

# COVER SHEET

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SEC Registration Number

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(Company's Full Name)

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

**Jona Arrol Cabrera**

(Contact Person)

**8539-0460**

(Company Telephone Number)

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Month Day  
(Fiscal Year)

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(Form Type)

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Month Day  
(Annual Meeting)

**N/A**

(Secondary License Type, If Applicable)

**CFD**

Dept. Requiring this Doc.

**N/A**

Amended Articles Number/Section

Total Amount of Borrowings

**1,202 as at 30 September 2025**

Total No. of Stockholders

—

Domestic

—

Foreign

To be accomplished by SEC Personnel concerned

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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, 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. 26<sup>th</sup> 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
<b>Common</b>	<b>293,828,900</b>
<b>Debt Outstanding</b>	<b>Nil</b>
11. Are any or all of the securities listed on the Philippine Stock Exchange?  
**Yes [ / ] No [ ]**  

Name of stock exchange:	<b>Philippine Stock Exchange</b>
Class of securities listed:	<b>Common Stock</b>
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 September 30, 2025

(With comparative figures as at December 31, 2024)

(All amounts in Philippine Peso)

	Notes	September 30, 2025 (Unaudited)	December 31, 2024 (Audited)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	2	478,710,951	480,667,147
Receivables	3	2,017,802	1,917,194
Due from related parties	8	503,302	174,309
Prepayments and other current assets	4	1,971,021	25,474,723
Total current assets		483,203,076	508,233,373
<b>Non-current assets</b>			
Investments in associates	7	78,153,821	76,696,816
Financial assets at fair value through other comprehensive income	5	225,000	225,000
Property and equipment, net		45,470	94,140
Other non-current assets	4	52,371,411	28,460,756
Total non-current assets		130,795,702	105,476,712
<b>Total assets</b>		<b>613,998,778</b>	<b>613,710,085</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Accounts payable and other current liabilities	9	82,444,859	84,733,263
Due to a related party	8	20,973,943	20,973,943
Provision for transaction cost	6	16,159,925	19,811,308
Total current liabilities		119,578,727	125,518,514
<b>Non-current liability</b>			
Deferred income tax liability		321,810	440,998
Total liabilities		119,900,537	125,959,512
<b>Equity</b>			
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		132,517,369	126,169,701
Total equity		494,098,241	487,750,573
<b>Total liabilities and equity</b>		<b>613,998,778</b>	<b>613,710,085</b>

The notes from pages 6 to 25 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 nine months ended September 30  
(All amounts in Philippine Peso)

	Notes	Quarters Ended September 30, 2025      2024 (Unaudited)		Nine Months Period Ended September 30, 2025      2024 (Unaudited)	
<b>Gross revenue</b>					
Interest income	2	6,100,643	3,566,762	18,050,439	143,468,006
Share in net income of associates	7	784,159	7,348,795	1,457,005	13,263,615
<b>Income</b>		6,884,802	10,915,557	19,507,444	156,731,621
General and administrative expenses	10	(2,692,560)	(7,358,917)	(10,891,128)	(32,554,603)
Other income (loss), net	11	5,877,969	(10,818,122)	1,096,273	115,009,222
<b>Income (loss) before income tax</b>		10,070,211	(7,261,482)	9,712,589	239,186,240
Income tax expense		(2,749,858)	265,709	(3,364,921)	(30,689,622)
<b>Net income (loss) for the period</b>		7,320,353	(6,995,773)	6,347,668	208,496,618
Other comprehensive income		-	-	-	-
<b>Total comprehensive income (loss) for the period</b>		7,320,353	(6,995,773)	6,347,668	208,496,618
<b>Basic earnings (loss) per share</b>	12	0.02	(0.02)	0.02	0.71

The notes from pages 6 to 25 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 nine months ended September 30  
(All amounts in Philippine Peso)

	Share capital		Share premium	Treasury shares	Retained earnings		Total	Total equity
	Common	Preferred			Appropriated	Unappropriated		
<b>Balances at January 1, 2025</b>	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 income for the period	-	-	-	-	-	6,347,668	6,347,668	6,347,668
<b>Balances at September 30, 2025</b>	296,629,900	59,474,100	67,618,617	(62,141,745)	2,667,645	129,849,724	132,517,369	494,098,241
<b>Balances at January 1, 2024</b>	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	-	-	-	-	-	208,496,618	208,496,618	208,496,618
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)
<b>Balances at September 30, 2024</b>	296,629,900	59,474,100	67,618,617	(62,141,745)	2,667,645	132,887,241	135,554,886	497,135,758

The notes on pages 6 to 25 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 nine months ended September 30  
(All amounts in Philippine Peso)

	<b>Notes</b>	<b>2025 (Unaudited)</b>	<b>2024 (Unaudited)</b>
<b>Cash flows from operating activities</b>			
Income before income tax		9,712,589	239,186,240
Adjustments for:			
Loss from deconsolidation of a subsidiary	11	319,172	183,117
Depreciation	10	48,670	77,312
Gain on reversal of liabilities	11	(21,852)	-
Unrealized foreign exchange gain	11	(1,287,239)	(3,304,229)
Share in net income of associates	7	(1,457,005)	(13,263,615)
Interest income	2	(18,050,439)	(143,468,006)
Impairment loss on investments in associates	7	-	8,306,329
Operating (loss) income before working capital changes		(10,736,104)	87,717,148
Decrease (increase) in:			
Receivables		222,300	12,804,318
Due from related parties		(328,993)	2,872,327
Prepayments and other current assets		(686,684)	(1,852,994)
Increase (decrease) in:			
Accounts payable and other current liabilities		(991,918)	9,928,156
Net cash (used in) from operations		(12,521,399)	111,468,955
Interest received		17,727,531	149,743,624
Income taxes paid		(4,664,986)	(41,979,751)
Net cash from operating activities		541,146	219,232,828
<b>Cash flows from investing activities</b>			
Liquidating dividends received	8	11,189,488	7,796,025
Cash dividends 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		(3,651,383)	-
		(3,651,383)	(902,285,348)
Net cash from investing activities		7,538,105	130,881,107
<b>Cash flows from financing activities</b>			
Payment for the redemption of preferred shares	8	-	(2,022,119,400)
Dividend paid to stockholders	8	-	(4,365,784,884)
Net cash used in financing activities		-	(6,387,904,284)

Forwarded

	Notes	2025 (Unaudited)	2024 (Unaudited)
<i>Continued</i>			
<b>Effect of deconsolidation of a subsidiary</b>		(11,322,686)	(7,944,932)
<b>Net decrease in cash and cash equivalents</b>		(3,243,435)	(6,045,735,281)
Cash and cash equivalents at January 1		480,667,147	6,546,707,097
Effect of changes in foreign exchange rates on cash equivalents		1,287,239	3,304,229
<b>Cash and cash equivalents at September 30</b>		478,710,951	504,276,045

The notes on pages 6 to 25 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 nine months ended September 30, 2025

(With comparative figures as at December 31, 2024 and for the nine months ended September 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 September 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 September 30, 2025 and December 31, 2024.

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

As at September 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		Nature of business
	Percentage of ownership	Effective ownership interest	Percentage of ownership	Effective ownership interest	
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 pivot into a global asset-light asset manager and operator. 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 until 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 Po.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 until 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 Po.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 until 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 (Note 7).

The Parent Company has 1,002 and 1,008 shareholders, owning 100 or more shares each, as at September 30, 2025 and December 31, 2024, respectively.

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 September 30, 2025 and December 31, 2024, the Group has three (3) employees.

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

Cash and cash equivalents consist of:

	September 30, 2025	December 31, 2024
Cash equivalents	473,770,155	453,902,026
Cash in banks	4,900,796	26,725,121
Cash on hand	40,000	40,000
	<b>478,710,951</b>	<b>480,667,147</b>

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 P18.1 million and P143.5 million for the period ended September 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:

	September 30, 2025	December 31, 2024
Accrued interest	2,017,802	1,694,894
Receivable from a government agency	-	130,000
Others	-	92,300
	2,017,802	1,917,194

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

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

Prepayments and other current assets consist of:

		September 30, 2025	December 31, 2024
Input value added tax (VAT)	(i)	1,414,958	1,197,851
Creditable withholding taxes	(ii.a)	4,034	2,495,136
Tax credit	(iii)	-	21,420,000
Others	(iv)	552,029	361,736
		1,971,021	25,474,723

Other non-current assets consist of:

		September 30, 2025	December 31, 2024
Creditable withholding taxes	(ii.b)	30,951,411	28,460,756
Tax credit	(iii)	21,420,000	-
		52,371,411	28,460,756

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

(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 P4.0 thousand (2024 – P2.5 million) of the creditable withholding taxes within 12 months from reporting date.

(ii.b) The Group expects to utilize P31.0 million (2024 – P28.5 million) of the creditable withholding taxes beyond 12 months from reporting date which was classified and presented as part of "Other non-current assets."

(iii) 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. In 2025, The Parent Company assessed to receive the refund beyond 12 months from reporting date resulting in the reclassification from "Prepayments and other current assets" to "Other non-current assets."

(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 September 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 September 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 nine months ended September 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 SMK L	48,993,780
March 31	2,902,661,570

The Group recognized share in equity from SMK L'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 SMK L after adjustments as approved and agreed between the Sellers and BDO as at closing date. On the same date, the Parent Company has collected P6,521.7 million of the purchase price, while the remaining P7.0 million was collected in January 2024.

The cost to sell include actual incurred transaction costs amounting to P1.4 million and provisions amounting to P33.8 million for the Parent Company's share in any unrecorded liabilities and condominiumization expense of SMK L to be determined no later than one year from its sale, which were agreed between the Sellers and BDO in the Share Purchase Agreement. The provision also covers tax indemnity to BDO on SMK L'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, P17.6 million was paid to BDO as of September 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 SMK L 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 SMK L through OKEP amounting to P9.6 million.

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

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

#### **Note 7 - Investments in associates**

Details of investments in associates are as follows:

	September 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	1,457,005	5,401,868
Reclassification	-	624,947
Impairment loss	-	(8,306,329)
Cash dividends received	-	(946,083,200)
At period/year end	26,810,150	25,353,145
Presented in other comprehensive income		
At January 1	-	624,947
Reclassification	-	(624,947)
At period/year end	-	-
	78,153,821	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	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Associates				
OKEP (i)	40%	40%	42,720,243	41,400,832
OVI (ii)	40%	40%	22,878,238	22,668,045
ORDC (iii)	40%	40%	12,555,340	12,627,939
			78,153,821	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
<i>September 30, 2025</i>				
Net assets		103,669,795	62,253,272	10,513,341
Ownership interest		40%	40%	40%
		41,467,918	24,901,309	4,205,336
Goodwill		1,252,325	(2,023,071)	8,350,004
		42,720,243	22,878,238	12,555,340
<i>December 31, 2024</i>				
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 September 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.

(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.

On July 26, 2024, the BOD of these associates approved the dissolution through shortening of their corporate term until September 30, 2025 (Note 1). Accordingly, the Parent Company received liquidating dividends from these associates on October 3, 2025 (Note 8).

	Amount
OKEP	41,276,000
OVI	24,664,000
ORDC	12,616,000
Total	78,556,000

The process of dissolution with the relevant local government agencies and with the BIR is in progress.

### **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 nine months ended September 30 and outstanding balances as at September 30, 2025 and December 31, 2024 are as follows:

Related party	Transactions		Outstanding receivable (payable)		Terms and conditions
	2025 (9 months)	2024 (9 months)	2025	2024	
Due from related parties					
Entities under common control					
KL(RI)					
Operating advances (a)	600	2,659	600	174,309	Non-interest-bearing, unsecured, unguaranteed, collectible in cash upon demand at gross amount.
Keppel Philippine Holdings, Inc.					
Operating advances (a)	87,423	45,829	23,537	-	
Kepventures, Inc.					
Operating advances (a)	20,111	-	20,111	-	
Shareholder					
Keppwealth, Inc.					
Operating advances (a)	20,111	-	20,111	-	
Associates					
OKEP					
Operating advances (a)	168,155	78,088	122,501	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
Cash dividends (b)	-	507,383,200	-	-	
Redemption of preferred shares (c)	-	31,287,230	-	-	
Liquidating dividends (d)	41,276,000	-	-	-	
OVI					
Operating advances (a)	168,155	44,582	122,501	-	
Cash dividends (b)	-	273,760,000	-	-	
Redemption of preferred shares (c)	-	48,000,000	-	-	
Liquidating dividends (d)	24,664,000	-	-	-	
ORDC					
Operating advances (a)	239,595	44,582	193,941	-	
Cash dividends (b)	-	164,940,000	-	-	
Liquidating dividends (d)	12,616,000	-	-	-	
			503,302	174,309	
Entities under common control					
KML					
Tax credit (e)	-	-	(21,420,000)	(21,420,000)	Non-interest-bearing, unsecured, unguaranteed and payable in cash upon demand at gross amount.
Operating advances (a)	-	(3,164,959)	446,057	446,057	
Redemption of preferred shares (f)	-	(2,022,119,400)	-	-	
KL(RI)					
Operating advances (g)	-	(394,709)	-	-	
			(20,973,943)	(20,973,943)	
Shareholders					
Dividends payable					
Cash dividends (h)	-	(4,448,569,564)	(78,653,366)	(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) OKEP, OVI and ORDC declared and paid liquidating dividends to the Parent Company on October 1, 2025 and October 3, 2025, respectively (Note 7).
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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 P78.2 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 nine months ended September 30 are as follows:

	2025	2024
Salaries and other short-term employee benefits	1,928,413	1,822,957
Bonuses and allowances	1,542,000	737,500
	3,470,413	2,560,457

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

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

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	September 30, 2025	December 31, 2024
Dividends payable	8	78,653,366	81,208,807
Accrued expenses		3,742,489	2,828,232
Taxes payable		49,004	696,224
		<b>82,444,859</b>	<b>84,733,263</b>

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 September 30, 2025 pertains to P78.2 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 nine months ended September 30 are as follows:

	2025	2024
Salaries and employee benefits	4,603,720	3,551,955
Professional fees	3,481,494	12,325,037
Rental	1,148,244	1,091,851
Transportation and travel	458,253	697,957
Repairs and maintenance	287,672	650,476
Membership and dues	193,700	189,250
Postage, printing, and advertising	172,657	247,375
Taxes and licenses	166,334	13,261,187
Insurance	100,329	57,932
Representation and entertainment	59,160	111,738
Utilities	57,553	65,889
Depreciation	48,670	77,312
Bank charges	15,901	58,188
Other	97,441	168,456
	10,891,128	32,554,603

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

**Note 11 – Other income, net**

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

	2025	2024
Unrealized foreign exchange gain	1,287,239	3,304,229
Intercompany charges	129,434	104,110
Gain on reversal of liabilities	21,852	-
Realized foreign exchange (loss) gain	(23,080)	120,090,329
Loss from deconsolidation of a subsidiary	(319,172)	(183,117)
Impairment loss	-	(8,306,329)
	1,096,273	115,009,222

**Note 12 - Earnings per share**

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

	2025	2024
Net income from operations	6,347,668	208,496,618
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings per share	0.02	0.71

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, 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 September 30, 2025 and December 31, 2024.

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

	September 30, 2025	December 31, 2024
Cash equivalents	3,044,405	2,964,886
Exchange rates	58.40	58.80
PHP equivalent	177,793,272	174,335,293

The Group did not have foreign currency-denominated monetary assets and liabilities other than the short-term deposits as at September 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 deem necessary.

The following table demonstrates the sensitivity to a reasonably possible change of 0.68% (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) September 30, 2025	Net income before tax increase (decrease) December 31, 2024
PHP against USD		
- strengthened	1,208,994	3,783,076
- weakened	(1,208,994)	(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 related parties, financial asset at FVOCI and refundable deposits. As at September 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 September 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 19.96% and 8.33% of total receivables as at September 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 September 30, 2025 and December 31, 2024:

		Stage 1 – Performing	Stage 2 – Underperforming	Stage 3 – Non-performing	Total
<i>September 30, 2025</i>					
Cash and cash equivalents*	(i)	478,670,951	-	-	478,670,951
Receivables**	(ii)	2,017,802	-	-	2,017,802
Due from related parties	(ii)	503,302	-	-	503,302
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits***	(iv)	238,656	-	-	238,656
		481,655,711	-	-	481,655,711
<i>December 31, 2024</i>					
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 September 30, 2025 and December 31, 2024 was determined as follows:

	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
<i>September 30, 2025</i>				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	2,017,802	-	-	2,017,802
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from a related party	503,302	-	-	503,302
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-
<i>December 31, 2024</i>				
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 September 30, 2025 and December 31, 2024.

Other receivables

As at September 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 September 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
<i>September 30, 2025</i>					
Accounts payable and other current liabilities*	78,653,366	3,742,489	-	-	82,395,855
Due to a related party	20,973,943	-	-	-	20,973,943
	99,627,309	3,742,489	-	-	103,369,798
<i>December 31, 2024</i>					
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:

	September 30, 2025	December 31, 2024
Liabilities	119,900,537	125,959,512
Equity	494,098,241	487,750,573
Percentage of debt to equity	24.27%	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 September 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 September 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 September 30, 2025 and December 31, 2024 and for each of the period ended September 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 September 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 September 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 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

*Nine months ended September 30, 2025 as compared to the same period in 2024*

The net income for the period ended September 30, 2025 decreased by of ₱202.2 million, from ₱208.5 million to ₱6.3 million, due to the following:

- Decrease in **INTEREST INCOME** by ₱125.4 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 ₱1.5 million, as against the share in net income of ₱13.3 million in 2024.
- Decrease in **OTHER INCOME (LOSS), NET** by ₱113.9 million mainly due to the foreign exchange gain of ₱120.1 million realized in 2024.

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

- Decrease in **GENERAL AND ADMINISTRATIVE EXPENSES** by ₱21.7 million to ₱10.9 million in 2025 mainly due to lower taxes and licenses, professional fees and repairs and maintenance.
- Decrease in **INCOME TAX EXPENSE** by ₱27.3 million to ₱3.4 million in 2025 mainly due to the decrease in final taxes on interest income.

### FINANCIAL CONDITION

*As of September 30, 2025 as compared to as of December 31, 2024*

**TOTAL ASSETS** increased by ₱0.3 million from ₱613.7 million as of December 31, 2024 to ₱614.0 million as of September 30, 2025. The significant changes in account balances during the period are as follows:

- **RECEIVABLES** increased by ₱0.1 million mainly due to the increase in accrued interest from higher amount of short-term time deposits.
- **DUE FROM RELATED PARTIES** increased by ₱0.3 million due to increase in outstanding operating advances to related parties.
- **PREPAYMENTS AND OTHER CURRENT ASSETS, AND OTHER NON-CURRENT ASSETS** increased by ₱0.4 million due to the unutilized input VAT for year 2025.
- **PROPERTY AND EQUIPMENT, NET** decreased by ₱0.05 million due to depreciation.

**TOTAL LIABILITIES** decreased by ₱6.1 million from ₱126.0 million as of December 31, 2024 to ₱119.9 million as of September 30, 2025 mainly due to the payment of dividends payable and transaction costs related to the sale of investment in joint venture.

**TOTAL EQUITY** increased by ₱6.3 million from ₱487.8 million as of December 31, 2024 to ₱494.1 million as of September 30, 2025 due to the net income recognized for the period ended September 30, 2025.

## KEY PERFORMANCE INDICATORS

	For the period ended September 30		For the year ended
	2025	2024	December 31
	(Unaudited)	(Unaudited)	2024
			(Audited)
Return on assets <sup>1</sup>	1.03%	4.97%	4.77%
Earnings per share <sup>2</sup>	₱0.02	₱0.71	₱0.68
Net tangible asset value per share <sup>3</sup>	₱1.68	₱1.69	₱1.66
Working capital ratio <sup>4</sup>	4.04:1	3.64:1	4.05:1
Debt-to-equity ratio <sup>5</sup>	0.24:1	0.30:1	0.26:1

<sup>1</sup> Net income divided by average total assets

<sup>2</sup> Net income divided by No. of common stock outstanding

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

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

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

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

- a) As at September 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 September 30, 2025  
(All amounts in Philippine Peso)

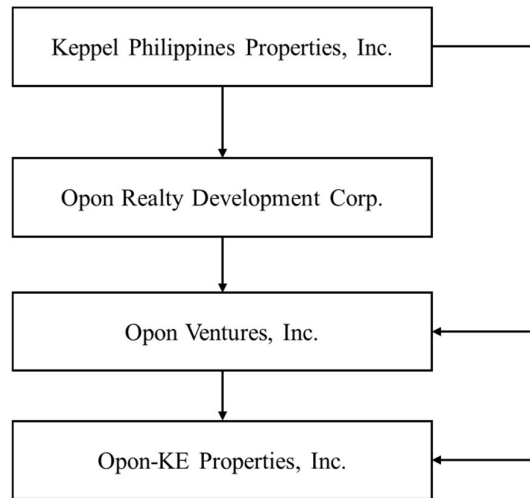
	Neither past due nor impaired	< 30 days	Past due but not impaired			Impaired	Total
			31-90 days	91-120 days	> 120 days		
<b>Type of Account Receivable</b>							
Non-Trade Receivables							
Accrued interest	2,017,802	-	-	-	-	-	2,017,802
Sub-total	2,017,802	-	-	-	-	-	2,017,802
Less: Allowance for doubtful accounts	-	-	-	-	-	-	-
<b>Net Receivables</b>	<b>2,017,802</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,017,802</b>

**Account Receivable Description**

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

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

Keppel Group Structure  
As at September 30, 2025



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

The associates' corporate term are valid until September 30, 2025. Subsequent to this date, these associates will commence its liquidation.



## Keppel Philippines Properties, Inc.

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

	September 30, 2025 (Unaudited)	September 30, 2024 (Unaudited)	December 31, 2024 (Audited)
Liquidity/current ratio <sup>1</sup>	4.24:1	3.64:1	4.05:1
Acid test ratio <sup>2</sup>	4.02:1	3.45:1	3.85:1
Solvency ratio <sup>3</sup>	0.05:1	1.41:1	1.58:1
Debt-to-equity ratio <sup>4</sup>	0.24:1	0.30:1	0.26:1
Asset-to-equity ratio <sup>5</sup>	1.24:1	1.30:1	1.26:1
Interest rate coverage ratio <sup>6</sup>	N/A	N/A	N/A
Return on equity <sup>7</sup>	1.29%	5.75%	5.49%
Return on assets <sup>8</sup>	1.03%	4.97%	4.77%
Net profit margin <sup>9</sup>	32.54%	133.03%	126.72%
Earnings per share <sup>10</sup>	₱0.02	₱0.71	₱0.68

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

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

<sup>3</sup> Net income before depreciation and amortization divided by total liabilities

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

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

<sup>6</sup> Net income before interest expense and tax divided by interest expense

<sup>7</sup> Net income after tax divided by average total equity

<sup>8</sup> Net income after tax divided by average total assets

<sup>9</sup> Net income after tax divided by gross income

<sup>10</sup> Net income after tax divided by no. of common stock outstanding

**Keppel Philippines Properties, Inc.**

Schedule A  
Financial Assets  
As at September 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	12	225,000	-
Total financial assets at fair value through other comprehensive income		225,000	-
Cash and cash equivalents*		478,670,951	18,050,439
Receivables**		2,017,802	-
Due from related parties		503,302	-
Refundable deposits***		238,656	-
Total financial assets		481,655,711	18,050,439

\*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 September 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
Opon Realty and Development Corporation	-	239,595	(45,654)	-	193,941	-	193,941
Opon-KE Properties, Inc.	-	168,155	(45,654)	-	122,501	-	122,501
Opon Ventures, Inc.	-	168,155	(45,654)	-	122,501	-	122,501
Keppel Philippines Holdings, Inc.	-	87,423	(63,886)	-	23,537	-	23,537
Kepwealth, Inc.	-	20,111	-	-	20,111	-	20,111
Kepventures, Inc.	-	20,111	-	-	20,111	-	20,111
Keppel Land (Regional Investments), Pte. Ltd.	174,309	600	(174,309)	-	600	-	600

**Keppel Philippines Properties, Inc.**

Schedule C  
Amounts Receivable from Related Parties which are Eliminated  
During the Consolidation of Financial Statements  
As at September 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
<b>Not Applicable</b>							

**Keppel Philippines Properties, Inc.**

Schedule D  
Long Term Debt  
As at September 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
<b>Not Applicable</b>			

**Keppel Philippines Properties, Inc.**

Schedule E  
Indebtedness to Related Parties  
As at September 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 September 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
<b>Not Applicable</b>				

**Keppel Philippines Properties, Inc.**

Schedule G  
Capital Stock  
As at September 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 September 30, 2025 (All amounts in Philippine Peso)

Unappropriated Retained Earnings, <i>beginning of the period</i>	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	-
<b>Unappropriated Retained Earnings, as adjusted</b>	<b>90,777,303</b>
Add/Less: Net income for the period	4,890,663
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		4,890,663
Add: Category D: Non-actual losses recognized th profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
Add/Less: Category E: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement of deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use asset and, lease liability set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP-gain (loss)	-	
Others (describe nature)	-	-
<b>Total retained earnings available, end of the period available for dividend declaration</b>		<b>95,667,966</b>

## SIGNATURES

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

Issuer : Keppel Philippines Properties, Inc.

Signature and Title :



**Tan Kuang Liang**  
President



**Jona Arrol V. Cabrera**  
Treasurer

Date : 12 November 2025