debt
As at June 30, 2025
(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
Not Applicable			

Keppel Philippines Properties, Inc.

Schedule E
Indebtedness to Related Parties
As at June 30, 2025
(All amounts in Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
Keppel Management Ltd.	20,973,943	20,973,943

Keppel Philippines Properties, Inc.

Schedule F
Guarantees of Securities of Other Issuers
As at June 30, 2025
(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
		Not Applicable		

Keppel Philippines Properties, Inc.

Schedule G
Capital Stock
As at June 30, 2025

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	-	-	-	-
Treasury stock		(59,474,100)	-	-	-	-
Total		293,828,900	-	255,133,693	10,007	38,685,200

Keppel Philippines Properties, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration
As at June 30, 2025
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, *beginning of the period*		90,777,303
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	-	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Treasury shares	-	
Unappropriated Retained Earnings, as adjusted		90,777,303
Add/Less: Net loss for the period		(299,839)
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	-	
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 profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment Property	-	

Cont.

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		(299,839)
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	- (1,585,248)	
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)	-	(1,585,248)
Total retained earnings available, end of the period available for dividend declaration		**88,892,216**

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	:	13 August 2025