

COVER SHEET

SEC Registration Number

P W - 3 0 5

K E P P E L P H I L I P P I N E S P R O P E R T I E S ,
I N C . A N D S U B S I D I A R I E S

(Company's Full Name)

1 8 t h F l o o r , U n i t s 1 8 0 2 B - 1 8 0 3 , T h e
P o d i u m W e s t T o w e r , 1 2 A D B A v e n u e ,
O r t i g a s C e n t e r , M a n d a l u y o n g C i t y

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

Mr. Pang Chan Fan

(Contact Person)

570-9382

(Company Telephone Number)

1 2

Month

3 1

Day

Fiscal Year

**SEC FORM 20-IS (DEFINITIVE
INFORMATION STATEMENT)**

Form Type

0 5

Month

1 7

Day

Annual Meeting

N/A

Secondary License Type, If Applicable

M SR D

Dept. Requiring this Doc.

-

Amended Articles Number/Section

1,242 as of 31 March 2019

Total No. of Stockholders

Total Amount of Borrowings

-

Domestic

-

Foreign

To be accomplished by SEC Personnel concerned

File Number

_____ LCU

Document I.D.

_____ Cashier

STAMP S

**NOTICE OF THE ANNUAL MEETING
OF THE STOCKHOLDERS OF
KEPPEL PHILIPPINES PROPERTIES, INC.**

TO OUR STOCKHOLDERS:

Please take notice that the Annual Meeting of the Stockholders of Keppel Philippines Properties, Inc. (KPPI) shall be held on **13 June 2019, Thursday, at 2:00 p.m., at Kamia 1 & 2 Rooms, EDSA Shangri-La, 1 Garden Way, Ortigas Center, Mandaluyong City.**

The Agenda:

1. Call to Order
2. Proof of Notice of Meeting and Certification of Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 17 May 2018
4. Chairman's Address
5. Presentation and Approval of Y2018 Annual Report and Audited Financial Statements
6. Ratification of Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation during the year under review
7. Election of Directors
8. Directors' Remuneration for Y2018
9. Appointment of External Auditor for Y2019
10. Other Matters
11. Adjournment

The Board of Directors has fixed the close of business on **13 May 2019** as the record date for the determination of the stockholders entitled to notice of and to vote at the said annual stockholders' meeting.

Only stockholders of record at the close of business on **13 May 2019** are entitled to notice of, and to vote at, this meeting. Should you be unable to attend the meeting personally, you may opt to send your proxy to attend the meeting on your behalf. If you will be sending your proxy, kindly file your duly executed proxy form with the Corporate Secretary on or before 11 June 2019. Attached is a sample proxy form for your reference. [NOTE: The Management is not soliciting proxies].

For your convenience in registering your attendance, please bring your Identification Card and present the same at the registration desk at the entrance lobby of Kamia 1&2 Room, EDSA Shangri-La, 1 Garden Way, Ortigas Centre, Mandaluyong City. Registration starts at 1:30 p.m.


MA. MELVA E. VALDEZ
Corporate Secretary

PROXY

The undersigned (hereinafter referred to as the "Principal"), being a stockholder of Keppel Philippines Properties Inc. ("KPPI"), hereby appoints and empowers **Mr./Ms.** _____ as the proxy to act/vote in the Principal's name and stead at any and all meetings of the stockholders of KPPI until his replacement is duly appointed/empowered, or this proxy is terminated, by the Principal.

Done this ___th day of _____ 2019 at _____ City, Philippines.

Stockholder

(authorized officer)
(indicate position)

*NOTE: If the stockholder is a corporation, the proxy must be signed by an authorized officer of the corporation and must be supported with a Secretary's Certificate containing the Board Resolution on the authority of the officer to appoint the proxy.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement
 Definitive Information Statement

2. Name of Registrant as specified in its charter: **KEPPEL PHILIPPINES PROPERTIES, INC.**

3. Province, country or other jurisdiction of incorporation or organization: **Mandaluyong City, Philippines**

4. SEC Identification Number: **PW-305**

5. BIR Tax Identification Code: **000-067-618**

6. Address of principal office: **12 ADB Avenue, Ortigas Center, Mandaluyong City 1550 (business office address changed to: 18th Floor, Units 1802B-1803, The Podium West Tower, 12 ADB Avenue, Ortigas Center, Mandaluyong City, 1550)**

7. Registrant's telephone number, including area code: **(02) 5709382**

8. Date, time and place of the meeting of security holders:

Date: **13 June 2019, Thursday**
Time: **2:00 P.M.**
Place: **Kamia 1&2 Rooms, EDSA Shangri-La
1 Garden Way, Ortigas Center
Mandaluyong City**

9. Approximate date on which the Information Statement is first to be sent to security holders:
22 May 2019

10. Securities registered pursuant to Sections 8 and 12 of the SRC:

<u>Title of Each Class</u>	<u>Authorized Capital Stock</u>	<u>Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding</u>
Common Stock	375,000,000	293,828,900

11. Are any or all of registrant's securities listed on a Stock Exchange?
Yes / No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
Philippine Stock Exchange

PART I

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

- (a) The stockholders' meeting shall be held on:

Date: **13 June 2019, Thursday**
Time: **2:00 P.M.**
Place: **Kamia 1&2 Rooms, EDSA Shangri-La
1 Garden Way, Ortigas Center
Mandaluyong City**

Complete Mailing Address of the Principal Office of the Registrant

12 ADB Avenue, Ortigas Center, Mandaluyong City 1550 (business office changed to: 18th Floor, Units 1802B-1803, The Podium West Tower, 12 ADB Avenue, Ortigas Center, Mandaluyong City, 1550)

- (b) The approximate date on which the Information Statement is first to be sent or given to security holders shall be **22 May 2019**.

Item 2. Dissenter's Right of Appraisal

There are no matters or proposed corporate actions included in the Agenda of the meeting which may give rise to a possible exercise by security holders of their appraisal rights. Generally however, in the instances mentioned in the Revised Corporation Code of the Philippines, the stockholders of the Corporation have the right of appraisal provided that the procedures and the requirements of Title X governing the exercise of the right is complied with and/or followed.

Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- a) There are no transactions or matters known to the registrant to be taken up in the meeting in which the Directors, Executive Officers, Nominees or Associate/s have any interest other than the election of Directors.
- b) No Director or Officer of the registrant has informed the registrant of any intention to oppose any action intended to be taken up at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

- a) Class of Voting Shares (as of **31 March 2019**)

Class of Voting Shares	No. of Shares Outstanding	No. of Vote/s Each Share is Entitled
Common Shares	293,828,900	One (1) vote per share

- b) The record date is **13 May 2019** for purposes of determining the stockholders entitled to notice of and to vote at the Annual Stockholders' Meeting.

c) The election of directors shall be taken up at the meeting and pursuant to Section 23 of the Corporation Code, each stockholder shall have the right to cumulate his votes in favor of any nominee(s) for director. There are no conditions precedent for the exercise of the cumulative voting rights in the election of directors. A stockholder may vote such number of shares registered in his name as of the record date for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit. The total number of votes cast by such stockholder should not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the whole number of directors to be elected.

d) Information required by Part IV(C) of "Annex C" to the extent known by the persons on whose behalf the solicitation is made:

1) Security Ownership of Certain Record and Beneficial Owners of more than 5% as of **31 March 2019**:

The persons known to the registrant to be directly or indirectly the record or beneficial owner of more than 5% of the registrant's voting securities as of **31 March 2019** are as follows:

Title of Class	Name and Address of Record Owner and relationship with The Company	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common Shares of Stock	Keppel Land Limited ¹ 1 Harbourfront Avenue Level 2 Keppel Bay Tower Singapore 098632 (Stockholder)	Same as Record Owner	Singaporean	148,365,050	50.49%
Common Shares of Stock	Kepwealth, Inc. ² Unit 3-B Country Space I Bldg, Sen. Gil Puyat Avenue, Makati City (Stockholder)	Same as Record Owner	Filipino	51,033,178	17.37%
Common Shares of Stock	Keppel Corporation Limited ³ 1 HarbourFront Avenue #18-01 Keppel Bay Tower, Singapore 098632 (Stockholder)	Same as Record Owner	Singaporean	35,783,742	12.18%
Common Shares of Stock	PCD Nominee Corp. – Filipino ⁴ 37/F Enterprise Bldg. Ayala Avenue, Makati City 1226	Various ⁵	Filipino	31,413,060	10.69%

1 Mr. Sam Moon Thong; is authorized as proxy to vote for the shareholdings of Keppel Land Limited.

2 Mr. Stefan Tong Wai Mun, or in his absence, the Chairman of the meeting is duly authorized as proxy to vote in the shares of Kepwealth, Inc. in the Company.

3 Mr. Stefan Tong Wai Mun, or in his absence, the Chairman of the meeting is duly authorized as proxy to vote for the shareholdings of Keppel Corporation Limited (KCL) in the Company.

4 PCD Nominee Corporation (PCNC) is a wholly owned subsidiary of the Philippine Central Depository, a corporation established to improve operations in securities transactions and to provide a fast, safe and highly efficient system for securities settlement in the Philippines. PCNC acts as trustee-nominee for all shares lodged in the PCD system, where trades effected on the Philippine Stock Exchange are finally settled with the PCD.

However, while PCNC is the actual shareholder in the said company, shares held by PCNC do not grant voting powers to it as beneficial ownership of the shares still remain with the lodging stockholder. By policy, PCNC does not vote the shares it was entrusted with it in its name.

5 Molten Pte. Ltd is the beneficial owner of the following shares of the Company as of 31 December 2017:

	<u>No. of shares held</u>	<u>% of class</u>
Molten Pte. Ltd	18,496,016	6.29%

2) Security Ownership of Directors and Management as of 31 March 2019:

As of 31 March 2019, the shareholdings of the Directors of the Company are set forth in the table below:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares of Stock	Tan Boon Ping*	1	Singaporean	0.00%
Common Shares of Stock	Ramon J. Abejuela	1	Filipino	0.00%
Common Shares of Stock	Celso P. Vivas	1	Filipino	0.00%
Common Shares of Stock	Sam Moon Thong	1	Singaporean	0.00%
Common Shares of Stock	Stefan Tong Wai Mun	10,000	Malaysian	0.00%
Common Shares of Stock	Oh Lock Soon	1	Singaporean	0.00%
Common Shares of Stock	Tan Siew Ngok**	1	Singaporean	0.00%
Common Shares of Stock	Mayo Jose B. Ongsingco	1	Filipino	0.00%

*elected on 14 January 2019 to replace Mr. Lim Kei Hein who died on 10 August 2018.

**Ms. Tan Siew Ngok retired on 31 March 2019.

None of the compensated executive officers have Security Ownership in KPPI as shown in the list of shareholders' purchases as provided by KPPI's transfer agent.

The total security ownership of all directors and officers as a group unnamed is 10,007 shares or 0.00% of total shares outstanding.

3) Voting Trust Holders of 5% Or More

As 31 March 2019, there are no individuals or parties who hold 5% or more of the Company's common stock under a voting trust or similar agreement.

4) Changes in control

There were no events or arrangements which may result in a change in control of the Company.

d) No change in control of the registrant has occurred since the beginning of its last fiscal year.

Item 5. Directors and Executive Officers

1) Directors, Executive Officers, Promoters and Control Persons

(a) Board of Directors

At present, there are eight (8) seats in the Board. The term of office of each member is one (1) year. The directors are elected annually during the annual stockholders' meeting, to serve as such, until the next annual stockholders' meeting and until their successors shall have been duly elected and qualified. The current members of the Board of Directors are as follows:

- 1) **Mr. Sam Moon Thong**, 53, Singaporean, was elected Director and Chairman of the Board of Keppel Philippines Properties, Inc. on 27 April 2017. Mr. Sam joined the Keppel Land Group in 2003 and is currently President, Regional Investments, overseeing the Group's business in India, Thailand, Myanmar, Malaysia, Philippines, Sri Lanka and Middle East. His previous appointments include President, Indonesia, overseeing the Group development and investments in Indonesia as well as General Manager, Investment, overseeing business development and asset management activities outside China and Singapore. Mr. Sam has over 20 years of experience in investing and managing real estate projects in the Asia Pacific region.

Prior to joining Keppel Land Group, Mr. Sam was Vice-President, Real Estate Development and Investment at Ascendas Pte. Ltd and Business Development Manager at Fraser Centrepoint Limited, overseeing business development and investment in South-East Asia, South Asia and China. He started his career with the Urban Redevelopment Authority where he held responsibilities in the Land Management and Sale of Sites Departments.

Mr. Sam is a Director of a number of subsidiaries and associates in the Keppel Land Group.

He holds a Bachelor of Science (Estate Management) (Honours) Degree from National University of Singapore, and a Master of Business Administration Degree from the University of Dubuque, Iowa, USA.

- 2) **Mr. Ramon J. Abejuela (Independent Director)**, 70, Filipino, has been an Independent Director of Keppel Philippines Properties, Inc. from November 1999 to June 2008. He was re-elected in June 2009 and is currently the Chairman of the Audit Committee of the Company. He is also an Independent Director of Keppel Philippines Holdings, Inc. since 14 September 2017. He also serves as Director and Vice Chairman of the Board of Philippine Nutri-Foods Corporation and NCP Publishing Inc. since 2004.

Mr. Abejuela has over 40 years of experience in the field of financial planning, control and consultancy.

Mr. Abejuela holds a Bachelor of Science in Chemical Engineering (Cum Laude) Degree from De La Salle University and Master's Degree in Business Management - General Management Curriculum from Asian Institute of Management.

- 3) **Mr. Celso P. Vivas (Independent Director)**, 72, Filipino, has been an Independent Director of Keppel Philippines Properties, Inc. since November 2004 and is a member of the Company's Audit Committee. He is also an Independent Director since June 2005 and is currently the Lead Independent Director and Chairman of the Audit and Risk Management Committee of Keppel Holdings, Inc., as well as an Independent Director and Chairman of the Audit and Risk Management Committee of Keppel Philippines Marine, Inc. Mr. Vivas is also an Independent Director of Megawide Construction Corporation, Chairman of its Audit and Compliance Committee, and Member of both the Board Risk Oversight and Governance, Nomination and Remuneration Committee. He also serves as an Independent Director of Republic Glass Holdings Corporation, Chairman of its Governance, Nomination and Remuneration Committee, and Member of the Audit and Risk Management Committee. He is a member of Marubeni Foundation's Board of Trustees.

Mr. Vivas is a Certified Public Accountant and was a Risk Consulting Partner and Assurance Business Advisory Partner of SGV & Company until his retirement in 2001. Mr. Vivas has over 50 years of experience in audit, finance, enterprise risk management and corporate governance.

Mr. Vivas holds a Bachelor of Business Administration (Cum Laude) Degree from the University of the East. He also obtained a Master's Degree in Business Management from the Asian Institute of Management (SGV & Co. Scholar). He is also a graduate of Company Directors' Course from Australian Institute of Company Directors (ICD Scholar).

- 4) **Mr. Mayo Jose B. Ongsingco (Independent Director)**, 67, Filipino, was elected as an Independent Director of Keppel Philippines Properties, Inc. in May 2018. He is also an Independent Director of Keppel Philippines Holdings Inc., Keppel Philippines Marine Inc. and Keppel Subic Shipyard, Inc. since 2018. He is also an Adviser to the Board of Directors of First Metro Investment Corp. since 2015, Non-executive Director of First Metro Asset Management Inc. since 2017, Vice Chairman of First Metro Securities Brokerage Corp. since 2018 and Independent Director of Mapfre Insular Insurance Corp. and Omnipay, Inc. since 2016 and 2017, respectively. He is also a Non-Executive Director of Rafael-Alunan Agro Development Inc. since 2006. He is also a Trustee of Foundation for Carmelite Scholastics and De La Salle College of St. Benilde since 2012 and 2013, respectively. He served as President of The Insular Life Assurance Co. Ltd. during 2004 to 2015 and was concurrent Vice-Chairman and/or Director of various Insular Life subsidiaries and affiliates such as Pilipinas Shell Petroleum Corp. Mapfre Insular Insurance Corp., Insular Savings Bank, Insular Healthcare Inc., Insular Investment Corp., Asian Hospital Inc. and Union Bank of the Philippines.

Mr. Ongsingco has over 40 years of experience in banking, finance, and insurance.

Mr. Ongsingco graduated from the De La Salle University with Bachelor's Degrees (Magna Cum Laude) in Economics and Accounting. He also obtained a Master's Degree in Business Administration from the University of the Philippines and in National Security Administration from the National Defense College of the Philippines (with Honors).

- 5) **Mr. Stefan Tong Wai Mun**, 46, Malaysian, was elected as a Director of Keppel Philippines Properties, Inc. in June 2007. He is also the Executive Vice President and Director of Keppel Philippines Marine, Inc., as well as a Director of Keppel Philippines Holdings, Inc., and of various Keppel companies in the Philippines.

Mr. Tong has over 20 years of experience in banking, finance and real estate.

Mr. Tong holds a Bachelor of Commerce Degree in Accounting and Finance (Honours) from University of Western Australia. He is a Chartered Accountant and a member of the Institute of Chartered Accountants in Australia.

- 6) **Mr. Oh Lock Soon**, 60, Singaporean, was elected as a Director and President of Keppel Philippines Properties, Inc. on 31 March 2017. Prior to his election, Mr. Oh Lock Soon served as the President of Keppel Thai Properties Public Company Limited from January 2012 until June 2016. He served as an Executive Director at Keppel Thai Properties Public Company Limited from December 2011 until June 2016. Further, under Keppel Land International Ltd, Mr. Oh served as President (Thailand) under the Regional Investments Division.

Prior to joining Keppel Land International Ltd, Mr. Oh served as Director for Qingjian Realty, Pte. Ltd. He also served as a General Manager for Acacio Concept Singapore, Pte. Ltd. in 2010. In 2009, he sat as General Manager of Qingjian Precast Pte Ltd. Mr Oh was the Chief Operating Officer of TCC Capital Land (Thailand) Limited, a joint venture between Capital Land (Singapore) Limited and TCC Land (Thailand) Limited from November 2006 until December 2008.

Mr. Oh holds a Bachelor of Science degree in Civil Engineering, Honors from University of Southampton and Master of Science degree in Concrete Structure from the Imperial College of Science, Technology and Medicine, University of London, U.K.

- 7) **Mr. Lim Kei Hin**, 60, Singaporean, was elected as a Director of Keppel Philippines Properties, Inc. in June 2011. Mr. Lim joined the Keppel Land Group as Chief Financial Officer in July 2007.

Prior to joining the Keppel Land Group, he was with Singapore Airlines Limited and has more than 20 years of diverse experience having served in different financial and general management roles in Singapore, the Philippines, Australia and the USA. His last appointment was Chief Financial Officer of Singapore Airport Terminal Services Limited.

Mr. Lim is a Director several subsidiaries and associated companies of the Keppel Land Group.

Mr. Lim holds a Bachelor of Science (Economics) Degree in Accounting & Finance (Honours) from the London School of Economics & Political Science, UK.

- 8) **Ms. Tan Boon Ping**, 45, Singaporean, was elected as a Director of Keppel Philippines Properties, Inc. on 14 January 2019. Ms. Tan joined Keppel Land Limited in December 2008 as Financial Controller overseeing the Group consolidation and reporting for the Keppel Land Group. She reported directly to the Chief Financial Officer (CFO), and she also assisted the Company Secretary on corporate secretarial matters. In December 2015, she was appointed the CFO of Keppel Land China Limited. In August 2018, she assumed the role of CFO Keppel Land Limited. Ms. Tan holds a Bachelor of Business Administration from National University of Singapore and a Master in Financial Management from University of Manchester.
- 9) **Ms. Tan Siew Ngok**, 62, Singaporean, was elected as a Director of Keppel Philippines Properties, Inc. in March 2015. Ms, Tan is the General Manager (Finance and Administration) of Keppel Land International (Management) Pte Ltd. She is also a Director of subsidiaries and associated companies of the Keppel Land Group.

Ms. Tan holds a Bachelor in Commerce (Accountancy) Degree from Nanyang University, Singapore. She is a Fellow of CPA, Australia and a Fellow of Institute of Singapore Chartered Accountants.)

She retired on 31 March 2019.

- (b) The Screening Committee composed of Mr. Sam Moon Thong, Mr. Celso P. Vivas, Independent Director, and Mr. Stefan Tong Wai Mun received recommendations for the position of Independent Director. Said recommendations were signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees. After pre-screening the qualifications of the candidates, the Final List of Candidates was prepared by the Committee, to wit:

Nominee	Nominating Stockholder	Relationship with the Nominee
1. Ramon J. Abejuela	Oh Lock Soon	None
2. Celso P. Vivas	Stefan Tong Wai Mun	None
3. Mayo Jose B. Ongsingco	Stefan Tong Wai Mun	None

- 1) **Ramon J. Abejuela** (*Please see foregoing director's profile*)
- 2) **Celso P. Vivas** (*Please see foregoing director's profile*)
- 3) **Mayo Jose B. Ongsingco** (*Please see foregoing director's profile*)

The Amended By-Laws of the Corporation, as approved by the SEC on 30 March 2007, provides for the procedure on the nomination and election of Independent Directors pursuant to SRC Rule 38, as amended. The Nominations Committee receives recommendations for independent directors, signed by the nominating stockholders with the conformity of the would-be nominee. After pre-screening the qualifications of the nominees, the Committee prepares the Final List of Candidates ("List"). Only the names of nominees appearing in the List shall be eligible for election as independent director at the annual stockholders' meeting.

(c) Nominees for Election as Members of the Board of Directors

The following incumbent members of the Board of Directors were nominated as directors for the calendar year 2019-2020:

- 1) Sam Moon Thong
- 2) Ramon J. Abejuela - Independent Director
- 3) Celso P. Vivas – Independent Director
- 4) Mayo Jose B. Ongsingco – Independent Director
- 5) Stefan Tong Wai Mun
- 6) Oh Lock Soon
- 7) Tan Boon Ping

A new nominee was also nominated, namely:

- 8) Lim Jean Leong

Mr. Lim Jean Leong, 50, Singaporean, joined Keppel Land Limited in January 2001 as the Finance and Systems Manager overseeing the Group's implementation of accounting system overseas. He also provides finance and accounting support to overseas projects in the Group. In December 2010, he was appointed the Chief Finance Officer of Keppel Land China Limited. From December 2015, he assumed the role of Deputy General Manager (Finance and Administration) of Keppel Land Limited and reports to the General Manager of the department.

Mr. Lim holds a Bachelor in Accountancy (Honours) Degree from Nanyang Technological University of Singapore.

The Screening Committee has received only eight (8) nominees to the Board of Directors for the forthcoming election.

(d) Incumbent Officers

The current key officers of the Company are as follows:

Sam Moon Thong	Chairman
Oh Lock Soon	President
Pang Chan Fan	Treasurer
Ma. Melva E. Valdez	Corporate Secretary / Corporate Information & Compliance Officer
Myla Gloria A. Amboy	Assistant Corporate Secretary

1. Oh Lock Soon, 60, Singaporean. (See foregoing director's profile)
2. Pang Chan Fan, 37, Singaporean, was appointed Treasurer of Keppel Philippines Properties, Inc. on 9 October 2017. He joined Keppel Land Group under Keppel Land Hospitality Management Pte., Ltd. and was assigned as the Financial Controller of Wiseland Investment (Myanmar), Ltd. in October 2015. He was then transferred to Keppel Land International Limited and was assigned as Financial Controller of the Company in April 2017. Prior to joining Keppel, he has held positions as a Finance Manager and has started his professional career in audit firms in Singapore. He holds certification from the Association of Chartered Certified Accountants.
3. Atty. Ma. Melva E. Valdez, 59, Filipino, has been the Corporate Secretary Keppel Philippines Properties, Inc. since 1999. She also served as Director of KPPI from 24 June 2008 to 11 June 2009. She is a Senior Partner of the law firm Bello Valdez Caluya & Fernandez (JGLaw). She is also the Corporate Secretary of Keppel Philippines Holdings, Inc., and Mabuhay Vinyl Corporation (listed corporations), Keppel Philippines Marine, Inc. (a public company). She is likewise the Corporate Secretary of Asian Institute of Management, Keppel Subic Shipyard, Inc., Keppel Batangas Shipyard, Inc. and various Keppel companies in the Philippines, EMS Components Assembly Inc., EMS Resources Technology Inc., EMS Land Services Inc., EMS Services Philippines, Inc., EMS Services International Inc., Alliance Mansols Inc., Creotec Philippines Inc. and Wartsila Philippines Inc. She is also a member of the Board of Directors of Leighton Contractors (Phils), Inc., Servier Philippines, Inc., Buena Homes (Sandoval), Inc., Cambe Dental Inc., Suretrac Holdings Inc., and Asia Contractors Holdings, Inc. She likewise holds directorship positions in the following companies: Logwin Air + Ocean Philippines, Inc., KPSI Property, Inc., Opon Realty & Development Corp., Opon-Ke Properties, Inc., Asia Control Systems Philippines, Yinda Communications Philippines Inc., and Saint-Gobain Philippines Co. Ltd. Inc. She graduated from the University of the Philippines with a Bachelor of Arts Degree in Political Science and a Bachelor's Degree in Law. She has over 30 years of working experience in her field of profession as a lawyer.
4. Atty. Myla Gloria A. Amboy, 48, Filipino, was elected as Assistant Corporate Secretary of Keppel Philippines Properties, Inc. in March 2007. She is a Senior Associate of the law firm Bello Valdez Caluya & Fernandez (JGLaw). She is also the Assistant Corporate Secretary of SM Keppel Land, Inc., Mabuhay Vinyl Corporation (listed corporation), MVC Properties Inc., CSRI Investment Corporation, Buena Homes (Sandoval) Inc., and Opon Ventures Inc. and the Corporate Secretary of Opon Realty Development Corporation, Buena Homes Inc., Opon-KE Properties, Inc., Suretrac Holdings Inc., Cambe Dental Clinic Inc. and Servier International Philippines, Inc. She graduated from San Sebastian College with a Bachelor's Degree in Political Science (Cum Laude) and from San Beda College of Law with a Bachelor's Degree in Law.

The Officers are elected/appointed annually by the Board of Directors at its organizational meeting following the Annual Meeting of the Stockholders, each to hold office until the corresponding meeting of the Board of Directors in the next year or until a successor shall have been elected/appointed and shall have qualified.

a. Significant Employees

There are no other employees other than the officers mentioned herein as executive officers who are expected to make a significant contribution to the business.

b. Family Relationship of Directors and Officers

There are no family relationships up to the fourth civil degree either by consanguinity or affinity among directors, executive officers, persons nominated or chosen by the company to become directors or executive officers, any security holder of certain record, beneficial owner or management.

c. Involvement in Certain Legal Proceedings

To the knowledge and/or information of the Company, none of the directors and officers/nominees were involved, during the past five (5) years up to 31 March 2019, in any litigation nor any bankruptcy proceedings. Neither have they been convicted by final judgment in any criminal proceeding, or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, nor found in an action by any court or administrative bodies to have violated a securities and commodities law.

d. Certain Relationships and Related Transactions

- a) During the last two (2) years, no director of the Company has received or become entitled to receive any benefit by reason of any contract with the Company, a related corporation, a firm of which the director is a member or a company of which a director has a substantial financial interest.

There are no transactions in the last two (2) years or proposed transactions to which the registrant was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest:

- ii. Any director or executive officer of the Corporation
- iii. Any nominee for election as a director;
- iv. Any security holders;
- v. Any member of the immediate family of the preceding persons.

- b) The parent company of the registrant is Keppel Land Limited (KLL). KLL owns 50.49% of the Company's capital stock.

Details of the Company's related party transactions are explained in Note 10 of the Notes to the Audited Financial Statements of the Company.

- B. No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of security holders because of a disagreement with the registrant on any matter relating to the registrant's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

The Company has nine (9) executive officers as of 31 March 2019.

- a. The aggregate annual compensation (including salary and benefits) paid to the four (4) most highly compensated executive officers is summarized in the table below:

The four (4) most highly compensated executive officers are:

1. Oh Lock Soon - President
2. Pang Chan Fan – Treasurer
3. Tan Ye-Huang – Investment Manager
4. Joseph Pelaez- Manager – Legal and Compliance

	Year	Salary	Bonus	Others	Total
		In Php Millions			
Aggregate for top four executive officers	2019 (Estimate)	26.63	6.13	0.05	32.81
	2018 (Actual)	18.79	5.57	0.03	24.39
	2017	17.55	4.82	0.03	22.40
Aggregate for all other officers and directors as a group unnamed	2019 (Estimate)	3.45	0.11	0.08	3.64
	2018	3.14	0.10	0.07	3.31
	2017	2.87	0.10	0.06	3.03

Note: Only the abovementioned officers are considered most highly compensated. The Corporate Secretary is not considered as an executive officer of the Company.

Executive Officers do not receive any other form of remuneration aside from the above compensation. There are no arrangements and/or employment contracts between the Company and executive officers providing for any compensatory plan or arrangement for payment upon resignation, retirement, termination or cessation of employment.

- b. The Company's By-Laws provide that, by resolution of the Board, each Director shall receive a per diem allowance for his attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten (10%) of the net income before tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders. With respect to directors' remuneration, the directors are being paid directors' fees of P80,000 each per annum. Payment of directors' fee of P80,000 per director for 2018 will be presented to the stockholders for approval at the annual stockholders' meeting. Each director also receives an amount of P10,000 per diem for attendance at every board meeting.
- c. There are no other standard or special arrangements and no special consulting contracts awarded to any director or officer of the Company by which they were compensated, or to be compensated, directly or indirectly, and there are no amounts payable to any of the directors arising from participation in any working committee or special assignments in the current fiscal year or in the coming year.
- d. There are no employment contract/s, termination and change in control arrangements including pension/s or retirement plan/s in which any of the directors and officers will participate.
- e. There are no outstanding warrants or options held by the registrant's chief executive officers, executive officers and all officers and directors as a group.

Item 7. Independent Public Accountant

- a) The Board of Directors has yet to approve the appointment of the Corporation's external auditor based on the recommendation of the Audit Committee, for the year 2019, for a fee to be approved by the Board of Directors. The same will be submitted to the stockholders for approval.

The Audit Committee, composed of Ramon J. Abejuela (Chairman/Independent Director), Celso P. Vivas (Independent Director) and Stefan Tong Wai Mun, evaluates proposals based on the quality of service, commitment for deadline and fees. The Committee may require a presentation from each proponent to clarify some issues.

- b) Isla Lipana & Co., represented by Mr. Roderick M. Danao as partner-in-charge, was the Company's external auditor for the year ended 31 December 2018. Pursuant to SRC Rule 68(b)(iv) of the Amended Implementing Rules and Regulations of the SRC re rotation of external auditors, the Company has not engaged Mr. Roderick M. Danao for more than five (5) years.
- c) Representatives of Isla Lipana & Co. will be present at the stockholders' meeting and are expected to be available to respond to appropriate questions. The accountant/s have the opportunity to make a statement if he/they desire to do so.
- d) The aggregate annual external audit fees billed for each of the last two (2) fiscal years from the audit of the Company's annual financial statements or services that are normally provided by the external auditor are as follows:

	2018	2017
1. Audit and other assurance or related services by the external auditor that are reasonably related to the performance of the auditor's review	P400,000	P400,000
2. Tax Fees	-	-
3. All Other Fees	-	-

- e) During the registrant's two most recent fiscal years or any subsequent interim period:
 - 1) No independent accountant who was previously engaged as the principal accountant to audit the registrant's financial statements, or an independent accountant on whom the principal accountant expressed reliance in its report regarding a significant subsidiary has resigned (or indicated it has declined to stand for reelection after the completion of the current audit) or was dismissed; and,
 - 2) No new independent accountant has been engaged as either the principal accountant to audit the registrant's financial statement or as an independent accountant on whom the principal accountant has expressed or is expected to express reliance in its report regarding a significant subsidiary.

Item 8. Compensation Plans

- a. The Company has no plan or action to be taken with respect to any stock options, warrants or rights plan.
- b. The Company has no plan or action to be taken with respect to non-cash compensation to be paid or distributed other than the compensation stated in Item 6.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 10. Modification or Exchange of Securities

None

D. OTHER MATTERS

Item 15. Actions with Respect to Reports

The approval of the stockholders on the following matters will be taken:

- a) Annual Report/Audited Financial Statements of the Company for the year ending 31 December 2018. Approval of the Annual Report/Audited Financial Statements constitutes a ratification of the company's performance during the previous fiscal year as contained therein.
- b) Minutes of the 17 May 2018 Annual Meeting of the Stockholders.

Approval of the minutes of the Y2017 Annual Meeting of the Stockholders constitutes ratification of the accuracy and faithfulness of the minutes as to the events that transpired during the said meeting such as

- 1. Call to Order
- 2. Proof of Notice of Meeting and Certification of Quorum
- 3. Approval of the Minutes of the Annual Stockholders' Meeting held on 08 June 2017
- 4. Chairman's Address
- 5. Presentation and Approval of Y2017 Annual Report and Audited Financial Statements
- 6. Ratification of Acts and Proceedings of the Board of Directors, Officers and Management of the Corporation during the Year under Review
- 7. Approval on the amendment of Article Seventh of the Articles of Incorporation [Re: Extension of the redemption period of the Redeemable Preferred Shares (RPS)]
- 8. Approval on the amendment of Article Sixth of the Articles of Incorporation (Re: Increase in the Number of the Directors of the Corporation)
- 9. Election of Directors
- 10. Presentation of Directors' Remuneration for Y2017
- 11. Appointment of External Auditor for Y2018

This does not constitute a second approval of the same matters taken up at the Y2018 Annual Stockholders' Meeting which have already been approved.

- c) Election of the Members of the Board of Directors for the ensuing calendar year 2019.
- d) Approval of Directors' Remuneration for Y2018.
- e) Appointment of External Auditor for Y2019.

Item 16. Matters Not required to be Submitted

The Company does not intend to submit to a vote of its stockholders any action/s which is/are not required to be submitted to stockholders' vote.

Item 17. Amendment of Charter, Bylaws or other Documents

There is no action to be taken with respect to the Company's Charter, By-Laws or other documents.

Item 18. Other Proposed Action

- a) Ratification of all acts and proceedings of the Board of Directors, Officers and Management covering the period from the date of the last annual stockholders' meeting up to 12 June 2019. These acts and proceedings are covered by resolutions of the Board of Directors duly adopted in the course of business

such as: appointment of signatories, approval of signing authorities and limits, treasury matters related to opening of bank accounts, and appointment of officers.

No action on any matter, other than those stated in the agenda for the meeting, is proposed to be taken except for matters of incidence that may properly come during the meeting.

Item 19. Voting Procedures

An affirmative vote by the stockholders owning at least two-thirds of the outstanding capital stock shall be sufficient to approve matters requiring shareholders' action.

The holders of a majority interest of all outstanding stock of the company entitled to vote at the meeting, in person or by proxy, shall constitute a quorum for the transaction of business.

The holders of common stock are entitled to one vote per share, but in connection with the cumulative voting feature applicable to the election of directors, each stockholder is entitled to as many votes as shall equal the number of shares held by such person at the close of business on the record date, multiplied by the number of directors to be elected. A stockholder may cast all of such votes for a single nominee or may apportion such votes among any two or more nominees. The shares shall be voted/cast by secret balloting and/or raising of hands. In all matters included in the agenda, except the election of directors, the counting of votes will be done through the regular method (or voting by raising of hands). For the election of directors, the counting will be cumulative. The Corporate Secretary assisted by the Company's External Auditor, shall be responsible for the counting/validation of votes.

PART II

INFORMATION REQUIRED IN A PROXY FORM

NOT APPLICABLE

PART III

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of **Pasig** on **06 May 2019**.

KEPPEL PHILIPPINES PROPERTIES, INC.


M.A. MELVA E. VALDEZ
Corporate Secretary

MANAGEMENT REPORT

❖ INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

External Audit Fees and Services

Audit and Audit Related Fees

Isla Lipana & Co. was the external auditor of the registrant for the years ended 31 December 2018 and 2017. The Company was billed for the audit of its annual financial statements in the aggregate amount of P400,000.00 for each year. Fees paid to the Independent Accountant is made up of audit and audit related fees only. There were no other fees paid.

There were no other services performed by Isla Lipana & Co. for the last two (2) fiscal years.

The Audit Committee reviews and pre-approves all audit plans and other services to be performed by the external auditors prior to submission to the Board of Directors for approval. The Audit Committee's approval policies and procedures comprise of assessing the proposed scope of audit work to be conducted, evaluating if there are material audit issues to be resolved, and then determining whether the fee charged is commensurate with the work carried out.

Tax Fees : Nil

All Other Fees : Nil

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There have been no disagreements with the independent accountants relating to accounting principles or practices, financial statement disclosure, or auditing scope or procedure for the last two (2) fiscal years.

❖ BUSINESS AND GENERAL INFORMATION

BUSINESS

Keppel Philippines Properties, Inc. ("Parent Company" or "KPPI"), is a stock corporation organized under the laws of the Philippines. The Parent Company was first incorporated on 7 February 1918 under the name Hoa Hin Co., Inc. It was renamed to Cebu Shipyard and Engineering Works, Inc. in 1957 and then renamed to Keppel Philippines Properties Inc. in 1998.

KPPI was registered with the Philippine Securities and Exchange Commission (SEC) on 7 February 1918. Its corporate life was extended for another fifty (50) years starting 7 February 1968. On 5 May 2017, the Philippine SEC approved KPPI's Articles of Incorporation to further extend its corporate life for another 50 years starting 6 February 2018.

KPPI is listed in the Philippine Stock Exchange (PSE) through an initial public offering (IPO) in 1989. There was no further follow on offering after the IPO. Its immediate parent company is Keppel Land Limited (KLL) and the ultimate parent company is Keppel Corporation Limited (KCL), both incorporated in Singapore. KCL is listed in the Singapore Exchange.

Subsidiaries

CSRI Investment Corporation, which is a wholly owned subsidiary of KPPI, was incorporated in the Philippines on 25 October 1990 primarily to hold investments in marketable equity securities and other investments. CSRI's source of income is solely from investment in securities.

Buena Homes, Inc. ("BHI"), which is a wholly owned subsidiary of KPPI, was incorporated in the Philippines on 25 May 2000 primarily to hold investment in BHSI, an associate engaged in property holding and development.

Associates

Opon Realty and Development Corporation, which is 40% owned by KPPI, was incorporated in the Philippines on 31 March 1989 primarily to acquire by purchase, lease, donation or otherwise, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or other otherwise, real estate of all kinds.

Opon Ventures, Inc., which is 40% owned by KPPI, was incorporated in the Philippines on 14 September 1993 with the same objectives as ORDC.

Opon-KE Properties, Inc., which is 40% owned by KPPI, was incorporated in the Philippines on 19 January 1994 primarily to hold investments in associates engaged in property holding and development.

Buena Homes (Sandoval), Inc. ("BHSI"), which is 40% owned by BHI, was incorporated in the Philippines on 24 May 2000. BHSI was involved in the development of a residential project known as "Palmdale Heights" which was completed in 2003.

Joint Venture

SM Keppel Land, Inc. ("SMKL"), which is 40% owned by KPPI, was incorporated in the Philippines on 11 January 1994 to operate and maintain office and shopping center spaces for rent, carpark and cinema. KPPI entered into a joint venture agreement with Banco de Oro Unibank, Inc. for the development of "The Podium Complex", a mixed-use development comprising of retail and office spaces located in Ortigas Center.

The Parent Company, together with its subsidiaries, associates and a joint venture, are collectively referred to as the "Group".

❖ **MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION**

Comparative Financial Update and Analysis

KEY PERFORMANCE INDICATORS

A) For the First Quarter Ended 31 March 2019

For The Years Ended	31 March 2019 (Unaudited)	31 March 2018 (Unaudited)	% Change
Return On Assets	(1.45%)	(1.55%)	(6.45%)
Loss Per Share	₱0.076	₱0.086	(11.63%)
As At	31 March 2019 (Unaudited)	31 December 2018 (Audited)	% Change
Net Tangible Asset Value Per Share	₱2.84	₱2.91	(2.41%)
Working Capital Ratio	3.1:1	3.2:1	(3.13%)

- a. **Return On Assets** – It indicates how effectively the assets of the Group are utilized in generating profit. Net loss after tax for the first quarter of 2019 amounted to ₱22.2 million which decreased by ₱3.0 million from ₱25.2 net loss in the same period in 2018. This favorable return was due to the increase in management consultancy and franchise fee revenue, coupled with decrease in general and administrative expenses.

	<u>First Quarter 2019</u>	<u>First Quarter 2018</u>
Net Loss After Tax (a)	(₱22,249,835)	(₱25,202,863)
Total Assets At Beginning (b)	₱1,531,636,972	₱1,627,357,787
Return On Assets (a/b)	(1.45%)	(1.55%)

- b. **Loss Per Share** – It represents the equivalent apportionment of net earnings (loss) to each share of common stock outstanding. For the first quarter of 2019 and 2018, loss per share amounted to ₱0.076 and ₱0.086, respectively. This performance was due to the lower net loss results of operations in 2019 as compared to net loss results of operations in 2018.

	<u>First Quarter 2019</u>	<u>First Quarter 2018</u>
Net Loss After Tax (a)	(₱22,249,835)	(₱25,202,863)
Number of Common Stock (b)	293,828,900	293,828,900
Loss Per Share (a/b)	(₱0.076)	(₱0.086)

- c. **Net Tangible Asset Value Per Share** – It measures the equivalent entitlement of each share of common stock outstanding in the tangible assets. The tangible value per share decreased by 2.41% compared to the previous year due to the decrease in retained earnings resulting from loss incurred during the first quarter of 2019.

Note: Net Tangible Assets include ₱594.7 million subscription proceeds for Preferred Stock. As this Preferred Stock is redeemable, the subscription proceeds have been excluded from Net Tangible Assets in the computation of Net Tangible Asset per Share.

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Net Tangible Assets	₱1,428,280,429	₱1,450,530,264
Less : Preferred Stock	(594,741,000)	(594,741,000)
Net Tangible Assets Attributable To Common Stock	₱833,539,429	₱855,789,264
Number of Common Stock	293,828,900	293,828,900
Net Tangible Asset Value Per Share	₱2.84	₱2.91

- d. **Working Capital Ratio** – The Group's ability to meet current obligations is measured by computing the ratio of current assets over current liabilities. The Working Capital Ratio decreased by 3.13% as at end of first quarter of 2019 as compared to December 31, 2018.

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
Current Assets (a)	P257,394,441	P263,249,770
Current Liabilities (b)	P82,544,086	P81,106,708
Working Capital Ratio (a/b)	3.1 : 1	3.2 : 1

B) **For the Years Ended 31 December 2018 and 2017**

For The Years Ended	December 2018	December 2017	% Change
Return On Assets	(7.26%)	(2.18%)	233%
Loss Per Share	P0.40	P0.13	208%
Net Tangible Asset Value Per Share	P2.91	P3.31	-12%
Working Capital Ratio	3.2:1	5.1:1	-37%

- a. **Return On Assets** – It indicates how effectively the assets of the Group are utilized in generating profit. Net loss after tax amounted to P118.2 million in 2018 which increased by P80.4 million from P37.8 million in 2017. The higher net loss is due to a significant decrease in share in results of associated companies and increase in general and administrative expenses.

	<u>2018</u>	<u>2017</u>
Net Loss After Tax (a)	P118,196,865	P37,848,940
Total Assets At Beginning (b)	1,627,357,787	1,737,255,335
Return On Assets (a/b)	(7.26%)	(2.18%)

- b. **Loss Per Share** – It represents the equivalent apportionment of net loss to each share of common stock outstanding. This unfavorable performance is due to higher net loss incurred in 2018 as compared to 2017.

	<u>2018</u>	<u>2017</u>
Net Loss After Tax (a)	P118,196,865	P37,848,940
Number of Common Stock (b)	293,828,900	293,828,900
Loss Per Share (a/b)	P0.40	P0.13

- c. **Net Tangible Asset Value Per Share** – It measures the equivalent entitlement of each share of common stock outstanding in the tangible assets. The tangible value per share decreased by 12% compared to 2017 due to the decrease in retained earnings resulting from the significant loss incurred during the year.

Note: Net Tangible Assets include ₱594.7 million subscription proceeds for Preferred Stock. As these Preferred Stocks are redeemable, the subscription proceeds have been excluded from Net Tangible Assets in the computation of Net Tangible Asset Per Share.

	<u>2018</u>	<u>2017</u>
Net Tangible Assets	₱1,450,530,264	₱1,568,072,215
Less : Preferred Stock	594,741,000	594,741,000
Net Tangible Assets Attributable To Common Stock	855,789,264	973,331,215
Number of Common Stock	293,828,900	293,828,900
Net Tangible Asset Value Per Share	₱2.91	₱3.31

- e. **Working Capital Ratio** – The Group's ability to meet current obligations is measured by determining current assets over current obligations. The Working Capital ratio decreased by 37% as compared to 2017.

	<u>2018</u>	<u>2017</u>
Current Assets (a)	₱263,249,770	₱302,391,530
Current Liabilities (b)	81,106,708	59,285,572
Working Capital Ratio (a/b)	3.2:1	5.1:1

C) For the Years Ended 31 December 2017 and 2016

For The Years Ended	December 2017	December 2016	% Change
Return On Assets	(2.18%)	(1.71%)	27%
Loss Per Share	₱0.13	₱0.10	30%
Net Tangible Asset Value Per Share	₱3.31	₱3.44	-4%
Working Capital Ratio	5.1:1	2.3:1	122%

- a. **Return On Assets** – It indicates how effectively the assets of the Group are utilized in generating profit. Net loss after tax amounted to ₱37.8 million in 2017 which increased by ₱7.6 million from ₱30.2 million in 2016. The higher net loss is due to a significant increase in general and administrative expenses and other expenses, net, offset with increase in revenue.

	<u>2017</u>	<u>2016</u>
Net Loss After Tax (a)	₱37,848,940	₱30,174,609
Total Assets At Beginning (b)	1,737,255,335	1,767,973,179
Return On Assets (a/b)	(2.18%)	(1.71%)

- b. **Loss Per Share** – It represents the equivalent apportionment of net loss to each share of common stock outstanding. This unfavorable performance is due to higher net loss incurred in 2017 as compared to 2016.

	<u>2017</u>	<u>2016</u>
Net Loss After Tax (a)	₱37,848,940	₱30,174,609
Number of Common Stock (b)	293,828,900	293,828,900
Loss Per Share (a/b)	₱0.13	₱0.10

- c. **Net Tangible Asset Value Per Share** – It measures the equivalent entitlement of each share of common stock outstanding in the tangible assets. The tangible value per share decreased by 0.4% compared to 2016 due to the decrease in retained earnings resulting from the loss incurred during the year.

Note: Net Tangible Assets include ₱594.7 million subscription proceeds for Preferred Stock. As these Preferred Stocks are redeemable, the subscription proceeds have been excluded from Net Tangible Assets in the computation of Net Tangible Asset Per Share.

	<u>2017</u>	<u>2016</u>
Net Tangible Assets	₱1,568,072,215	₱1,606,246,898
Less : Preferred Stock	594,741,000	594,741,000
Net Tangible Assets Attributable To Common Stock	973,331,215	1,011,505,898
Number of Common Stock	293,828,900	293,828,900
Net Tangible Asset Value Per Share	₱3.31	₱3.44

- d. **Working Capital Ratio** – The Group's ability to meet current obligations is measured by determining current assets over current obligations. The Working Capital ratio increased by 122% as compared to 2016.

	<u>2017</u>	<u>2016</u>
Current Assets (a)	₱302,391,530	₱304,021,399
Current Liabilities (b)	59,285,572	130,939,028
Working Capital Ratio (a/b)	5.1:1	2.3:1

D) For the Years Ended 31 December 2016 and 2015

For The Years Ended	December 2016	December 2015	% Change
Return On Assets	(1.71%)	(0.79%)	116%
Loss Per Share	₱0.10	₱0.05	100%
Net Tangible Asset Value Per Share	₱3.44	₱3.55	-3%
Working Capital Ratio	2.3:1	2.6:1	(12%)

- a. **Return On Assets** – It indicates how effectively the assets of the Group are utilized in generating profit. Net loss after tax amounted to ₱30.2 million in 2016 which increased by ₱16.1 million from ₱14.1 million in 2015. The higher net loss is due to a significant increase in general and administrative expenses combined with a drop in share in results of operations of associated companies.

	<u>2016</u>	<u>2015</u>
Net Loss After Tax (a)	₱30,174,609	₱14,061,329
Total Assets At Beginning (b)	1,767,973,179	1,782,211,889
Return On Assets (a/b)	(1.71%)	(0.79%)

- b. **Loss Per Share** – It represents the equivalent apportionment of net loss to each share of common stock outstanding. This unfavorable performance is due to higher net loss incurred in 2016 as compared to 2015.

	<u>2016</u>	<u>2015</u>
Net Loss After Tax (a)	₱30,174,609	₱14,061,329
Number of Common Stock (b)	293,828,900	293,828,900
Loss Per Share (a/b)	₱0.10	₱0.05

- c. **Net Tangible Asset Value Per Share** – It measures the equivalent entitlement of each share of common stock outstanding in the tangible assets. The tangible value per share decreased by 0.3% as compared to 2015 due to the decrease in retained earnings resulting from the loss incurred during the year.

Note: Net Tangible Assets include ₱594.7 million subscription proceeds for Preferred Stock. As these Preferred Stocks are redeemable, the subscription proceeds have been excluded from Net Tangible Assets in the computation of Net Tangible Asset Per Share.

	<u>2016</u>	<u>2015</u>
Net Tangible Assets	₱1,606,246,898	₱1,636,677,155
Less : Preferred Stock	594,741,000	594,741,000
Net Tangible Assets Attributable To Common Stock	1,011,505,898	1,041,936,155
Number of Common Stock	293,828,900	293,828,900
Net Tangible Asset Value Per Share	₱3.44	₱3.55

- d. **Working Capital Ratio** – The Group's ability to meet current obligations is measured by determining current assets over current obligations. The Working Capital ratio decreased by 12% as compared to 2015.

	<u>2016</u>	<u>2015</u>
Current Assets (a)	P304,021,399	P342,026,296
Current Liabilities (b)	130,939,028	131,000,212
Working Capital Ratio (a/b)	2.3:1	2.6:1

RESULTS OF OPERATIONS

First Quarter of 2019 Compared To Same Period In 2018

TOTAL REVENUE AND INCOME (LOSS) registered a loss of P9.4 million in the first quarter of 2019, which is lower by P2.9 million than the P12.3 million loss incurred in the same period in 2018. The net decrease is mainly attributable to the following:

- Changes in **SHARE IN RESULTS OF ASSOCIATED COMPANIES** from period to period are dependent upon the results of the operations of the associated companies. The first quarter of 2019 showed a share in net loss of P14.2 million which is lower than the share in net loss of P15.2 million in the same quarter in 2018. The slight decrease in net loss is attributable to the higher rental income of SMKL and to the net profit generated from the opening of director's club cinemas in December 2018.
- Increase in **MANAGEMENT CONSULTANCY AND FRANCHISE FEES** by P1.4 million or 70% from P2.0 million in 2018 to P3.4 million in 2019 due to the increase in The Podium Mall's rental income on which these fees from SMKL are based.
- Increase in **INTEREST INCOME** by P0.5 million or 50% from P0.9 million in 2018 to P1.4 million in 2019 due to higher interest rate on deposit placements.

GENERAL AND ADMINISTRATIVE EXPENSES decreased by P0.8 million or 6.39% from P12.6 million in 2018 to P11.8 million in 2019 mainly due to lower travelling costs incurred in overseeing the SMKL Mixed-use Development project.

As a result, net loss for the First Quarter 2019 decreased by P3.0 million from P25.2 million in 2018 to P22.2 million in 2019.

KPPI's financial performance is mainly driven by the results of the operations of its subsidiaries, associates and mainly from its joint venture, SMKL. Currently, SMKL is incurring losses from significant depreciation charge and interest expense incurred in its retail phase of the mixed-use development. It is noted however that with the upcoming completion of its office phase in 2019, and towards a better occupancy in its retail and office spaces in the upcoming years, SMKL anticipates a more profitable position from end of 2019 onwards. This in return, will impact significantly KPPI's financial performance.

Year Ended 31 December 2018 Compared To 2017

TOTAL REVENUE AND INCOME (LOSS) registered a P65.6 million reversal from an income of P22.4 million in 2017 to a loss of P43.2 million in 2018. The net decrease is mainly attributable to the following:

- Changes in **SHARE IN RESULTS OF ASSOCIATED COMPANIES** from period to period are dependent upon the results of the operations of the associated companies. 2018 showed a share in net loss of P57.1 million as compared to a share in net income of P13.7 million in 2017. The said share in loss relates mainly to the net loss reported by SMKL in 2018, and which net loss resulted mainly from significant depreciation charge and interest expense incurred by the said associated company during the year.

The closure of The Podium old wing in October 2017 for renovation, which was completed in December 2018, also contributed to the loss for the year.

- Increase in **MANAGEMENT CONSULTANCY AND FRANCHISE FEES** by ₱4.3 million or 80% from ₱5.4 million in 2017 to ₱9.7 million in 2018 due to increase in The Podium's rental income on which these fees from SMKL are based
- Increase in **INTEREST INCOME** by ₱1.0 million or 31% from ₱3.2 million in 2017 to ₱4.2 million in 2018 due to higher interest rates on deposit placements.

GENERAL AND ADMINISTRATIVE EXPENSES increased by ₱15.4 million or 26% from ₱58.8 million in 2017 to ₱74.2 million in 2018 mainly due to the timing of consultancy fee charges related to the SMKL mixed-use development project.

OTHER INCOME (EXPENSE), NET resulted to a ₱0.2 million income in 2018 in contrast to a ₱1.9 million expense in 2017 due to a significant provision for doubtful account set up in 2017.

As a result, the Group's operations posted a net loss for the year amounting to ₱118.2 million, an increase of ₱80.4 million or 213% from the ₱37.8 million net loss in 2017.

Year Ended 31 December 2017 Compared To 2016

TOTAL REVENUE AND INCOME (LOSS) increased by ₱8.2 million or 58% from ₱14.2 million in 2016 to ₱22.4 million in 2017 due to higher share in results of associated companies and interest income, offset by a slight decrease in management consultancy and franchise fees.

- **SHARE IN RESULTS OF ASSOCIATED COMPANIES** increased by ₱6.9 million or 101% from ₱6.8 million in 2016 to ₱13.7 million in 2017. This account represents the Group's share in the net income/loss of its associated companies. Changes in share of results from period to period are dependent upon the results of the operations of the associated companies. The increase was mainly attributed to SMKL operations due to the reversal of a provision no longer required, deferred income from straight-lining of rental revenue and deferred income tax benefit from net operating loss carryover, offset by the significant depreciation charge, interest expense, repairs and maintenance and advertising and promotions incurred related to the commencement of the operations of the expansion of The Podium Mall in October 2017.
- **INTEREST INCOME** increased by ₱1.3 million or 68% from ₱1.9 million in 2016 to ₱3.2 million in 2017 due to higher interest rates on deposit placements.

GENERAL AND ADMINISTRATIVE EXPENSES increased by ₱13.8 million or 31% from ₱45.0 million in 2016 to ₱58.8 million in 2017 mainly due to the increase in supervision and oversight costs relating to the ongoing construction of SMKL mixed-use development, that are deemed non-capitalizable by the Parent Company.

OTHER INCOME (EXPENSE), NET resulted to a ₱1.9 million expense in 2017 in contrast with a ₱1.3 million income in 2016 due to a significant provision for doubtful account set up in 2017.

As a result, the Group's operations posted a net loss for the year amounting to ₱37.8 million, an increase of ₱7.6 million or 25% from the ₱30.2 million net loss in 2016.

Year Ended 31 December 2016 Compared To 2015

TOTAL REVENUE AND INCOME (LOSS) decreased by ₱4.4 million or 24% from ₱18.6 million in 2015 to ₱14.2 million in 2016 due to lower share in results of associated companies, partially offset by a slight increase in management consultancy and franchise fees and interest income.

- **SHARE IN RESULTS OF ASSOCIATED COMPANIES** decreased by ₱5.8 million or 46% from ₱12.6 million in 2015 to ₱6.8 million in 2016. This account represents Group's share in the net income/loss of its associated companies. Changes in share in net earnings from period to period are dependent upon

the results of the operations of the associated companies. The decrease is due to net loss incurred by BHSI in 2016 as compared to net income earned in 2015. This was brought about by lower sales resulting in overheads exceeding gross profit. On the other hand, SMKL showed a gradual increase in net income resulting from higher occupancy rate in 2016 as compared to 2015.

- **MANAGEMENT CONSULTANCY AND FRANCHISE FEES** increased by ₱0.4 million or 8% from ₱5.1 million in 2015 to ₱5.5 million in 2016 due to higher revenue of SMKL, on which these fees are based.
- **INTEREST INCOME** increased by ₱0.9 million or 90% from ₱1.0 million in 2015 to ₱1.9 million in 2016 due to higher interest rates on deposit placements.

GENERAL AND ADMINISTRATIVE EXPENSES increased by ₱8.7 million or 24% from ₱36.3 million in 2015 to ₱45.0 million in 2016 mainly due to the increase in supervision and oversight costs relating to the ongoing construction of SMKL mixed-use development, that are deemed non-capitalizable by the Parent Company.

As a result, the Group's operations posted a net loss for the year amounting to ₱30.2 million, an increase of ₱16.1 million or 114% from the ₱14.1 million net loss in 2015.

Financial Position

First Quarter Ended March 2019 Compared to December 31, 2018

TOTAL ASSETS declined by ₱20.8 million from ₱1,531.6 million in 2018 to ₱1,510.8 million in 2019. The significant changes in account balances during the period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱14.5 million due to the net cash used for operating activities mainly from general administrative expenses and advances for leasehold improvements, offset by interest income received and collections from intercompany receivables.
- **DUE FROM RELATED PARTIES** increased by ₱2.7 million on account of billing adjustments approved in the first quarter of 2019.
- **PREPAYMENTS AND OTHER CURRENT ASSETS** increased by ₱5.9 million due to advances made to contractors for the fit-out of the Parent Company's new office and advances for rentals on leased premises.
- **INVESTMENTS IN ASSOCIATES AND JOINT VENTURE** decreased by ₱14.2 million due to the negative share in results of associated companies for the three months ended March 2019.
- **DEFERRED INCOME TAX ASSETS, NET** decreased by ₱0.7 million due to reversal of accruals made in 2018.

TOTAL LIABILITIES increased by ₱1.4 million from ₱81.1 million in 2018 to ₱82.5 million in 2019 mainly due to the consultancy fees charged by SMPM for the first quarter of 2019.

TOTAL EQUITY decreased by ₱22.2 million from ₱1,450.5 million in 2018 to ₱1,428.3 million in 2019 due to the net loss incurred during the first quarter of 2019.

Year Ended 31 December 2018 Compared To 2017

TOTAL ASSETS declined by ₱95.8 million from ₱1,627.4 million in 2017 to ₱1,531.6 million in 2018. The significant change in account balances from period to period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱40.6 million due to the net cash used for operating activities, mainly from general and administrative expenses, offset by interest income received and collections from intercompany receivables and return of investments from an associate.
- **PREPAYMENTS AND OTHER CURRENT ASSETS** increased by ₱1.6 million due to the renewal of leases in 2018 that required prepayments and advance rentals.

- **INVESTMENTS IN ASSOCIATES AND JOINT VENTURE** decreased by ₱56.8 million due the negative share in results of associated companies for the year then ended.

TOTAL LIABILITIES increased by ₱21.8 million from ₱59.3 million in 2017 to ₱81.1 million in 2018. The significant change in account balances from period to period are as follows:

- **ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES** increased by ₱11.5 million related to accruals for deferred taxes on management consultancy fees, compensation, and professional fees during the year.
- **DUE TO RELATED PARTIES** increased by ₱10.3 million related to management consultancy fees for the year that remains outstanding as at year end.

TOTAL EQUITY decreased by ₱117.6 million from ₱1,568.1 million in 2017 to ₱1,450.5 million in 2018 due to the net loss incurred during the year.

Year Ended 31 December 2017 Compared To 2016

TOTAL ASSETS declined by ₱109.9 million from ₱1,737.3 million in 2016 to ₱1,627.4 million in 2017. The significant change in account balances from period to period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱25.2 million due to the net cash used for operating activities, mainly from general and administrative expenses, offset by interest income received and collections from intercompany receivables and return of investments from an associate.
- **RECEIVABLES** decreased by ₱3.1 million due to the provision for doubtful accounts set up in 2017 and realization of accrued revenue from prior year.
- **DUE FROM RELATED PARTIES** increased by ₱26.7 million related to the outstanding balance from the return of investments from an associate resulting from the approved reduction of share capital of an associate.
- **INVESTMENTS IN ASSOCIATES AND JOINT VENTURE** decreased by ₱109.5 million related to the approved reduction of share capital of an associate, partially offset by the increase in share of results of associated companies.
- **DEFERRED INCOME TAX ASSETS, NET** increased by ₱1.5 million related to the increase in tax base on accruals in 2017.

TOTAL LIABILITIES decreased by ₱71.7 million from ₱131.0 million in 2016 to ₱59.3 million in 2017. The significant change in account balances from period to period are as follows:

- **ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES** increased by ₱4.6 million related to accruals for deferred taxes on management consultancy fees, compensation, and professional fees during the year.
- **DUE TO RELATED PARTIES** decreased by ₱76.3 million related to the reclassifications made from liabilities to equity in relation to the return of investment from an associate.

TOTAL EQUITY decreased by ₱38.2 million from ₱1,606.2 million in 2016 to ₱1,568.1 million in 2017 due to the net loss incurred during the year.

Year Ended 31 December 2016 Compared To 2015

TOTAL ASSETS declined by ₱30.7 million from ₱1,768.0 million in 2015 to ₱1,737.3 million in 2016. The significant change in account balances from period to period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱3.0 million due to the net cash used for operating activities, mainly from general and administrative expenses, partially offset by interest income received and collections from intercompany receivables.
- **RECEIVABLES** decreased by ₱2.5 million resulting from collections from third parties.

- **DUE FROM RELATED PARTIES** decreased by ₱35.0 million resulting from collections from related parties.
- **INVESTMENTS IN ASSOCIATES AND JOINT VENTURE** increased by ₱6.6 million related to the share in results of associated companies.

TOTAL LIABILITIES decreased by ₱0.3 million from ₱131.3 million in 2015 to ₱131.0 million in 2016 due to lower deferred income tax liabilities.

EQUITY decreased by ₱30.5 million from ₱1,636.7 million in 2015 to ₱1,606.2 million in 2017 due to the net loss incurred during the year.

Competition

As a property developer through its associated companies, KPPI considers the following property developers as the industry's key players in terms of end products:

	Comprehensive Income YTD 3Q2018 In Php Billions
Ayala Land Inc.	24.0
SM Prime Holdings, Inc.	24.0
Robinson's Land Corporation	6.6

Source: Published corporate disclosures.

Competitive pressures are expected to remain as new players have embarked on aggressive developments.

In the residential sector, BHSI faces stiff competition from other developers who have set their targets on the middle class income, a market segment that has also been the focus of BHSI. With its track record as a developer of quality housing projects, BHSI will remain competitive in this sector.

In the retail sector, the market is expected to be resilient with continued consumer spending. Retail developers continue to expand their retail portfolios to meet the growing consumer demand. The Podium Mall has strengthened its presence in the market since its expansion in 2017 and renovation of its old wing in 2018. Featuring an intricate architectural design and spacious ambiance, The Podium Mall has remained to be the preferred meeting place for professionals.

Major Risk Factors

KPPI's business activities are conducted in the Philippines and its revenues and operating profits are derived from its investments and the activities of its associates, SMKL and BHSI, which exposes KPPI to changes in the Philippine economy.

The Group is also exposed to financial, operating and administrative risks which are normal in the course of business.

To manage these risks, Management is highly committed to ensuring that the Group's business processes are clearly defined, in compliance with the KPPI's policies and procedures, and performed effectively and efficiently in satisfying stakeholders' needs.

Moreover, SMKL and BHSI obtains updates on markets/prices and current economic and political developments. Assessments are then made of the financial viability of the proposed projects in the light of current economic, political and industry indicators.

Known Trends, Events or Uncertainties

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 sales or revenues or income from continuing operations.

Events that will trigger direct or contingent financial obligations

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

Material off-balance sheet transactions, arrangement or obligation

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

Significant Elements of Income or Loss

There is no significant element of income that arose from continuing operations.

- ❖ **REGISTRANT'S DIRECTORS AND EXECUTIVE OFFICERS INCLUDING THEIR PRINCIPAL OCCUPATION OR EMPLOYMENT, NAME AND PRINCIPAL BUSINESS OF ANY ORGANIZATION BY WHICH SUCH PERSONS ARE EMPLOYED:**

Name of Directors and Officers	Position	Principal Occupation/Name and Principal Business of Organization
Sam Moon Thong	Director /Chairman	President, Regional Investments, Keppel Land Group
Ramon J. Abejuela	Independent Director	Director and Vice Chairman of the Board, Philippine Nutri-Foods Corp. and NCP Publishing Corp
Celso P. Vivas	Independent Director	Independent Director of Megawide Construction Corporation, Chairman of its Audit and Compliance Committee, and Member of both the Board Risk Oversight and Governance, Nomination and Remuneration Committee
Mayo Jose B. Ongsingco	Independent Director	Adviser to the Board of Directors of First Metro Investment Corp.
Stefan Tong Wai Mun	Director	Director & Executive Vice President, Keppel Philippines Holdings, Inc.
Lim Kei Hin*	Director	Chief Financial Officer, Keppel Land Group, Real Estate Company
Oh Lock Soon	Director/President	President, Keppel Philippines Properties, Inc.
Tan Siew Ngok**	Director	General Manager (Finance & Administration), Keppel Land International Limited
Tan Boon Ping** *	Director	Chief Financial Officer, Keppel Land Limited
Pang Chan Fan	Treasurer	Financial Controller, Keppel Philippines Properties, Inc.
Ma. Melva E. Valdez	Corporate Secretary	Senior Partner& Chairman, Bello Valdez Caluya & Fernandez Law Offices
Myla Gloria A. Amboy	Asst. Corp. Secretary	Senior Associate, Bello Valdez Caluya & Fernandez Law Offices

Please see Part I, pages 6 to 10 for the directors' and officers' profiles.

*Passed away on 10 August 2018; ***Retired on 31 March 2019; **Elected 14 January 2019

❖ MARKET PRICE

The common equity of KPPI is traded in the Philippine Stock Exchange. KPPI has no restriction for any cash dividends declared that limit the ability to pay on common equity or that are likely to do so in the future. However, no cash dividends were declared from 2003 to 2018.

STOCK PRICES	2019		2018		2017	
	High	Low	High	High	High	High
First Quarter	₱4.83	₱4.82	₱4.30	₱4.28	₱4.21	₱4.02
Second Quarter	-	-	4.17	4.11	4.20	4.14
Third Quarter	-	-	4.17	4.11	4.50	4.12
Fourth Quarter	-	-	3.86	3.81	4.16	4.15

KPPI has no plans of acquisition, business combination, or other reorganization that will take effect in the near future that involves issuances of securities.

There were no recent sales of unregistered or exempt securities.

Its common shares were last traded on 26 December 2018 at ₱3.81 per share.

Holders

As of 31 March 2019, the number of shareholders on record was 1,242 and common shares outstanding were 293,828,900. Following is the table of the Company's top 20 stockholders as of 31 March 2019:

	Name	No. of Shares Held	% to Total
1.	Keppel Land Limited	148,365,050	50.49
2.	Kepwealth, Inc	51,033,178	17.37
3.	Keppel Corporation Limited	35,783,742	12.18
4.	Molten Pte Ltd	19,951,723	6.79
5.	PCD Nominee Corporation - Filipino	12,917,044	4.40
6.	PCD Nominee Corporation – Foreign	4,432,346	1.51
7.	International Container Terminal Services Inc.	4,265,171	1.45
8.	George S. Dee, Jr.	3,442,891	1.17
9.	PNOOC Shipping and Transport Corporation	2,227,511	0.76
10.	Visayan Surety & Insurance Corporation	1,671,664	0.57
11.	Sulpicio Lines, Inc.	694,719	0.24
12.	Augusto Go	410,423	0.14
13.	Eduardo Go Hayco	269,277	0.09
14.	Ho Tong Hardware, Inc.	248,018	0.08
15.	Adrienne Gotian Chu	236,795	0.08
16.	Mary Margaret G. Dee	236,788	0.08
17.	Tessa L. Navera	225,005	0.08
18.	Janette Nellie Go Chiu	200,055	0.07
19.	Rafanan/Antonio Diosdado	181,453	0.06
20.	East Visayan Mailing Corp.	181,453	0.06

Dividends

CASH DIVIDENDS PER SHARE – The Company declared no dividends in 2018, 2017, and 2016.

Dividends shall be declared and paid out of the unrestricted retained earnings which shall be payable in cash, property, or stock to stockholders on the basis of outstanding stock held by them, as often and at such times as the Board of Directors may determine and in accordance with the law and applicable rules and regulations. The portion of retained earnings corresponding to the undistributed equity in net earnings of the subsidiaries and associates amounted to ₱502.2 million, ₱559.3 million, and ₱545.5 million as of 31 December 2018, 2017,

and 2016, respectively. These amounts are not available for distribution as dividends until declared by the subsidiaries and associates. Retained earnings are further restricted by ₱2.7 million representing the cost of shares held in treasury as of 31 December 2018, 2017, and 2016.

In accordance with SEC Memorandum Circular No. 11 issued in December 2008, KPPI's retained earnings available for dividend declaration as of 31 December 2018, 2017, and 2016 amounted to ₱41.8 million, ₱106.4 million and ₱156.2 million, respectively.

❖ CORPORATE GOVERNANCE

KPPI complies with the principles and practices of good corporate governance by adherence to its Amended Manual on Corporate Governance ("the Amended Manual").

KPPI has a Compliance Officer who diligently performs the duties and responsibilities under the Amended Manual, by reporting to Directors and Officers the pertinent requirements on corporate governance from time to time, and monitoring the compliance of such requirements. The Amended Manual is updated by incorporating new and improved governance and management practices, obtained through attendance at corporate governance seminars conducted by institutions accredited by SEC. The appointment/designation of the Compliance Officer has been immediately disclosed to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).

The Board of Directors ("The Board") has continued to observe the KPPI's corporate missions and visions to ensure the long-term success of the Corporation and its continued competitiveness in the industry.

The Compliance Officer ensures that the Board of Directors, its officers and employees comply with all the leading practices and principles on good corporate governance as embodied in the KPPI's Amended Manual. KPPI also complies with the appropriate self-rating assessment and performance evaluation system to determine and measure compliance in accordance with the Amended Manual.

KPPI has created committees required under the Amended Manual, namely, Audit Committee, Nominations/ Screening Committee, and Compensation/Remuneration Committee. The creation of said committees and the corresponding members thereof have been immediately disclosed to the SEC and the PSE. Each committee aforementioned performed their functions and responsibilities set forth in the Amended Manual.

The Audit Committee meets regularly to review all financial reports to comply with relevant accounting and regulatory standards, and performs oversight of financial management functions. As required by the Rules, two (2) independent directors are members of the Audit Committee, with one (1) independent director serving as head of said Committee.

The Nomination/Screening Committee complied with the provisions of the Corporation's Amended Manual of Corporate Governance on the pre-screening of all candidates nominated to become a member of the Board of Directors. The qualifications of director mentioned in the Amended Manual have also been strictly followed.

All of the directors of KPPI have attended and actively participated in Corporate Governance Seminars.

KPPI has submitted its Annual Corporate Governance Report to SEC and PSE on 30 May 2018 and 31 May 2018, respectively.

Upon the written request of the stockholder, KPPI undertakes to furnish said stockholder a copy of SEC Form 17-A free of charge, except for exhibits attached thereto which shall be charged at cost. Any written request for a copy of SEC Form 17-A shall be addressed as follows:

**Keppel Philippines Properties, Inc.
18th Floor, Units 1802B-1803, The Podium West Tower
12 ADB Avenue, Ortigas Center
Mandaluyong City, 1550**

Attention: The Corporate Secretary

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **MAYO JOSE B. ONGSINGCO**, Filipino, of legal age and a resident of _____ after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of Keppel Philippines Properties Inc. and have been its independent director since 2018.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
PBC Capital Investment Corp.	President & Director	2019 to present
Keppel Philippines Holdings Inc.	Independent Director	2018 to present
Keppel Philippines Marine Inc.	Independent Director	2018 to present
Keppel Subic Shipyard, Inc.	Independent Director	2018 to present
First Metro Securities Brokerage Corp.	Vice Chairman	2018 to present
First Metro Investment Corp.	Adviser to the Board of Directors	2015 to present
First Metro Asset Management Inc.	Director	2017 to present
Omnipay, Inc.	Independent Director	2017 to present
Mapfre Insular Insurance Corp.	Independent Director	2016 to present
Rafael-Alunan Agro Development Inc.	Director	2006 to present
De La Salle College of St. Benilde	Trustee	2013 to present
Foundation for Carmelite Scholastics	Trustee	2012 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Keppel Philippines Properties Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the directors/officers/substantial shareholders of Keppel Philippines Properties, Inc. or any of its affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

M. J. B. Ongsingco

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and SEC issuances.
7. I shall inform the Corporate Secretary of Keppel Philippines Properties Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this 03 day of April 2019, at PASIG CITY, Philippines.


MAYO JOSE B. ONGSINGCO
Affiant

SUBSCRIBED AND SWORN to before me this 03 day of April 2019 at PASIG CITY, Philippines, affiant personally appeared before me and exhibited to me his Tax Identification Number

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ATTY. ANTONIO B. BERITO
Notary Public - Pasig City
Commission No. 152 (2019-2020)
709 Mega Plaza Condo. ADB Ave. Pasig City
Attorney's Roll No. 27614
IBP #069369/01-15-19/Rizal
PTR#5284597/01-15-19/Pasig City.
MCLE Compliance No. VI March 9, 2019

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, **CELSO P. VIVAS**, Filipino, of legal age and a resident of _____, after having been duly sworn in accordance with law do hereby declare that:

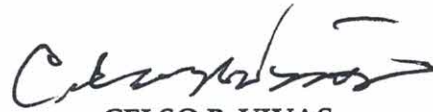
1. I am a nominee for independent director of Keppel Philippines Properties Inc. and have been its independent director since 2004.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Keppel Philippines Holdings Inc.	Independent Director & Lead Independent Director and Chairman of the Audit and Risk Management Committee	June 2005 to present
Keppel Philippines Marine Inc.	Independent Director & Chairman of the Audit and Risk Management Committee	April 2005 to present
Megawide Construction Corporation	Independent Director, Chairman of Audit and Compliance Committee, & Member of the Board Risk Oversight and Governance, Nomination and Remuneration Committee	July 2018 to present
Republic Glass Holdings Corporation	Independent Director, Chairman of Governance, Nomination and Remuneration Committee, & Member of the Audit and Risk Management Committee	June 2017 to present
Marubeni Foundation	Member, Board of Trustees	March 2001 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Keppel Philippines Properties Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any of the directors/officers/substantial shareholders of Keppel Philippines Properties, Inc. or any of its affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and SEC issuances.
7. I shall inform the Corporate Secretary of Keppel Philippines Properties Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this 03 day of April 2019, at PASIG CITY, Philippines.




CELSO P. VIVAS

Affiant

SUBSCRIBED AND SWORN to before me 03 day of April 2019 at _____, Philippines, affiant personally appeared before me and exhibited to me his Tax Identification No. _____

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ATTY. ANTONIO B. BETITO
Notary Public -- Pasig City
Commission No. 152 (2019-2020)
709 Mega Plaza Condo. ADB Ave. Pasig City
Attorney's Roll No. 27614
IBP #069369/01-15-19/Rizal
PTR#5284597/01-15-19/Pasig City
MCS Compliance No. VI March 9, 2019

CERTIFICATION OF QUALIFICATION OF INDEPENDENT DIRECTOR

I, RAMON J. ABEJUELA, Filipino, of legal age and a resident of _____, after having been duly sworn in accordance with law do hereby declare that:

1. I am a nominee for independent director of Keppel Philippines Properties Inc. and have been its independent directors since 2009.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Keppel Philippines Holdings, Inc.	Independent Director	2017 to present
Philippine Nutri-Foods Corporation	Director & Vice Chairman of the Board of Directors	2004 to present
NCP Publishing Corporation	Director & Vice Chairman of the Board of Directors	2004 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Keppel Philippines Properties Inc., as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any of the directors/officers/substantial shareholders of Keppel Philippines Properties, Inc. or any of its affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and SEC issuances.


7. I shall inform the Corporate Secretary of Keppel Philippines Properties Inc. of any changes in the abovementioned information within five days from its occurrence.

Done this ~~MAY~~ ⁰ day of April 2019, at PASIG CITY, Philippines.


RAMON J. ABEJUELA
Affiant

PASIG CITY
SUBSCRIBED AND SWORN to before me this ~~MAY~~ ⁰ day of April 2019 at _____
Philippines, affiant personally appeared before me and exhibited to me his Tax Identification
No.

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ATTY. ANTONIO B. BETITO
Notary Public - Pasig City
Commission No. 152 (2019-2020)
709 Mega Plaza Condo, ADB Ave, Pasig City,
Attorney's Roll No. 27614
IBP #069369/01-15-19/Rizal
PTR#5284597/01-15-19/Pasig City.
MCLE Compliance No. VI March 9, 2019

REPUBLIC OF THE PHILIPPINES)
PASIG CITY)S.S.

CERTIFICATION

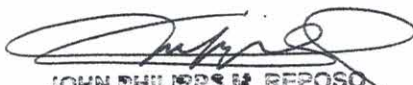
I, **MA. MELVA E. VALDEZ**, being the Corporate Secretary of Keppel Philippines Properties, Inc. (KPPI), do hereby certify that none of the current directors of KPPI works in the government of the Republic of the Philippines.

This certification is issued in compliance with the requirement of the Securities and Exchange Commission- Market Securities Regulation Department.

03 May 2019, Pasig City, Philippines.


MA. MELVA E. VALDEZ
Corporate Secretary

SUBSCRIBED AND SWORN TO before me a Notary Public, for and in the City of PASIG CITY, Philippines, personally appeared Ma. Melva E. Valdez and exhibited to me her Tax Identification Number


JOHN PHILIPPS M. REPOSO
Notary Public - Pasig City
Appointed No. 121 (2016-2019)
NOTARY PUBLIC
17th Floor, Robinsons Equitable Tower, #4 ADB Ave.,
cor. P. Poveda Drive, Ortigas Center, Pasig City
IBP No. 059320 / 07 January 2019 / RSM
PTR No. 5372039/ 30 January 2019 / Pasig City
MCLE Compliance No.: VI-0000981
Attorney's Roll No. 66410

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