COVER SHEET

PW-305

SEC Registration Number

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES

(Company's Full Name)

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

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

Mr. Lee Foo Tuck

(Contact Person)

584-6170

(Company Telephone Number)

03	31
Month	*Day*

(Fiscal Year)

17-Q

(Form Type)

06	09
Month	*Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic	Foreign
–	–

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

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 **31 March 2016**

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. **12 ADB Ave, Ortigas Center, Mandaluyong City 1550 (business office temporarily moved to Units 2203-2204 Raffles Corporate Center F. Ortigas Jr. Avenue (formerly Emerald Ave.) Ortigas Center, Pasig City)**
Address of registrant's principal office Postal Code

8. **(02) 584-6170**
Registrant's telephone number, including area code

9. **Not applicable**
Former name, former address and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common	**293,828,900**
Debt Outstanding	**Nil**

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes [/] **No** [ ]

12. Indicate by check mark whether the registrant:
a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and SRC Rule 17.1 thereunder or Sections 11 of the Revised Securities Act (RSA) and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [/] **No** [ ]

b) Has been subject to such filing requirements for the past 90 days.
Yes [/] **No** [ ]

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited 31 March 2016	Audited 31 December 2015
ASSETS		
Current Assets		
Cash and cash equivalents (Note 10)	**₱198,741,805**	₱206,916,313
Receivables (Note 10)	**4,649,778**	6,663,734
Due from related parties (Notes 6 and 10)	**113,589,596**	108,724,018
Other current assets	**19,972,457**	19,722,231
Total Current Assets	**336,953,636**	342,026,296
Noncurrent Assets		
Available-for-sale financial assets	**79,512,230**	79,512,230
Investments in associates and a joint venture (Note 4)	**1,348,715,634**	1,345,566,510
Property and equipment - net (Note 5)	**158,381**	184,252
Refundable deposits (Note 10)	**107,110**	107,110
Pension asset - net (Note 8)	**576,781**	576,781
Total Non-Current Assets	**1,429,070,136**	1,425,946,883
TOTAL ASSETS	**₱1,766,023,772**	₱1,767,973,179
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 10)	**₱4,689,152**	₱6,926,165
Due to related parties (Notes 6 and 10)	**127,021,475**	124,000,000
Income tax payable	**95,440**	74,047
Total Current Liabilities	**131,806,067**	131,000,212
Noncurrent Liability		
Deferred tax liability - net	**503,674**	295,812
Total Liabilities	**132,309,741**	131,296,024
Equity		
Capital stock	**356,104,000**	356,104,000
Additional paid-in capital	**602,885,517**	602,885,517
Treasury shares - at cost	**(2,667,645)**	(2,667,645)
Other reserves (Note 9)	**935,058**	935,058
Retained earnings	**676,457,101**	679,420,225
Total Equity	**1,633,714,031**	1,636,677,155
TOTAL LIABILITIES AND EQUITY	**₱1,766,023,772**	₱1,767,973,179

See accompanying Notes to the Condensed Interim Consolidated Financial Statements.

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For The Three Months Ended 31 March (Unaudited)	
	2016	2015
REVENUE AND INCOME		
Equity in net earnings of associates and a joint venture (Note 4)	**₱3,149,124**	₱2,718,492
Management consultancy and franchise fees (Note 6)	**1,491,055**	1,244,690
Interest income	**318,423**	262,679
	4,958,602	4,225,861
GENERAL AND ADMINISTRATIVE EXPENSES	**(7,452,867)**	(7,086,646)
OTHER INCOME (CHARGES)		
Foreign exchange loss - net	**(22,369)**	(3,877)
Others	**–**	13,590
	(22,369)	9,713
LOSS BEFORE INCOME TAX	**(2,516,634)**	(2,851,072)
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**238,628**	141,714
Deferred	**207,862**	(31,860)
	446,490	109,854
NET LOSS/ TOTAL COMPREHENSIVE LOSS	**(₱2,963,124)**	(₱2,960,926)
Basic/Diluted Loss Per Share (Note 7)	**(₱0.010)**	(₱0.010)

See accompanying Notes to the Condensed Interim Consolidated Financial Statements.

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	For The Three Months Ended March 31 (Unaudited)	
	2016	2015
CAPITAL STOCK - ₱1 par value		
Common		
Authorized - 375,000,000 shares		
Issued and outstanding - 296,629,900 shares	**₱296,629,900**	₱296,629,900
Preferred		
Authorized – 135,700,000 shares		
Issued and outstanding – 59,474,100 shares	**59,474,100**	59,474,100
	356,104,000	356,104,000
ADDITIONAL PAID-IN CAPITAL	**602,885,517**	602,885,517
TREASURY SHARES - at cost	**(2,667,645)**	(2,667,645)
OTHER RESERVES	**935,058**	646,637
RETAINED EARNINGS		
Balance at beginning period	**679,420,223**	693,481,554
Net Loss	**(2,963,124)**	(2,960,926)
Balance at end of period	**676,457,099**	690,520,628
	₱1,633,714,029	₱1,647,489,137

See accompanying Notes to the Condensed Interim Consolidated Financial Statements

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Three Months Ended March 31 (Unaudited)	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	**(₱2,516,634)**	(₱2,851,072)
Adjustments for:		
Depreciation (Note 5)	**25,871**	37,142
Foreign exchange losses (gains) - net	**22,369**	(3,877)
Interest income	**(318,423)**	(262,679)
Equity in net earnings of associates and a joint venture (Note 4)	**(3,149,124)**	(2,718,492)
Loss before changes in working capital	**(5,935,941)**	(5,798,978)
Decrease (increase) in:		
Receivables	**2,077,569**	(374,565)
Due from related parties	**(4,865,578)**	(1,376,667)
Other current assets	**(250,226)**	(317,982)
Increase (decrease) in:		
Accounts payable and other current liabilities	**(2,237,013)**	958,531
Due to related parties	**3,021,475**	–
Net cash used in operations	**(8,189,714)**	(6,909,661)
Interest received	**238,907**	265,342
Income tax paid	**(201,332)**	(123,661)
Net cash used in operating activities	**(8,152,139)**	(6,767,980)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for acquisition of property and equipment	**–**	(6,784)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(22,369)**	3,877
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(8,174,508)**	(6,770,887)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**206,916,313**	151,498,654
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱198,741,805**	₱144,727,767

See accompanying Notes to the Condensed Interim Consolidated Financial Statements.

1. Corporate Information

Keppel Philippines Properties, Inc. ("Parent Company") and the following subsidiaries (collectively referred to as "the Group") were incorporated in the Philippines and registered with the Philippine Securities and Exchange Commission (SEC). The Parent Company was incorporated on February 7, 1918. The Parent Company's corporate life was extended for another fifty (50) years starting February 7, 1968.

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

The Parent Company is listed in the Philippine Stock Exchange (PSE). Its parent company is Keppel Land Limited (KLL) and the ultimate parent company is Keppel Corporation Limited (KCL), both incorporated in Singapore. KCL is listed in the Singapore Exchange (SGX). As of Marrch 31, 2016 and December 31, 2015 , the top five beneficial shareholders of the Parent Company are the following:

Shareholders	Percentage of Ownership	
	2015	2014
KLL	**50%**	50%
Kepwealth, Inc.	**17%**	17%
KCL	**12%**	12%
PCD Nominee Corporation	**12%**	12%
Public	**9%**	9%

The Group holds investments in associates involved in property holding and development (see Note 4) and render management consultancy services to associates (see Note 6).

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

2. Basis of Preparation and Statement of Compliance

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

Statement of Compliance
The accompanying interim condensed consolidated financial statements have been prepared in

accordance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation
The interim condensed consolidated financial statements include the accounts of the Parent Company and its subsidiaries as of March 31, 2016 and December 31, 2015 and for each of the three months ended March 31, 2016 and 2015. 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 Parent Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting 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 condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

Assessment of Control
Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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 Parent Company 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.

3. Changes in Accounting Policies and Disclosures

Changes in Accounting Policies and Disclosures
The Group applied for the first time certain amendments, which are effective for annual periods beginning on or after January 1, 2015. Except as otherwise stated, the adoption of these new accounting standards and amendments have no material impact on the Group's consolidated financial statements.

- *Amendments to Philippine Accounting Standards (PAS) 19, Employee Benefits - Defined Benefit Plans: Employee Contributions*
- *Annual Improvements to PFRSs 2010-2012 Cycle*
  - PFRS 2, *Share-based Payment - Definition of Vesting Condition*
  - PFRS 3, *Business Combinations - Accounting for Contingent Consideration in a Business Combination*
  - PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*

The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only on the judgment made by management in aggregating operating segments and did not have impact on the Group's financial position or performance.

- PAS 16, *Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation and Amortization*
- PAS 24, *Related Party Disclosures - Key Management Personnel*

- *Annual Improvements to PFRSs 2011-2013 cycle*
  - PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  - PFRS 13, *Fair Value Measurement - Portfolio Exception*
  - PAS 40, *Investment Property*

Future Changes in Accounting Policies

The standards and interpretations that are issued, but not yet effective, up to date of issuance of the Group's financial statements are listed below. The Group intends to adopt these standards when they become effective. Except as otherwise stated, these amendments and improvements to PFRS and new standards are not expected to have any significant impact on the Group's financial statements.

Effective in 2016

- PAS 1, *Presentation of Financial Statements* - Disclosure Initiative (Amendments)
- PAS 16, *Property, Plant and Equipment*, and PAS 38, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortization* (Amendments)
- PAS 16, *Property, Plant and Equipment*, and PAS 41, *Agriculture - Bearer Plants* (Amendments)
- PAS 27, *Separate Financial Statements - Equity Method in Separate Financial Statements* (Amendments)
  The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. The Group is currently assessing the impact of these amendments in the separate financial statements of each Parent entity in the Group.
- PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures* and PAS 28, *Investments in Associates and Joint Ventures - Investment in Entities: Applying the Consolidation Exception* (Amendments)
- PFRS 11, *Joint Arrangements - Accounting for Acquisitions of Interests in Joint Operations* (Amendments)
- PFRS 14, *Regulatory Deferral Accounts*
- *Annual Improvements to PFRSs* (2012-2014 cycle)
  The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016.
  - PFRS 5, *Non-current Assets Held for Sale and Discontinued Operations - Changes in Methods of Disposal*

- PFRS 7, *Financial Instruments: Disclosures - Servicing Contracts*
- PFRS 7 - *Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements*
- PAS 34, *Interim Financial Reporting - disclosure of information 'elsewhere in the interim financial report'*
- PAS 19, *Employee Benefits - regional market issue regarding discount rate*

Effective in 2018

- PFRS 9, *Financial Instruments*
  In July 2014, the IASB issued the final version of IFRS 9, *Financial Instruments*. The new standard (renamed as PFRS 9) reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Early application of previous versions of PFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before February 1, 2015. The Group did not early adopt PFRS 9.

  The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have an no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting and on the amount of its credit losses. The Group is currently assessing the impact of adopting this standard.

In addition, the International Accounting Standards Board has issued the following new standards that have not yet been locally adopted by the SEC and FRSC. The Group is currently assessing the impact of these new standards and plans to adopt them on their required effective dates once adopted locally.

- IFRS 15, *Revenue from Contracts with Customers (effective January 1, 2018)*
  IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

  The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after January 1, 2018 with early adoption permitted.

- IFRS 16, *Leases (effective January 1, 2019)*
  On January 13, 2016, the International Accounting Standards Board (IASB) issued its new standard, IFRS 16, *Leases*, which replaces International Accounting Standards (IAS) 17, the current leases standard, and the related Interpretations.

  Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases in their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15, *Revenue from Contracts with Customers*. When adopting IFRS 16, an entity is permitted to use either a full retrospective or a modified retrospective approach, with options to use certain transition reliefs. The Group is currently assessing the impact of the new standard on its consolidated financial statements.

4. Investments in Associates and a Joint Venture

The details and movements of this account are as follows:

	2016	2015
Cost	**₱806,321,443**	₱806,321,443
Accumulated equity in net earnings		
Presented in profit or loss		
At January 1	**538,769,989**	526,217,429
Presented in profit or loss	**3,149,124**	12,552,560
At December 31	**541,919,113**	538,769,989
Presented in OCI		
At January 1	**475,078**	408,371
OCI	**–**	66,707
At December 31	**475,078**	475,078
	₱1,348,715,634	₱1,345,566,510

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

	Percentage of Ownership		Carrying Amount	
	2016	2015	2016	2015
Associates				
Buena Homes (Sandoval) Inc. (BHSI)	**40%**	40%	**₱ 160,648,766**	₱160,710,272
Opon-KE Properties, Inc. (OKEP)	**40**	40	**90,310,201**	90,058,608
Opon Ventures, Inc. (OVI)	**40**	40	**22,726,217**	22,597,247
ORDC	**40**	40	**15,050,123**	14,995,868
Joint Venture				
SMKL	**40**	40	**1,059,980,327**	1,057,204,515
			₱1,348,715,634	₱1,345,566,510

The Group's associates and joint venture were all incorporated in the Philippines. BHSI is involved in the construction and selling of residential condominium project. The primary purpose of the Group's other associates is 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. SMKL's primary business activity is operating a retail mall, which has one hundred and forty specialty stores and a state of the art cinema.

SMKL

SMKL is executing improvements and upgrading works to sustain its retail mall's growth and appeal as a premier shopping and lifestyle destination. Expansion of the retails mall is underway, with plans to add 34,000 sqm of leasable retail space, resulting in total leasable retail space of about 50,000 sqm. Construction of the retail mall expansion commenced in 2014 and is expected to be completed in 2017.

BHSI
In 2015, Phinma Property Holdings Corporation (PPHC) started developing the parcel of land owned by BHSI. PPHC is committed to pay a guaranteed amount of ₱50.7 million for this parcel of land with a carrying value of ₱61.3 million.

5. Property and Equipment

The rollforward analyses of this account are as follows:

	Transportation Equipment	Office Equipment	Furniture and Fixtures	Total
Cost				
At January 1, 2015	₱1,404,506	₱1,806,273	₱2,405,645	₱5,616,424
Additions	–	16,535	–	16,535
At December 31,2015	**1,404,506**	**1,822,808**	**2,405,645**	**5,632,959**
Additions	–	–	–	–
At March 31, 2016	**1,404,506**	**1,822,808**	**2,405,645**	**5,632,959**
Accumulated Depreciation				
At January 1, 2015	₱1,404,506	₱1,501,560	₱2,402,878	₱5,308,944
Depreciation	–	137,014	2,749	139,763
At December 31, 2015	**1,404,506**	**1,638,574**	**2,405,627**	**5,448,707**
Depreciation	–	**25,871**	–	**25,871**
At March 31, 2016	**1,404,506**	**1,664,445**	**2,405,627**	**5,474,578**
Net Book Value				
As at March 31, 2016	**₱–**	**₱158,363**	**₱18**	**₱158,381**
As at December 31, 2015	₱–	₱184,234	₱18	₱184,252

Depreciation expense charged against operations amounted to ₱25,871 and ₱37,142 for the three months ended March 31, 2016 and 2015, respectively.

6. Related Party Transactions

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

Outstanding balances of transactions with related parties are as follows:

March 31, 2016

Category	Amount	Outstanding Balance	Terms	Conditions
Due from				
Associates				
BHSI (d)	**₱483,065**	**₱35,767,151**	Non-interest-bearing, due and demandable	Unsecured, no impairment
OKEP (e)	**107,296**	**70,366,893**	Non-interest-bearing, due and demandable	Unsecured, no impairment
ORDC (a)	**130,584**	**309,806**	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
OVI (b)	**110,765**	**1,877,598**	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
Joint venture				
SMKL (c)	**5,355,122**	**4,381,218**	Non-interest-bearing 30-to-60 days	Unsecured, no impairment
Other related parties				
KLL (i)	–	**848,327**	Non-interest-bearing 30-to-60 days	Unsecured, no impairment
KPMI	**38,603**	**38,603**	Non-interest-bearing 30-to-60 days	Unsecured, no impairment
		₱113,589,596		
Due to				
Associates				
BHSI (f)	**₱–**	**₱83,701,493**	Non-interest-bearing, due and demandable	Unsecured
OKEP (f)	–	**40,298,507**	Non-interest-bearing, due and demandable	Unsecured
Other related party				
SMPM (g)	**2,303,475**	**3,021,475**	Non-interest-bearing, due and demandable	Unsecured
		₱127,021,475		

December 31, 2015

Category	Amount	Outstanding Balance	Terms	Conditions
Due from				
Associates				
BHSI (d)	₱1,645,341	₱35,733,200	Non-interest-bearing, due and demandable	Unsecured, no impairment
OKEP (e)	152,227	70,258,967	Non-interest-bearing, due and demandable	Unsecured, no impairment
ORDC (a)	150,668	179,222	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
OVI (b)	155,587	1,766,833	Non-interest-bearing, 30-to-60 days	Unsecured, no impairment
Joint venture				
SMKL (c)	17,030,922	785,796	Non-interest-bearing 30-to-60 days	Unsecured, no impairment
		₱108,724,018		
Due to				
Associates				
BHSI (f)	₱–	₱83,701,493	Non-interest-bearing, due and demandable	Unsecured
OKEP (f)	–	40,298,507	Non-interest-bearing, due and demandable	Unsecured
		₱124,000,000		

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

2016

Category	Amount	Outstanding Balance	Terms	Conditions
Joint venture				
SMKL				
Management fee (c)	**₱1,065,039**	**₱311,004**	receivable within 30 to 60 days	Unsecured, no impairment
Franchise fee (c)	**426,016**	**117,989**	receivable within 30 to 60 days	Unsecured, no impairment
Other related party				
SMPM				
Management fee (g)	**2,303,475**	**3,021,475**	payable within 30 to 60 days	Unsecured

2015

Category	Amount	Outstanding Balance	Terms	Conditions
Joint venture				
SMKL				
Management fee (c)	₱3,621,923	₱–	receivable within 30 to 60 days	Unsecured, no impairment
Franchise fee (c)	1,448,769	–	receivable within 30 to 60 days	Unsecured, no impairment
Other related parties				
SMPM				
Management fee (g)	14,117,977	–	payable within 30 to 60 days	Unsecured
KLIL				
Management fee (h)	1,847,031	–	payable within 30 to 60 days	Unsecured

Significant transactions with related parties are as follows:

(a) The Parent Company made operating advances for expenses incurred by ORDC that amounted to ₱0.1 million during the first quarter of 2016. The Parent Company provides accounting, management, and other administrative functions to ORDC. Outstanding receivable from ORDC for operating advances amounted to ₱0.3 million and ₱0.2 million as of March 31, 2016 and December 31, 2015, respectively.

(b) The Parent Company made operating advances for expenses incurred by OVI that amounted to ₱0.1 million during the first quarter of 2016. The Parent Company provides accounting, management, and other administrative functions to OVI. Outstanding receivable from OVI for operating advances amounted to ₱1.9 million and ₱1.8 million as of March 31, 2016 and December 31, 2015, respectively.

(c) The Parent Company provides management, advisory and consultancy services to SMKL. During the first quarter of 2016 and 2015, management and franchise fees charged by the Parent Company to SMKL amounted to ₱1.1 million and ₱0.4 million, respectively. Management fee is charged at 2.5% of annual net revenues of SMKL and franchise fee is charged at 1.0% of net revenues of SMKL. As of March 31, 2016, outstanding receivable from SMKL for management fee and franchises fee charged included in "Due from related parties" amounted to ₱0.3 million and ₱0.1 million, respectively. There were no outstanding management and franchise fee receivable from SMKL as of December 31, 2015. Moreover, the Parent Company made operating advances for expenses incurred by SMKL that amounted to ₱3.9 million during the first quarter of 2016. As of March 31, 2016 and December 31, 2015, outstanding receivable from SMKL for operating advances made included in "Due from related parties" amounted to ₱4.0 million and nil, respectively.

(d) The Parent Company made operating advances for expenses incurred by BHSI that amounted to ₱0.4 million during the first quarter of 2016. Outstanding receivable from BHSI for operating advances amounted to ₱0.1 million and nil as of March 31, 2016 and December 31, 2015, respectively. While the remaining balances amounting to ₱35.7 million pertains to unpaid balance of intercompany loans as of March 31, 2016 and December 31, 2015.

(e) The Parent Company made operating advances for expenses incurred by OKEP that amounted to ₱0.1million during the first quarter of 2016. The Parent Company provides accounting, management, and other administrative functions to OKEP. Outstanding receivable from OKEP for operating advances amounted to ₱70.4 million and ₱70.3 million as of March 31, 2016 and December 31, 2015, respectively.

(f) On December 22, 2011, the BOD approved BHSI's plan to decrease its authorized capital stock. In January 2012, the Parent Company received from BHSI an amount of ₱100 million, thereby decreasing BHI and OKEP's advances from the Parent Company by ₱59.7 million and ₱40.3 million, respectively. These amounts are recorded as intercompany advances in the interim condensed consolidated statement of financial position. BHSI has filed with SEC the amendments to its articles of incorporation and by-laws to include the above decrease in authorized capital. In 2014, BHI received additional advances amounting to ₱24.0 million from BHSI, thereby increasing the BHI's advances from the Parent Company to ₱83.7 million. As of March 31, 2016, the application is pending approval from the SEC.

(g) Straits Mansfield Property Marketing (SMPM), an entity under common control, provides consultancy, advisory and support services to the Parent Company and SMKL. Consultancy fees charged by SMPM to the Parent Company amounted to ₱2.3 million during the first quarter of 2016. Outstanding payable to SMPM as of March 31, 2016 amounted to ₱3.0 million. The basis of management fee is the time spent by SMPM personnel in rendering services. There were no outstanding payable to SMPM as of December 31, 2015.

(h) Keppel Land International Limited (KLIL), an entity under common control, provides consultancy, advisory and support services to the Parent Company and SMKL. These services were provided by KLIL to the Parent Company only up to March 2015 while in the succeeding months in 2015 and during the first quarter of 2016, these services are already provided by SMPM. There were no outstanding payable to KLIL as of March 31, 2016 and December 31, 2015.

(i) In 2015, the Parent Company charged Keppel Land Limited (KLL) for the amount paid on behalf of KLL for legal fees amounting to ₱0.8 million pertaining to CTA filing for redemption of preferred shares. These advances were included in "Receivables" as of December 31, 2015 and were subsequently reclassified to "Due from related parties" in 2016. These advances remain unpaid as of March 31, 2016.

Compensation of Key Management Personnel of the Group

Compensation of key management personnel of the Group consists of salaries and other short-term employee benefits amounted to ₱1.8 million and ₱1.6 million for the three months ended March 31, 2016 and 2015, respectively.

7. Basic Loss per Share

	Three months ended 31 March	
	2016	2015
Net loss (a)	**₱2,963,124**	₱2,960,926
Weighted average number of common shares issued and outstanding (b)	**293,828,900**	293,828,900
Loss per share (a/b)	**₱0.010**	₱0.010

The Group has no potential shares that will have a dilutive effect on Loss Per Share.

8. Retirement Benefits

The Group has a funded, non-contributory defined benefit retirement plan, administered by BDO Unibank, Inc.-Trust and Investment Group (Trustee), covering its regular employees. The Group is under the KPPI Multi-employer Retirement Plan.

The Group's annual contribution to the plan consists principally of payments which covers the current service cost for the year and the required funding relative to the guaranteed minimum benefits as applicable. The funds are administered by the Trustee under the supervision of the Board of Trustees (BOT) of the plan which delegates the implementation of the investment policy to the Trustee. These funds are subject to the investment objectives and guidelines established by the Trustee and rules and regulations issued by Bangko Sentral ng Pilipinas covering assets under trust and fiduciary agreements. The Trustee is responsible for the investment strategy of the plan.

The latest actuarial valuation date of the Group's retirement plan is as of December 31, 2015.

Republic Act 7641, *The New Retirement Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity. The law does not require minimum funding of the plan.

The following tables summarize the components of plan expense recognized in profit or loss and the funded status and amounts recognized in the consolidated statements of financial position for the plan:

	2015		
	Present value of defined benefit obligation	Fair value of plan assets	Net pension liability (asset)
At January 1	**₱1,346,784**	**(₱1,644,999)**	**(₱298,215)**
Benefit cost in profit or loss			
Current service cost	**228,115**	**–**	**228,115**
Net interest expense (income)	**60,605**	**(74,025)**	**(13,420)**
Remeasurements in OCI			
Actuarial loss on plan assets	**–**	**39,525**	**39,525**
Actuarial gain on defined benefit obligation due to:			
Financial assumption	**(106,921)**	**–**	**(106,921)**
Experience adjustments	**(249,338)**	**–**	**(249,338)**
Benefits paid	**(201,143)**	**201,143**	**–**
Contributions	**–**	**(176,527)**	**(176,527)**
At December 31	**₱1,078,102**	**(₱1,654,883)**	**(₱576,781)**

	2014		
	Present value of defined benefit obligation	Fair value of plan assets	Net pension liability (asset)
At January 1	₱1,189,454	(₱1,518,071)	(₱328,617)
Benefit cost in profit or loss			
Current service cost	233,366	–	233,366
Net interest expense (income)	48,173	(61,482)	(13,309)
Remeasurements in OCI			
Actuarial loss on plan assets	–	87,455	87,455
Actuarial gain on defined benefit obligation due to:			
Financial assumption	(118,465)	–	(118,465)
Experience adjustments	(5,744)	–	(5,744)
Contributions	–	(152,901)	(152,901)
At December 31	₱1,346,784	(₱1,644,999)	(₱298,215)

The fair value of plan assets by each class as at the end of the reporting period are as follows:

	December 31, 2015	December 31, 2014
Cash and cash equivalents		
Savings deposit - BDO	**₱594**	₱27
Debt instrument		
Government securities	**662,797**	649,268
Equity instrument		
Investment in UITF	**983,127**	989,149
Receivable		
Interest	**10,362**	8,468
Liability		
Trust fee payable	**(1,997)**	(1,913)
Fair value of plan assets	**₱1,654,883**	₱1,644,999

All equity and debt instruments held have quoted prices in active markets. The plan assets have diverse investments and do not have any concentration risk.

The Group's net pension asset reflected in the interim condensed consolidated financial statements represents the Parent Company's pension plan because the impact of BHSI and SMKL's pension plan is reflected as part of "Share on actuarial gain (loss) of an associate and a joint venture". The Group's pension fund is administered by BDO and being managed as one.

The asset allocation of the plan is set and reviewed from time to time by the BOT taking into account the membership profile and liquidity requirements of the plan. This also considers the expected benefit cash flows to be matched with asset duration.

The present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The principal assumptions used in determining the pension obligation for the defined benefit plans are shown below:

	2015	2014
Discount rate	**5.17%**	4.50%
Salary increase rate	**5.00%**	5.00%
Average remaining working lives of employees	**21 years**	19 years

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the December 31, assuming all other assumptions were held constant:

	Rates	Increase (decrease) 2015	2014
Discount rates	+0.5%	**(₱43,025)**	(₱119,621)
	-0.5%	**77,775**	132,308

	Rates	Increase (decrease) 2015	2014
Salary increase rate	+1.0%	**₱172,777**	₱267,538
	-1.0%	**(77,720)**	(207,217)

The Group expects to contribute ₱0.1 million to the plan in 2016.

Shown below is the maturity analysis of the Group's defined benefit obligation based on undiscounted benefit payments:

	2015	2014
Less than 10 years	**₱–**	₱–
More than 10 years to 15 years	**985,654**	984,957
More than 15 years to 20 years	**7,910,127**	7,917,906
More than 20 years	**9,123,681**	7,634,454
	₱18,019,462	₱16,537,317

The weighted average duration of the defined benefit obligation is 21 years as of December 31, 2015.

9. Other Reserves

Other reserves pertain to items of OCI that will not be recycled to profit or loss. These include actuarial gain on defined benefit plan, net of tax, amounting to ₱0.4 million as of March 31, 2016 and December 31, 2015, and share on actuarial gain of an associate and a joint venture amounting to ₱0.5 million as of March 31, 2016 and December 31, 2015,. Refer to Note 8 for the detailed disclosures on retirement benefits.

10. Financial Risk Management Objectives and Policies

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

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

<u>Credit Risk</u>
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, amounts due from related parties,

refundable deposits and AFS financial assets. As of March 31, 2016 and December 31, 2015, the carrying values of the Group's financial instruments represent maximum exposure to credit risk at reporting date.

The gross maximum exposure to credit risk of the Group approximates its net maximum exposure. There were no amounts that are set-off in accordance with the entities in PAS 32, *Financial Instruments: Presentation*. There were no amounts subject to an enforceable master netting arrangement or similar agreement as of March 31, 2016 and December 31, 2015.

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

The Group's due from related parties are approximately ninety-six percent (96%) and ninety-four percent (94%) of total receivables as of March 31, 2016 and December 31, 2015, respectively.

The table below shows the credit quality of the Group's financial assets as at March 31, 2016 and December 31, 2015:

March 31, 2016

	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	Total
	High Grade	Low Grade	Total			
Financial assets						
Loans and receivables:						
Cash and cash equivalents*	₱198,706,805	₱–	₱198,706,805	₱–	₱–	₱198,706,805
Receivables	1,983,114	–	1,983,114	2,666,664	–	4,649,778
Due from related parties	113,589,596	–	113,589,596	–	–	113,589,596
	₱314,279,515	₱–	₱314,279,515	₱–	₱–	₱316,946,179

* *Cash and cash equivalents exclude petty cash fund.*

December 31, 2015

	Neither Past Due nor Impaired			Past Due but not Impaired	Impaired	Total
	High Grade	Low Grade	Total			
Financial assets						
Loans and receivables:						
Cash and cash equivalents*	₱206,881,313	₱–	₱206,881,313	₱–	₱–	₱206,881,313
Receivables	3,997,070	–	3,997,070	2,666,664	–	6,663,734
Due from related parties	108,724,018	–	108,724,018	–	–	108,724,018
	₱319,602,401	₱–	₱319,602,401	₱–	₱–	₱322,269,065

* *Cash and cash equivalents exclude petty cash fund.*

As of March 31, 2016 and December 31, 2015, the Group has no impaired financial assets.

The Company's receivable under past due but not impaired is 60 to 90 days past due. This pertains to a receivable arising from an agreement of the Group with a third party entered on October 24, 2013 to sell its fully depreciated investment properties. It was agreed by the Group and the debtor that the remaining unpaid receivable is to be collected in 2016.

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents - high grade is based on the nature of the counterparty and the Group's internal rating system.

Neither past due nor impaired receivables - high grade pertains to receivables with no default in payments and those accounts wherein management has assessed that the recoverability is high. Low grade pertains to receivables with default in payments or those accounts which have probability of impairment based on historical trend.

Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and short-term deposits. The Group also monitors its risk to shortage of funds through monthly evaluation of the projected and actual cash flow information.

The table below summarizes the maturity profile of the Group's non-derivative financial assets and liabilities based on contractual undiscounted payments:

March 31, 2016

	On Demand	Less than 3 months	More than 3 months to 1 year	More than one year	Total
Financial assets:					
Cash and cash equivalents	₱7,927,928	₱190,813,877	₱–	₱–	₱198,741,805
Receivables	2,730,277	1,919,501	–	–	4,649,778
Due from related parties	113,589,596	–	–	–	113,589,596
Refundable deposits	–	–	–	107,110	107,110
	₱124,247,801	₱192,733,378	₱–	₱107,110	₱317,088,289
Financial liabilities:					
Accounts payable and other current liabilities*	₱553,981	₱3,395,555	₱324,684	₱–	₱4,274,220
Due to related parties	127,021,475	–	–	–	127,021,475
	₱127,575,456	₱3,395,555	₱324,684	₱–	₱131,295,695

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

December 31, 2015

	On Demand	Less than 3 months	More than 3 months to 1 year	More than one year	Total
Financial assets:					
Cash and cash equivalents	₱7,592,234	₱199,324,079	₱–	₱–	₱206,916,313
Receivables	3,428,347	3,235,487	–	–	6,663,834
Due from related parties	108,724,018	–	–	–	108,724,018
Refundable deposits	–	–	–	107,110	107,110
	₱119,744,599	₱202,559,566	₱–	₱107,110	₱322,411,275
Financial liabilities:					
Accounts payable and other current liabilities*	₱553,981	₱4,217,981	₱324,684	₱–	₱5,096,646
Due to related parties	124,000,000	–	–	–	124,000,000
	₱124,553,981	₱4,217,981	₱324,684	₱–	₱129,096,646

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

Foreign Currency Risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Group's exposure to foreign currency arises from US-dollar denominated bank accounts and SG-dollar denominated consultancy fees due to SMPM.

The Group's foreign currency denominated financial asset pertains to cash in bank account amounting to ₱0.1 million (US$1,233) as of March 31, 2016 and December 31, 2015. In translating the foreign currency denominated cash in bank account into Philippine Peso amounts, the exchange rates used was ₱47.56 and ₱46.82 to US$1.0 as of March 31, 2016 and December 31, 2015, respectively.

The Group's foreign currency denominated financial liability pertains to due to related party amounting to ₱3.0 million (SG$88,658) as of March 31, 2016. In translating the foreign currency denominated liability account into Philippine Peso amounts, the exchange rates used was ₱34.08

to SG$1.0 as of March 31, 2016. There were no foreign currency denominated financial liability as of December 31, 2015.

The Group manages its foreign currency exposure risk by matching, as far as possible, receipts and payments in each individual currency. Foreign currency is converted into relevant domestic currency as and when the management deems necessary.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine Peso exchange rate, with all other variables held constant, of the Group's income before tax.

There is no impact on the Group's equity other than those already affecting the net income.

March 31, 2016

Currency	**Change in Variable**	**Effect on Income Before Tax Increase (decrease)**
USD	+1.58%	**₱927**
	-1.58%	**(927)**
SGD	+1.80%	**54,387**
	-1.80%	**(54,387)**

December 31, 2015

Currency	Change in Variable	Effect on Income Before Tax Increase (decrease)
USD	+2.36%	₱1,361
	-2.36%	(1,361)

In 2016 and 2015, the Group used the average change in the quarterly closing rates for the year in determining the reasonable possible change in foreign exchange rates.

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 debt 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. The percentages of debt to equity as of March 31, 2016 and December 31, 2015 are as follows:

	2016	2015
Liabilities	**₱132,309,741**	₱131,296,024
Equity	**1,633,714,031**	1,636,677,155
Percentage of debt to equity	**8.10%**	8.02%

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

Fair Values
Due to the short-term nature of the Group's financial instruments, their fair values approximate their carrying amounts as of March 31, 2016 and December 31, 2015, except for AFS financial assets.

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

Fair Value Hierarchy
As of March 31, 2016 and December 31, 2015, the Group has no financial instrument measured at fair value. During the reporting period ended March 31, 2016 and December 31, 2015, 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.

11. Segment Information

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

Significant information on the reportable segment is as follows:

	Unaudited 31 March 2016	Audited 31 December 2015
Operating assets	**₱1,766,023,772**	₱1,767,973,179
Operating liabilities	**131,806,069**	131,000,212
Revenue and income	**4,958,602**	18,608,876
Other income (charges)	**(22,369)**	4,333,665
General and administrative expenses	**7,452,867**	36,335,835
Segment net loss	**(2,963,124)**	(14,061,329)

All revenues are from domestic entities incorporated in the Philippines.

There are no revenues derived from a single external customer above 10% of total revenue.

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

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

FINANCIAL CONDITION

As at **31 MARCH 2016, TOTAL ASSETS** amounted to ₱1,766.0 million compared with ₱1,768.0 million as at end 2015. The changes in account balances during the period are:

- **CASH AND CASH EQUIVALENTS** declined by ₱8.2 million due to the net cash used in operating activities.

- **RECEIVABLES** decreased by ₱2.1 million resulting mainly from collection of advances to employees.

- **DUE FROM RELATED PARTIES** increased by ₱4.9 million mainly from due to additional reimbursable charges to associates, joint venture and other related party.

- **INVESTMENTS IN ASSOCIATES AND JOINT VENTURE** increased by ₱3.1 million due to the equity in net earnings of associates and joint venture which amounted to ₱3.1 million in first quarter of 2016.

- **ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES** decreased by ₱2.2 million mainly due to payment of expenses accrued at the end of 2015.

RESULTS OF OPERATIONS

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

FIRST QUARTER 2016 TOTAL GROSS REVENUE amounted to ₱4.9 million, or an increase of ₱0.7 million or 17% from ₱4.2 million in the first quarter of 2015. This is due to the combined effects of the following:

- **EQUITY IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURE** increased by ₱0.4 million (15%) from ₱2.7 million in 2015 to ₱3.1 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 increase is due to SMKL's higher net income caused by Podium's increased occupancy rate as compared to first quarter of 2015. On the other hand, BHSI showed a decline in net income resulting from lower sales during the first quarter of the year as compared to prior year.

- **MANAGEMENT CONSULTANCY AND FRANCHISE FEE** increased by ₱0.3 million (15%) to ₱1.5 million in the first quarter of 2016 compared with ₱1.2 million in first quarter of 2015, on account of higher revenue of SMKL on which these revenues are based.

FIRST QUARTER 2016 GENERAL AND ADMINISTRATIVE EXPENSES increased by ₱0.4 million or 6% from ₱7.1 million in the first quarter of 2015 to ₱7.5 million in the first quarter of 2016. This is due to increases in consultancy fees, staff cost and taxes/licenses.

FIRST QUARTER 2016 PROVISION FOR INCOME TAX increased by ₱0.3 million or 300% from ₱0.1 million in the first quarter of 2015 to ₱0.4 million in the first quarter of 2016. This is mainly due to decrease in accrued bonus, a temporary non-deductible expenses, which results to higher provision for deferred tax.

As a result, **FIRST QUARTER 2016** operations posted a net loss of ₱3.0 million, which approximately the net loss in the first quarter 2015.

KEY PERFORMANCE INDICATORS

For The Quarter Ended	31 March 2016 (Unaudited)	31 March 2015 (Unaudited)	% Change
Return On Assets	(0.17%)	(0.17%)	–
Loss Per Share	₱0.010	₱0.010	–
Operating Expense Ratio	150.30%	167.69%	(10%)
As At	**31 March 2016 (Unaudited)**	**31 December 2015 (Audited)**	**% Change**
Net Tangible Asset Value Per Share	3.54	₱3.55	(0.28%)
Working Capital Ratio	2.6:1	2.6:1	–

A. Return On Assets - The Group gauges its performance by determining the return on assets (net income after tax over total assets at beginning). It indicates how effectively the assets of the Group are utilized in generating profit. Net loss for the first quarter of 2016 and 2015 amounted to ₱3.0 million.

	First Quarter 2016	First Quarter 2015
Net Loss After Tax (a)	₱2,963,124	₱2,960,926
Total Assets At Beginning (b)	₱1,767,973,179	₱1,758,211,889
Return On Assets (a/b)	(0.17%)	(0.17%)

B. Loss Per Share - It shows the loss incurred from each share of common stock outstanding. For the first quarter of 2016 and 2015, loss per share amounted to ₱0.010.

	First Quarter 2016	First Quarter 2015
Net Loss After Tax (a)	₱2,963,124	₱ 2,960,926
Number of Common Stock (b)	293,828,900	293,828,900
Loss Per Share (a/b)	0.010	₱0.010

C. Operating Expense Ratio - It measures operating expenses as a percentage of revenues. The Operating Expense Ratio decreased by 10% as the 17% increase in revenue surpassed the 5% increase in operating expenses.

	First Quarter 2016	First Quarter 2015
Operating Expenses (a)	₱7,452,867	₱7,086,646
Revenues (b)	₱4,958,602	₱4,225,861
Operating Expense Ratio (a/b)	150.30%	167.69%

D. Net Tangible Asset Value Per Share - It shows the tangible value of each share of common stock outstanding. The tangible value per share decrease by 0.28% compared to the previous year due to the decrease in retained earnings resulting from loss incurred during the first quarter of 2016.

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.

	March 31, 2016	December 31, 2015
Net Tangible Assets	₱1,633,714,031	₱1,636,677,155
Less: Preferred Stock	(59,474,100)	(59,474,100)
APIC on Preferred Stock	(535,266,900)	(535,266,900)
Net Tangible Assets Attributable To Common Stock	₱1,038,973,031	₱1,041,936,155
Number of Common Stock, net of Treasury shares (2,801,000)	293,828,900	293,828,900
Net Tangible Asset Value Per Share	₱3.54	₱3.55

E. Working Capital Ratio - The Group's ability to meet obligations is measured by determining current assets over current obligations. The Working Capital Ratio as at first quarter of 2016 and 2015 remained the same.

	March 31, 2016	December 31, 2015
Current Assets (a)	₱336,953,636	₱342,026,296
Current Liabilities (b)	₱131,806,067	₱131,000,212
Working Capital Ratio (a/b)	2.6 : 1	2.6 : 1

FINANCIAL SOUNDNESS INDICATORS

Financial Ratios

	As At	March 2016 Unaudited	December 2015 Audited
Liquidity Ratio	Current assets over current liabilities	2.6:1	2.6:1
Debt to equity ratio	Total liabilities over total equity	0.08:1	0.08:1
Asset to equity ratio	Total assets over total equity	1.08:1	1.08:1

Profitability Ratios

	For The Three Months Ended	March 2016 Unaudited	March 2015 Unaudited
Return on Assets	Net Loss after tax over total assets at beginning	(0.17%)	(0.17%)
Return on Equity	Net loss after tax over total equity	(0.22%)	(0.18%)
Loss per share	Net loss over number of common stock outstanding	₱0.010	₱0.010

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

a) As of 31 March 2016:

- 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 Company's continuing operations.
- There are no seasonal aspects that had a material impact on the results of operations of the Company.

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

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

d) The Group is a party to certain lawsuits or claims arising from the ordinary course of business. The Group management and legal counsels believe that the eventual liabilities under these lawsuits or claims, if any, will not have a material effect on the financial statements.

e) The Philippine real estate industry is cyclical and is sensitive to changes in general economic conditions in the Philippines. Property values in the Philippines are affected by the general supply and demand of real estate.

PART II. OTHER INFORMATION

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

SIGNATURES

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

Issuer : Keppel Philippines Properties, Inc.

Signature and Title :

Lee Foo Tuck
President

Date : 10 May 2016

Principal Financial/Accounting Officer/Controller

Signature and Title :

Almira A. Añonuevo
Treasurer

Date : 10 May 2016

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

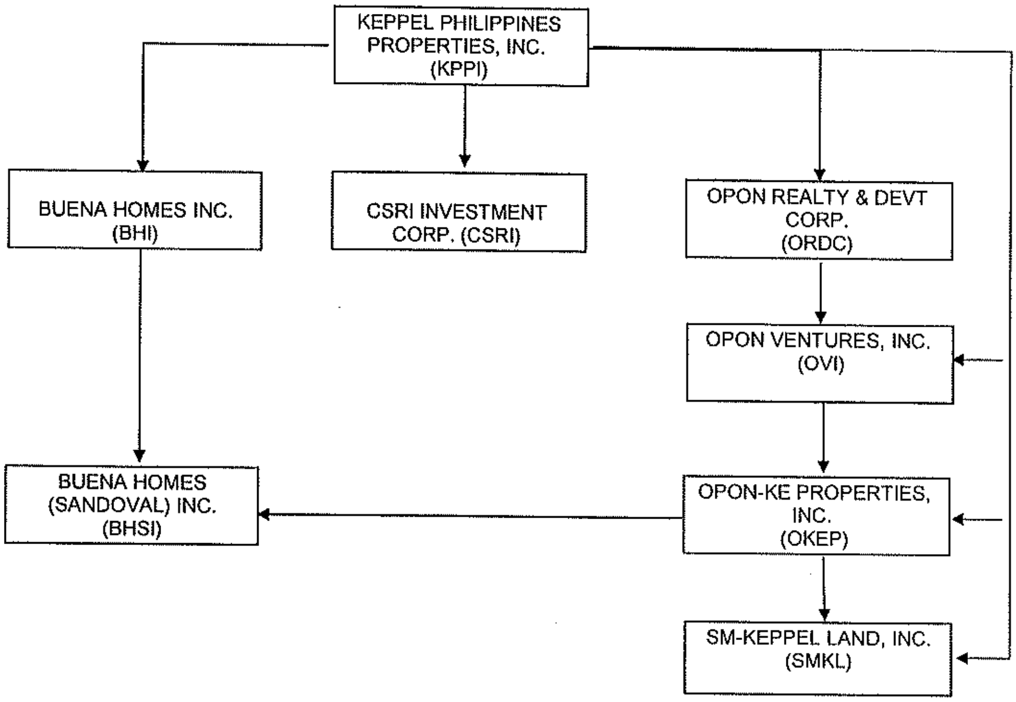
AGING OF RECEIVABLES
As of 31 March 2016

Type of Accounts Receivable	TOTAL	1 Month	2 - 3 Mos.	4 - 6 Mos	7 mos to 1 Year	1 - 2 Years	3 - 5 Years	5 Years - above	Past due accounts & Items in Litigation
	P	P	P	P	P				
A. Trade Receivables	-	-	-	-	-	-	-	-	-
Less: Allowance for Doubtful Accounts	-	-	-	-	-	-	-	-	-
Net Trade Receivable	-	-	-	-	-	-	-	-	-
B. Non-Trade Receivables									
1 Advances to Officers and Employees	1,919,501	114,723	344,168	688,336	772,274	-	-	-	-
2 Others	2,666,664			1,000,000	1,666,664	-	-	-	-
3 Accrued interest receivable	63,613	63,613	-	-	-	-	-	-	-
Subtotal	4,649,778	178,336	344,168	1,688,336	2,438,938	-	-	-	-
Less: Allowance for Doubtful Accounts	-	-	-	-	-	-	-	-	-
Net Non-Trade Receivables	4,649,778	178,336	344,168	1,688,336	2,438,938	-	-	-	-
Net Receivables	4,649,778								

Receivables Description

Type of Receivable	Nature / Description	Collection Status
A. Trade Receivables		
Residencia Grande, Inc.	-	
	-	
B. Non-Trade Receivables		
1 Advances to Officers and Employees	Staff loans and telephone charges payable in 1 year	Regularly settled through deduction from payroll
2 Others	Installment collection on the sale of investment property.	Collectible within the year
3 Accrued interest receivable	Interest on short term placement	Collectible the following month

KEPPEL PHILIPPINES PROPERTIES, INC.
SUBSIDIARIES AND ASSOCIATES
AS AT 31 MARCH 2016



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

Associates	Percentage of Ownership	Nature of Business
Buena Homes (Sandoval), Inc. (BHSI)	40%	Property holding and development
Opon Realty and Development Corp. (ORDC)	40%	Property holding and development
Opon-KE Properties, Inc. (OKEP)	40%	Property holding and development
SM-Keppel Land, Inc. (SMKL)	40%	Property holding and development
Opon Ventures, Inc.(OVI)	40%	Property holding and development