COVER SHEET

P	W	-	3	0	5				

SEC Registration Number

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES

(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	8539-0460
(Contact Person)	(Company Telephone Number)

0 9	3 0	1 7 - Q	0 6	1 4
Month	*Day*	(Form Type)	*Month*	*Day*
(Fiscal Year)			(Annual Meeting)	

N/A

(Secondary License Type, If Applicable)

CFD	N/A
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

1,208 as at 30 September 2024	–	–
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 **September 30, 2024**

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 Subsidiaries

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

	Notes	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents	2,5,6,7	504,276,045	6,546,707,097
Receivables	3	1,692,187	20,772,123
Due from related parties	10	59,051	3,377,434
Prepayments and other current assets	4	27,546,565	27,039,954
		533,573,848	6,597,896,608
Current assets – discontinued operation			
Receivable from sale of investment in joint venture	6	-	6,994,777
Total current assets		533,573,848	6,604,891,385
Non-current assets			
Investments in associates	7	84,558,563	1,025,684,477
Financial assets at fair value through other comprehensive income	5	225,000	79,512,230
Property and equipment, net		119,910	197,222
Deferred income tax assets		-	1,678,707
Other non-current assets	4	26,173,390	27,351,277
Total non-current assets		111,076,863	1,134,423,913
Total assets		644,650,711	7,739,315,298
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other current liabilities	8	91,954,952	15,527,087
Due to related parties	10	20,973,944	21,420,000
		112,928,896	36,947,087
Current liabilities – discontinued operation			
Provision for transaction cost	6	33,760,000	33,760,000
Capital gains tax payable	6	-	909,280,125
Total current liabilities		146,688,896	979,987,212
Non-current liability			
Deferred tax liability		826,057	-
Total liabilities		147,514,953	979,987,212
Equity	9		
Share capital		356,104,000	356,104,000
Share premium		67,618,617	602,885,517
Treasury shares		(62,141,745)	(2,667,645)
Retained earnings		135,554,886	5,803,006,214
Total equity		497,135,758	6,759,328,086
Total liabilities and equity		644,650,711	7,739,315,298

The notes from pages 6 to 26 are an integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and Subsidiaries

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

	Notes	Quarters Ended September 30, 2024 (Unaudited)	Quarters Ended September 30, 2023 (Unaudited)	Nine Months Period Ended September 30, 2024 (Unaudited)	Nine Months Period Ended September 30, 2023 (Unaudited)
Gross income					
Interest income	2	3,566,762	99,786	143,468,006	286,720
Share in net income of associates	7	7,348,795	43,435	13,263,615	174,158
Management consultancy and franchise fees		-	12,290,317	-	36,239,259
Income from continuing operations		10,915,557	12,433,538	156,731,621	36,700,137
General and administrative expenses	11	(7,358,917)	(17,046,120)	(32,554,603)	(43,728,244)
Other income (loss), net	12	(10,818,122)	1,683,834	115,009,222	4,317,138
Net income (loss) before income tax from continuing operations		(7,261,482)	(2,928,748)	239,186,240	(2,710,969)
Income tax benefit (expense)		265,709	58,470	(30,689,622)	(1,834,091)
Net income (loss) from continuing operations		(6,995,773)	(2,870,278)	208,496,618	(4,545,060)
Income from discontinued operation					
Share in net income of associates and joint venture	6	-	-	-	58,596,561
Net income (loss) for the period		(6,995,773)	(2,870,278)	208,496,618	54,051,501
Other comprehensive loss		-	-	-	(11,105)
Comprehensive income (loss) for the period		(6,995,773)	(2,870,278)	208,496,618	54,040,396
Basic earnings (loss) per share from continuing operations	13	(0.02)	(0.01)	0.71	(0.02)
Basic earnings per share from discontinued operations	13	-	-	-	0.20
Basic earnings (loss) per share	13	(0.02)	(0.01)	0.71	0.18

The notes from pages 6 to 26 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and Subsidiaries

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

	Share capital		Share	Treasury	Other reserves	Retained	
	Common	**Preferred**	**premium**	**shares**		**earnings**	**Total equity**
Balances at January 1, 2024	296,629,900	59,474,100	602,885,517	(2,667,645)	-	5,803,006,214	6,759,328,086
Total comprehensive income for the period	-	-	-	-	-	208,496,618	208,496,618
Redemption of preferred shares	-	-	(535,266,900)	(59,474,100)	-	(1,427,378,400)	(2,022,119,400)
Declaration of cash dividends	-	-	-	-	-	(4,448,569,546)	(4,448,569,546)
Balances at September 30, 2024	296,629,900	59,474,100	67,618,617	(62,141,745)	-	135,554,886	497,135,758
Balances at January 1, 2023	296,629,900	59,474,100	602,885,517	(2,667,645)	1,682,548	2,512,873,373	3,470,877,793
Total comprehensive income (loss) for the period	-	-	-	-	(11,105)	54,051,501	54,040,396
Balances at September 30, 2023	296,629,900	59,474,100	602,885,517	(2,667,645)	1,671,443	2,566,924,874	3,524,918,189

The notes on pages 6 to 26 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and Subsidiaries

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

	Notes	2024 (Unaudited)	2023 (Unaudited)
Cash flows from operating activities			
Income (loss) before income tax			
Continuing operations		239,186,240	(2,710,969)
Discontinued operation		-	58,596,561
Income before income tax		239,186,240	55,885,592
Adjustments from continuing operations:			
Impairment loss	7	8,306,329	-
Loss from deconsolidation of a subsidiary	12	183,117	-
Depreciation and amortization expense	11	77,312	2,844,934
Unrealized foreign exchange gain	12	(3,304,229)	-
Share in net income of associates	7	(13,263,615)	(174,158)
Interest income	2	(143,468,006)	(286,720)
Retirement benefit expense		-	876,871
Interest expense on lease liability		-	290,370
Gain on sale of office equipment		-	(95,480)
Gain from termination of lease		-	(416,294)
Gain on reversal of liabilities		-	(1,157,246)
Adjustments from discontinued operation -			
Share in net income of associates and joint venture		-	(58,596,561)
Operating income (loss) before working capital		87,717,148	(828,692)
Decrease (increase) in:			
Receivables		12,804,318	(4,531,077)
Due from related parties		2,872,327	4,196,890
Prepayments and other current assets		(1,852,994)	(2,741,158)
Increase (decrease) in:			
Accounts payable and other current liabilities		9,928,156	6,635,016
Due to related parties		-	(57,018)
Net cash from operations		111,468,955	2,673,961
Interest income received		149,743,624	306,189
Interest portion of lease liability paid		-	(290,370)
Income taxes paid		(41,979,751)	(6,570,707)
Net cash from (used in) operating activities		219,232,828	(3,880,927)
Cash flows from investing activities			
Cash dividend income received	7	946,083,200	-
Proceeds from redemption of preferred shares	5	79,287,230	-
Liquidating dividend income received	10	7,796,025	-
Proceeds from sale of office equipment		-	128,000
Acquisition of assets		-	(34,906)
Discontinued operation:			
Proceeds from sale of an investment in joint venture	6	6,994,777	-
Payment of capital gains tax payable related to the sale of an investment in joint venture	6	(909,280,125)	-
Net cash from investing activities		130,881,107	93,094

	Notes	2024 (Unaudited)	2023 (Unaudited)
Cash flows from financing activity			
Payments for the principal portion of lease liability		-	(2,476,915)
Payment for the redemption of preferred shares	9	(2,022,119,400)	-
Dividend paid to stockholders	9	(4,365,784,884)	-
Net cash used in financing activity		(6,387,904,284)	(2,476,915)
Effect of changes in foreign exchange rates in cash equivalents		3,304,229	-
Effect of deconsolidation of a subsidiary		(7,944,932)	-
Net decrease in cash and cash equivalents		(6,042,431,052)	(6,264,748)
Cash and cash equivalents at January 1		6,546,707,097	39,719,571
Cash and cash equivalents at September 30		504,276,045	33,454,823

The notes on pages 6 to 26 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and Subsidiaries

Notes to Interim Consolidated Financial Statements
As at and for the nine months ended September 30, 2024
(With comparative figures as at December 31, 2023 and for the nine months ended September 30, 2023)
(In the Notes, all amounts are shown in Philippine Peso, unless otherwise indicated)

Note 1 - Corporate information

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

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

The Group's principal office address is 26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills East, Mandaluyong City.

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

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

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

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

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

	2024		2023		
	Percentage of ownership	Effective ownership interest	Percentage of ownership	Effective ownership interest	Nature of business
Subsidiaries					
Buena Homes, Inc. (BHI)	100	100	100	100	Investment holding
CSRI Investment Corporation (CSRI)	-	-	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

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

CSRI was incorporated in the Philippines on October 25, 1990. CSRI, a wholly owned subsidiary of KEP, is a holding company with investments in marketable equity securities and other investments. On December 2, 2022, CSRI's Board of Directors approved the dissolution through shortening of CSRI's corporate term effective on January 31, 2024 which was approved by the SEC on February 3, 2023. On January 31, 2024, the Parent Company lost control over CSRI due to the expiration of CSRI's corporate term resulting in CSRI's deconsolidation from the Group's consolidated financial statements. 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.

OKEP, OVI and ORDC 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 26 July 2024, the Board of Directors 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 16, 2024 for OKEP and OVI and on September 11, 2024 for ORDC. The process of dissolution with the relevant local government units and with the BIR will commence after September 30, 2025.

Note 2 – Cash and cash equivalents

Cash and cash equivalents consist of:

	September 30, 2024	December 31, 2023
Cash equivalents	412,460,411	6,528,215,204
Cash in banks	91,765,634	18,436,893
Cash on hand	50,000	55,000
	504,276,045	6,546,707,097

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term deposits made for varying periods of up to three (3) months from maturity and earns interest at the respective short-term deposit rates that range from 3.00% to 6.00% per annum in 2023 and 4.00% to 6.13% per annum in 2024.

Interest income from cash and cash equivalents amounted to P143.5 million and P0.3 million for the period ended September 30, 2024 and 2023, respectively. Accrued interest receivable on short-term deposits is presented as part of "Receivables" (Note 3).

Note 3 - Receivables

Receivables consist of:

	September 30, 2024	December 31, 2023
Accrued interest	1,553,887	7,829,505
Receivable from government agency	130,000	-
Accrued income	-	10,619,656
Withholding tax receivables	-	1,207,023
Receivable from SMKL	-	1,069,138
Others	8,300	46,801
	1,692,187	20,772,123

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

Receivable from 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:

	September 30, 2024	December 31, 2023
Tax credit	21,420,000	21,420,000
Creditable withholding taxes	4,882,198	4,882,198
Prepayments	399,630	357,447
Input value added tax (VAT)	844,737	380,309
	27,546,565	27,039,954

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

Creditable withholding taxes pertain to the amounts withheld by the Group's counterparties in relation to management fees which management has determined that these are recoverable and can be applied against future income taxes. As at September 30, 2024 and December 31 2023, the Group expects to utilize P4.9 million of the creditable withholding taxes within one (1) year. The remaining creditable withholding taxes amounting to P26.2 million and P27.4 million as at September 30, 2024 and December 31, 2023, respectively, and is classified and presented as part of "Other non-current assets."

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

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

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

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

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

(a) Club shares

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

(b) Preferred equity securities

Preferred equity securities pertain to investments in redeemable preferred shares of OKEP and OVI which were acquired in 2012 at ten pesos (P10) per share. These investments are classified as financial assets at FVOCI as the characteristics of the investments do not give the Group significant influence over OKEP and

OVI. These investments are carried at cost less impairment as they do not have a quoted market price in an active market and their fair values cannot be reliably measured.

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

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

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

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

Note 6 – Sale of investment in joint venture

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

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

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

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

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

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

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

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

The purchase price consists of share in the net asset value of 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.

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:

	Notes	September 30, 2024	December 31, 2023
Cost			
At January 1		51,343,671	653,989,443
Sale of investment in joint venture	6	-	(602,645,772)
At period/year end		51,343,671	51,343,671
Accumulated share in results of associates and a joint venture presented in profit or loss			
At January 1		973,715,859	2,659,681,540
Share in results of associates and joint venture			
Continuing operations		13,263,615	2,062,241
Discontinued operations	6	-	611,987,876
		13,263,615	614,050,117
Sale of investment in joint venture	6	-	(2,300,015,798)
Reclassification		624,947	-
Cash dividends received		(946,083,200)	-
At period/year end		41,521,221	973,715,859
Impairment loss	12	(8,306,329)	-
Presented in other comprehensive income			
At January 1		624,947	624,947
Share in other comprehensive income		-	-
Reclassification		(624,947)	-
At period/year end		-	624,947
		84,558,563	1,025,684,477

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

	Percentage of ownership		Carrying amount		Cash dividends
	September 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	September 30, 2024
Associates					
OKEP (i)	40%	40%	42,315,300	549,796,106	507,383,200
OVI (ii)	40%	40%	27,048,546	296,736,863	273,760,000
ORDC (iii)	40%	40%	15,194,717	179,151,508	164,940,000
			84,558,563	1,025,684,477	946,083,200

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

As of September 30, 2024, the Group determined and recognized impairment loss on its investments in OKEP and ORDC amounting to P7.1 million and P1.2 million, respectively.

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

(i) OKEP

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

(ii) OVI

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

(iii) ORDC

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

Note 8 – Accounts payable and other current liabilities

The account consists of:

	September 30, 2024	December 31, 2023
Dividends payable	82,784,662	553,981
Accrued expenses	8,537,550	10,239,844
Taxes payable	356,962	1,745,339
Accounts payable	275,778	-
Output VAT, net	-	1,555,644
Deferred output VAT, net	-	1,432,279
	91,954,952	15,527,087

On April 12, 2024, the Parent Company declared cash dividends amounting to P15.14 per common share for stockholders of record as of April 29, 2024, payable on May 22, 2024. The dividends payable pertains to P82.8 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.

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

Note 9 - Equity

(a) Share capital and treasury shares

Share capital consist of:

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

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

The redeemable preferred shares have the following terms and conditions:

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

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

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

(b) Share premium

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

	September 30, 2024	December 31, 2023
Common shares	67,618,617	67,618,617
Preferred shares	-	535,266,900
	67,618,617	602,885,517

(c) Retained earnings

As at September 30, 2024 and December 31, 2023, total retained earnings of the Group amounted to P135.6 million and P5,803.0 million, respectively. The portion of retained earnings corresponding to the undistributed share in results of associates and joint venture amounted to P41.5 million and P973.7 million as at September 30, 2024 and December 31, 2023, respectively. These amounts are not available for distribution as dividends until declared by the associates and the joint venture. Retained earnings are further restricted for the payment of dividends to the extent of the cost of shares held in treasury.

As at September 30, 2024 and December 31, 2023, the Parent Company's unappropriated retained earnings exceed its paid-up capital by P217.7 million and P3,414.0 million, respectively.

On December 22, 2023, the BOD approved and authorized the appropriation of Retained Earnings amounting to P1,427.4 million corresponding to the annual premium on the Parent Company's redeemable preferred shares. On May 22, 2024, KPPI redeemed these preferred shares from KML.

On April 12, 2024, the BOD of KPPI approved the declaration of cash dividends of P15.14 per share to stockholders of record as of April 29, 2024 payable on May 22, 2024. The Group has remaining unpaid cash dividend amounting to P82.8 million as of September 30, 2024 (Note 8).

(d) Net tangible asset value per share

Net tangible asset value per share as at September 30, 2024 and December 31, 2023 are as follows:

	2024	2023
Net assets	497,135,758	6,759,328,086
Less: Preferred share capital and premium	-	(2,022,119,400)
	497,135,758	4,737,208,686
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Net tangible asset value per share	1.69	16.12

The cash dividend of P15.14 per share declared on April 12, 2024 caused the significant decline in the net tangible asset value per share of the Group.

Note 10 - Related party disclosures

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

	Transactions		Outstanding receivable (payable)		
Related party	2024 (9 months)	2023 (9 months)	2024	2023	Terms and conditions
Due from related parties					
Associates					
OKEP					
Operating advances (a)	78,088	137,658	-	15,095	Non-interest-bearing, unsecured, collectible in cash upon demand
OVI					
Operating advances (a)	44,582	137,658	-	3,308,571	Non-interest-bearing, unsecured, collectible in cash upon demand
ORDC					
Operating advances (a)	44,582	204,629	-	13,595	Non-interest-bearing, unsecured, collectible in cash upon demand
Entities under common control					
Keppel Philippine Holdings, Inc.					
Operating advances (a)	45,829	12,105	29,610	13,391	Non-interest-bearing, unsecured, collectible in cash upon demand
KL(RI)					
Operating advances (a)	2,659	-	2,659	-	Non-interest-bearing, unsecured, collectible in cash upon demand
Kepwealth, Inc.					
Operating advances (a)	-	-	13,391	13,391	Non-interest-bearing, unsecured, collectible in cash upon demand
Kepventures, Inc.					
Operating advances (a)	-	-	13,391	13,391	Non-interest-bearing, unsecured, collectible in cash upon demand
			59,051	3,377,434	
Immediate parent company					
KML					
Tax credit (b)	-	-	(21,420,000)	(21,420,000)	Non-interest-bearing, unsecured, payable in cash upon demand

Related party	Transactions 2024 (9 months)	Transactions 2023 (9 months)	Outstanding receivable (payable) 2024	Outstanding receivable (payable) 2023	Terms and conditions
Operating advances (b)	446,056	-	446,056	-	Non-interest-bearing, unsecured, collectible in cash upon demand
Entities under common control					
KL(RI)					
Operating advances (c)	(394,709)	(8,466,427)	-	-	Non-interest-bearing, unsecured, payable in cash upon demand
			(20,973,944)	(21,420,000)	
Shareholders					
Dividends payable					
Cash dividends (d)	(4,448,569,564)	-	(82,784,662)	(553,981)	Outstanding balance is payable in cash on pay-out date as approved by the Company's BOD, non-interest bearing and unsecured

(a) The Parent Company made operating advances for expenses incurred by its associates and entities under common control. These operating advances represent expenses incurred in the normal operations paid on behalf of the Group's associates and affiliates. These are recharged at cost.

(b) Tax credit pertains to the withholding tax credit from the BIR in year 2022 amounting to P21.4 million in relation to the Parent Company's redemption of preferred shares in year 2010. Operating advances represent documentary stamp taxes paid on behalf of KML, recharged at cost.

(c) Keppel Land (Regional Investments) Pte. Ltd. (KL(RI)), an entity under common control, provides support services to the Group. Operating advances for the expenses incurred by the Group from KL(RI) are recharged at cost.

(d) On April 12, 2024, the 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. As of September 30, 2024 and December 31, 2023, the dividends payables amounted to P82.8 million and P0.5 million, respectively.

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

	2024	2023
Salaries and other short-term employee benefits	1,822,957	14,465,323
Bonuses and allowances	737,500	8,313,867
	2,560,457	22,779,190

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 September 30, 2024 and 2023. There were no outstanding balances with key management personnel as at September 30, 2024 and 2023.

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

Subsidiary	Transactions 2024 (9 months)	Transactions 2023 (9 months)	Outstanding receivable 2024	Outstanding receivable 2023	Terms and conditions
Due from subsidiaries					
BHI	72,662	148,180	-	25,658	Non-interest-bearing, unsecured, collectible in cash upon demand
CSRI	-	140,485	-	13,595	
			-	39,253	

Loss of control

CSRI's corporate term has ended on 31 January 2024 and as a result, the Parent Company lost control over CSRI. Accordingly, the following assets and liabilities of CSRI as of 31 January 2024, were deconsolidated from the Group's consolidated financial statements.

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 26 April 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7,796,025 that resulted in a loss from its deconsolidation of P183,117.

Note 11 - General and administrative expenses

General and administrative expenses for the nine months ended September 30 are as follows:

	2024	2023
Taxes and licenses	13,261,187	2,872,575
Professional fees	12,325,037	4,785,990
Salaries and employee benefits	3,551,955	26,065,272
Rental	1,091,851	908,095
Transportation and travel	697,957	523,253
Repairs and maintenance	650,476	1,634,141
Postage, printing, and advertising	247,375	250,757
Membership and dues	189,250	892,832
Representation and entertainment	111,738	49,591
Depreciation and amortization	77,312	2,844,934
Utilities	65,889	1,252,553
Bank and other charges	58,188	39,528
Insurance	57,932	372,471
Office supplies	12,153	29,287
Retirement benefit expense	-	876,871
Other expenses	156,303	330,094
	32,554,603	43,728,244

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

Note 12 – Other income, net

Other income, net for the nine months ended September 30 are as follows:

	2024	2023
Foreign exchange gain (loss)	120,090,329	(202,994)
Impairment loss	(8,306,329)	-
Unrealized foreign exchange gain	3,304,229	-
Intercompany charges	104,110	3,557,776
Loss from deconsolidation of a subsidiary	(183,117)	-
Gain on reversal of liabilities	-	1,157,246
Gain on sale of property and equipment	-	95,480
Interest expense on lease liabilities	-	(290,370)
	115,009,222	4,317,138

Note 13 - Earnings per share

Earnings per share from continuing operations for the nine months ended September 30 are as follows:

	2024	2023
Net income (loss) from continuing operations	208,496,618	(4,545,060)
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings (loss) per share	0.71	(0.02)

Earnings per share from discontinued operation for the nine months ended September 30 are as follows:

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

Earnings per share from operations for the nine months ended September 30 are as follows:

	2024	2023
Net income from operations	208,496,618	54,051,501
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings per share	0.71	0.18

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 September 30, 2024 and 2023 is computed as follows:

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

Note 14 - Financial risk and capital management

14.1 Financial risk management

	September 30, 2024
Cash equivalents	2,935,258
Exchange rates	58.67
PHP equivalent	172,206,243

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

	USD	
	Change in variable	Net income before tax increase (decrease)
PHP against foreign currency		
- strengthened	1.94%	3,340,801
- weakened	(1.94%)	(3,340,801)

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

(a) Credit risk

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

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

The Group transacts mostly with related parties, thus, there is no requirement for collateral. The Group's due from related parties are approximately 0.03% and 10.84% of total receivables as at September 30, 2024 and December 31, 2023, respectively.

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

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

		Stage 1 – Performing	Stage 2 - Underperforming	Stage 3 – Non-performing	Total
September 30, 2024					
Cash and cash equivalents*	(i)	504,226,045	-	-	504,226,045
Receivables**	(ii)	1,562,187	-	-	1,562,187
Due from related parties	(ii)	59,051	-	-	59,051
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits***	(iv)	243,856	-	-	243,856
		506,316,139	-	-	506,316,139

		Stage 1 – Performing	Stage 2 - Underperforming	Stage 3 – Non-performing	Total
December 31, 2023					
Cash and cash equivalents*	(i)	6,546,652,097	-	-	6,546,652,097
Receivables**	(ii)	26,559,877	-	-	26,559,877
Due from related parties	(ii)	3,377,434	-	-	3,377,434
FVOCI	(iii)	79,512,230	-	-	79,512,230
Refundable deposits***	(iv)	266,655	-	-	266,655
		6,656,368,293	-	-	6,656,368,293

**Cash and cash equivalents exclude cash on hand.*
***Receivables exclude withholding tax receivables and receivable from 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 September 30, 2024 and December 31, 2023 was determined as follows:

	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
September 30, 2024				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	1,562,187	-	-	1,562,187
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	59,051	-	-	59,051
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-
December 31, 2023				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	26,559,877	-	-	26,559,877
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	3,377,434	-	-	3,377,434
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	79,512,230	-	-	79,512,230
Loss allowance	-	-	-	-

(i) Cash and cash equivalents and accrued interest

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

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

(ii) Receivables

Receivables from related parties

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

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

Other receivables

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

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

(iii) Financial asset at FVOCI

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

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

(iv) Refundable deposits

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

(b) 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
September 30, 2024					
Accounts payable and other current liabilities*	82,784,662	8,813,328	-	-	91,597,990
Due to related parties	20,973,944	-	-	-	20,973,944
	103,758,606	8,813,328	-	-	112,571,934
December 31, 2023					
Accounts payable and other current liabilities*	553,981	10,239,844	-	-	10,793,825
Due to related parties	21,420,000	-	-	-	21,420,000
	21,973,981	10,239,844	-	-	32,213,825

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

14.2 Capital management

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

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

The Group's objective is to ensure that there are no known events that may trigger direct or contingent financial obligation that is material to the Group, including default or acceleration of an obligation.

There are no changes in the Group's objectives, policies and processes for managing capital from the previous period.

The percentages of debt to equity are as follows:

	September 30, 2024	December 31, 2023
Liabilities	147,514,953	979,987,212
Equity	497,135,758	6,759,328,086
Percentage of debt to equity	29.67%	14.50%

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

14.3 Fair value estimation

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

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

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

<u>Fair value hierarchy</u>

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

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

<u>Note 15 - Critical accounting estimates and assumptions</u>

The preparation of the financial statements in conformity with PFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes. The estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from such estimates.

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Assessment of impairment of investments in associates (Note 7)

The Group assesses impairment on its investments in associates annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined by the higher between value-in-use and fair value less cost to sell. This requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that these assets are impaired. Any resulting additional impairment loss could have a material adverse impact on the Group's consolidated financial position and results of operations. On September 2024, SEC approved the associates' dissolution through shortening of corporate term until September 30, 2025 and accordingly, management performed an impairment assessment on its investment in associates. The recoverable amount of the investment in associates is determined based on the estimated liquidating dividend to be received by the Parent Company from the associates as of September 30, 2025. As a result, the Group recognized impairment loss on its investments in OKEP and ORDC amounting to P7.1 million and P1.2 million, respectively, as of September 30, 2024 as the recoverable amount is lower than the carrying amount of the investments. There is no material impact to the Group should there be any change in the key assumptions made in the impairment assessment.

<u>Note 16 - Summary of significant accounting policies</u>

16.1 Basis of preparation

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

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

<u>Changes in accounting policy and disclosures</u>

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

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

16.2 Consolidation

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

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

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

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

Assessment of control

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

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

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

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

16.3 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.

<u>Financial assets</u>

(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 September 30, 2024 and December 31, 2023.

(i) Amortized cost

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

(ii) Fair value through other comprehensive income

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

(b) Recognition and measurement

(i) Initial recognition and measurement

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

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

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

(ii) Subsequent measurement

Amortized cost

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

Equity investments

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

(c) Impairment

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

Equity investments

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

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

(d) Derecognition

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

Financial liabilities

(a) Classification

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

The Group classifies its financial liabilities in the following categories: financial liabilities at FVTPL (including financial liabilities held for trading and those that designated at fair value); and other financial liabilities. The Group's financial liabilities are limited to other financial liabilities at amortized cost.

Financial liabilities at amortized cost pertains to issued financial instruments that are not classified as FVTPL and contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. These are included in current liabilities, except for maturities greater than twelve (12) months after the reporting period which are classified as non-current liabilities.

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

(b) Recognition and derecognition

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

(c) Measurement

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

Offsetting of financial instruments

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

16.4 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 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.

16.5 Impairment of non-financial assets

Investments in associates

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the associates. The Group determines at each reporting date whether there is any objective evidence that the investments in associates are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying amount of these investments and recognizes the difference in profit or loss. As of September 30, 2024, the Group recognized impairment loss on its investments in OKEP and ORDC amounting to P7.1 million and P1.2 million, respectively, as the recoverable amount is lower than the carrying amount of the investments.

16.6 Events after the reporting period

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

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

RESULTS OF OPERATIONS

Nine months ended September 30, 2024 as compared to the same period in 2023

The net income for the period ended September 30, 2024 increased by ₱154.4 million from ₱54.1 million to ₱208.5 million mainly due to the interest income earned by the proceeds from the sale of investment in joint venture that was placed in short-term time deposits. Other reasons for the increase in net income are as follows.

- Increase in **OTHER INCOME** by ₱110.7 million from ₱4.3 million to ₱115.0 million in 2024 mainly due to realized foreign exchange gain on the Parent Company's short-term time deposit in USD.

- Decrease in **GENERAL AND ADMINISTRATIVE EXPENSES** by ₱11.1 million from ₱43.7 million to ₱32.6 million in 2024 due to lower salaries, wages and benefits from lower payroll headcount and lower depreciation from fully depreciated assets, partly offset by the one-time remuneration paid to the Parent Company's directors, the payment of assessed tax arising from the audit of taxable years 2016 and 2022, employees' retirement benefit paid in 2023 and internet charges in 2023.

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

- Decrease in **SHARE IN NET INCOME OF ASSOCIATES AND JOINT VENTURE** by ₱45.5 million due to the sale of the investment in joint venture in 2023. Majority of the amount of share in net income is derived from the said joint venture.

- Decrease in **MANAGEMENT CONSULTANCY AND FRANCHISE FEES** by ₱36.2 million mainly due to the termination of the related service agreement in 2023 as part of the conditions to the sale of the investment in joint venture in the same year.

- Increase in **INCOME TAX EXPENSE** by ₱28.9 million from ₱1.8 million to ₱30.7 million in 2024 mainly due to the final tax on interest income.

FINANCIAL CONDITION

As of September 30, 2024 as compared to as of December 31, 2023

TOTAL ASSETS decreased by ₱7,094.6 million from ₱7,739.3 million as of December 31, 2023 to ₱644.7 million as of September 30, 2024. The significant changes in account balances during the period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱6,042.4 million due mainly to the net operating, investing and financing activities such as the payment of capital gains tax related to the sale of investment in joint venture, cash dividend paid to stockholders and payment of the redemption price in relation to the redemption of preferred shares, partly offset by the interest income earned on short-term time deposits and dividend income received from associates.

- **RECEIVABLES; RECEIVABLE FROM SALE OF INVESTMENT IN JOINT VENTURE** decreased by ₱26.1 million mainly due to the collection in 2024 of the remaining receivable from the sale of investment in joint venture and the outstanding management consultancy and franchise fees from the joint venture; and the receipt of accrued interest income on short-term time deposits.

- **DUE FROM RELATED PARTIES** decreased by ₱3.3 million due to the collection of operating advances made on behalf of the Group's associates.

- **PREPAYMENTS AND OTHER CURRENT; NONCURRENT ASSETS** decreased by ₱0.7 million due to the utilization of creditable withholding taxes as at September 30, 2024.

- **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** decreased by ₱79.3 million due to the redemption of OKEP and OVI's preferred shares.

- **INVESTMENTS IN ASSOCIATES** decreased by ₱941.1 million due to the dividends received from associates and impairment loss recognized, partly offset by the share in net income of associates.

- **DEFERRED INCOME TAX ASSETS, NET** decreased by ₱1.7 million due to the derecognition of deferred tax on accrued bonuses as of September 30, 2024.

TOTAL LIABILITIES decreased by ₱832.5 million from ₱980.0 million as of December 31, 2023 to ₱147.5 million as of September 30, 2024 mainly due to the payment of capital gains tax related to the sale of investment in joint venture partly offset by the increase in dividends payable arising from the cash dividends declared on April 12, 2024.

TOTAL EQUITY decreased by ₱6,262.2 million from ₱6,759.3 million as of December 31, 2023 to ₱497.1 million as of September 30, 2024 mainly due to the cash dividend declared on April 12, 2024 and the redemption of preferred shares on May 22, 2024.

KEY PERFORMANCE INDICATORS

	For the period ended September 30		For the year ended December 31
	2024 (Unaudited)	**2023 (Unaudited)**	**2023 (Audited)**
Return on assets [1]	4.97%	(0.13%)	(0.10%)
Earnings (loss) per share [2]	₱0.71	(₱0.02)	(₱0.02)
Net tangible asset value per share [3]	₱1.69	₱9.97	₱16.12
Working capital ratio [4]	3.64:1	83.21:1	6.74:1
Debt-to-equity ratio [5]	0.30:1	0.01:1	0.14:1

[1] *Net income (loss) from continuing operations divided by average total assets*
[2] *Net income (loss) from continuing operations 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 September 30, 2024:

   - There are no known material commitments for capital expenditures.
   - There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net revenues or income from continuing operations.
   - There are no significant elements of income or loss that did not arise from the Group's continuing operations.
   - There are no seasonal aspects that had a material impact on the results of operations of the Group.

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

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

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

PART II. OTHER INFORMATION

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

Keppel Philippines Properties, Inc.

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

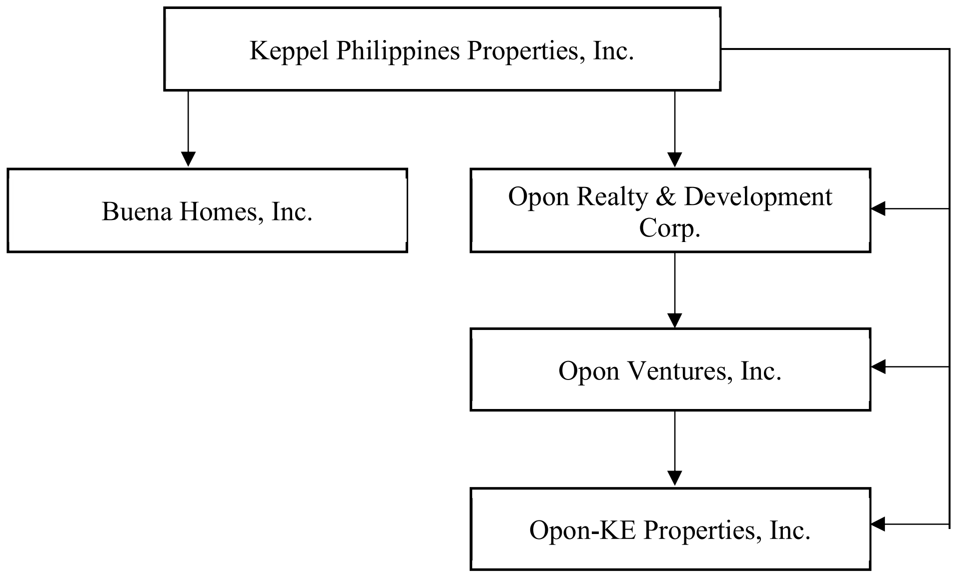
	Neither past due nor impaired	Past due but not impaired				Impaired	Total
		< 30 days	31-90 days	91-120 days	> 120 days		
Type of Account Receivable							
Non-Trade Receivables							
Accrued interest receivables	1,553,887	-	-	-	-	-	1,553,887
Receivable from government agency	130,000	-	-	-	-	-	130,000
Others	8,300	-	-	-	-	-	8,300
Sub-total	1,692,187	-	-	-	-	-	1,692,187
Less: Allowance for doubtful accounts	-	-	-	-	-	-	-
Net Receivables	**1,692,187**	**-**	**-**	**-**	**-**	**-**	**1,692,187**

Account Receivable Description

Type of Receivables	Nature/Description	Collection Period
Accrued interest receivable	Interest on money market placements	Collectible upon maturity within 30-60 days
Receivables from government agency	Receivable from Social Security Systems for employees' maternity benefit claims	Collectible within 30-90 days
Others		

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

Keppel Group Structure
As at September 30, 2024



Subsidiaries	**Percentage of Ownership**	**Nature of Business**
Buena Homes, Inc.	100%	Investment Holding
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)

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)	December 31, 2023 (Audited)
Liquidity/current ratio [1]	3.64:1	83.21:1	6.74:1
Acid test ratio [2]	3.45:1	1.45:1	6.71:1
Solvency ratio [3]	1.41:1	(0.05:1)	-
Debt-to-equity ratio [4]	0.30:1	0.01:1	0.14:1
Asset-to-equity ratio [5]	1.30:1	1.01:1	1.14:1
Interest rate coverage ratio [6]	N/A	N/A	N/A
Return on equity [7]	5.75%	(0.13%)	(0.11%)
Return on assets [8]	4.97%	(0.13%)	(0.10%)
Net profit margin [9]	133.03%	(12.38%)	(9.46%)
Earnings (loss) per share [10]	₱0.71	(₱0.02)	(₱0.02)

[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 income (loss) from continuing operations before depreciation and amortization divided by total liabilities*

[4] *Total liabilities divided by total equity*

[5] *Total assets divided by total equity*

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

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

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

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

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

Keppel Philippines Properties, Inc. and Subsidiaries

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

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Income received and accrued
Financial assets at fair value through other comprehensive income			
Club Filipino Inc. de Cebu	12	225,000	-
Total financial assets at fair value through other comprehensive income		225,000	-
Cash and cash equivalents*		504,226,045	143,468,006
Receivables**		1,562,187	-
Due from related parties		59,051	-
Refundable deposits***		243,856	-
Total financial assets		506,316,139	143,468,006

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

***Receivables exclude withholding tax receivables and receivable from government agency.*

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

Keppel Philippines Properties, Inc. and Subsidiaries

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

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amounts written off	Current	Non-current	Balance at end of year
Opon-KE Properties, Inc.	15,095	78,088	(93,183)	-	-	-	-
Opon Ventures, Inc.	3,308,571	44,582	(3,353,153)	-	-	-	-
Opon Realty and Development Corporation	13,595	44,582	(58,177)	-	-	-	-
Keppel Philippine Holdings, Inc.	13,391	45,829	(29,610)	-	29,610	-	29,610
Kepwealth, Inc.	13,391	-	-	-	13,391	-	13,391
Kepventures, Inc.	13,391	-	-	-	13,391	-	13,391
Keppel Land (Regional Investments), Pte. Ltd.	-	2,659	-	-	2,659	-	2,659

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule C
Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of Financial Statements
As at September 30, 2024
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts provided for/ written off	Current	Non-current	Balance at end of period
Buena Homes, Inc.	25,658	72,662	(98,320)	-	-	-	-

Keppel Philippines Properties, Inc. and Subsidiaries

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

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

Keppel Philippines Properties, Inc. and Subsidiaries

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

Name of related party	Balance at beginning of period	Balance at end of period
Keppel Management Ltd.	21,420,000	20,973,944

Keppel Philippines Properties, Inc. and Subsidiaries

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

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

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule G
Capital Stock
As at September 30, 2024

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

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Common shares of stock	375,000,000	296,629,900	-	-	-	-
Treasury stock		(2,801,000)	-	-	-	-
Outstanding common stock		293,828,900	-	255,133,693	10,007	38,685,200
Preferred stock	135,700,000	59,474,100	-	-	-	-
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 September 30, 2024
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, *beginning of the period*		3,450,513,374
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	(4,448,569,546)	
Retained earnings appropriated during the reporting period	-	
Effect of restatements or prior-period adjustments	-	
Treasury shares	-	(4,448,569,546)
Unappropriated Retained Earnings, as adjusted		(998,056,172)
Add/Less: Net Income for the period		208,496,618
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	932,819,585	
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)	-	932,819,585
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of investment property	-	
Other Realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Add: Category C.3: Unrealized income recognized in the profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through		

Cont.

profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
Adjusted net income		1,141,316,203
Add: Category D: Non-actual losses recognized the profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category E: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the	-	
reconciling items under the previous categories	-	
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use asset and, lease liability set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP-gain (loss)	-	
Others (describe nature)	-	-
Total retained earnings available, end of the period available for dividend declaration		**143,260,031**

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	:	14 November 2024