COVER SHEET

PW-305

SEC Registration Number

KEPPEL PHILIPPINES PROPERTIES, INC. AND SUBSIDIARIES

(Company's Full Name)

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

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

Jona Arrol Cabrera

(Contact Person)

8593-0460 local 4990

(Company Telephone Number)

0 9	3 0	1 7 - Q	0 5	0 8
Month	*Day*	(Form Type)	*Month*	*Day*
(Fiscal Year)			(Annual Meeting)	

N/A

(Secondary License Type, If Applicable)

CFD

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

Total Amount of Borrowings

1,215 as at 30 September 2023

Total No. of Stockholders

–	–
Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

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 **September 30, 2023**

2. Commission identification number **PW305**

3. BIR Tax Identification No. **000-067-618 VAT**

KEPPEL PHILIPPINES PROPERTIES, INC.

4. Exact name of issuer as specified in its charter

Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: (SEC Use Only)

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

7. Address of registrant's principal office Postal Code

(02) 8593-0460 local 4990

8. Registrant's telephone number, including area code

Not applicable

9. Former name, former address and former fiscal year, if changed since last report

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

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

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

Name of stock exchange: **Philippine Stock Exchange**
Class of securities listed: **Common Stock**

12. Indicate by check mark whether the registrant:

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

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Keppel Philippines Properties, Inc. and Subsidiaries

Interim Consolidated Statements of Financial Position
As at September 30, 2023
(With comparative figures as at December 31, 2022)
(All amounts in Philippine Peso)

	Notes	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
ASSETS			
Current assets			
Cash and cash equivalents		33,454,823	39,719,571
Receivables	2	13,620,193	9,108,585
Due from related parties	10	4,582,842	8,295,274
Prepayments and other current assets, net	3	55,505,250	52,603,173
Investment in a joint venture held for sale	4	2,902,661,570	-
Total current assets		3,009,824,678	109,726,603
Non-current assets			
Investments in associates and a joint venture	5	470,393,974	3,314,295,930
Financial assets at fair value through other comprehensive income	6	79,512,230	79,512,230
Deferred income tax assets, net		1,086,989	413,129
Property and equipment, net	8	269,593	486,139
Right-of-use asset, net	7	-	12,254,677
Refundable deposits		-	542,418
Retirement benefits asset		-	243,715
Total non-current assets		551,262,786	3,407,748,238
Total assets		3,561,087,464	3,517,474,841
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and other current liabilities	9	12,180,361	11,146,846
Due to related parties	10	23,355,758	23,412,776
Retirement benefits obligation		633,156	-
Lease liability, current portion	7	-	5,589,372
Total current liabilities		36,169,275	40,148,994
Non-current liability			
Lease liability, net of current portion	7	-	6,448,054
Total liabilities		36,169,275	46,597,048
Equity			
Share capital		356,104,000	356,104,000
Share premium		602,885,517	602,885,517
Treasury shares		(2,667,645)	(2,667,645)
Other reserves	13	1,671,443	1,682,548
Retained earnings		2,566,924,874	2,512,873,373
Total equity		3,524,918,189	3,470,877,793
Total liabilities and equity		3,561,087,464	3,517,474,841

The notes from pages 5 to 27 are an integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and Subsidiaries

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

	Notes	Quarters Ended September 30, 2023 (Unaudited)	Quarters Ended September 30, 2022 (Unaudited)	Nine Months Period Ended September 30, 2023 (Unaudited)	Nine Months Period Ended September 30, 2022 (Unaudited)
Gross income					
Share in results of associates and a joint venture	5	43,435	40,082,949	58,770,719	495,654,419
Management consultancy and franchise fees	10	12,290,317	11,304,342	36,239,259	30,235,030
Interest income		99,786	282,014	286,720	460,193
Gross income		12,433,538	51,669,305	95,296,698	526,349,642
General and administrative expenses	11	(17,046,120)	(15,313,426)	(43,728,244)	(42,026,493)
Other income, net		1,683,834	3,071,018	4,317,138	3,188,612
Income (loss) before income tax		(2,928,748)	39,426,897	55,885,592	487,511,761
Income tax benefit (expense)		58,470	(1,353,292)	(1,834,091)	(1,504,316)
Net income (loss) for the period		(2,870,278)	38,073,605	54,051,501	486,007,445
Other comprehensive loss		-	-	(11,105)	-
Total comprehensive income (loss) for the period		(2,870,278)	38,073,605	54,040,396	486,007,445
Basic and diluted earnings (loss) per share	12	(0.01)	0.13	0.18	1.65

The notes from pages 5 to 27 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and Subsidiaries

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

	Share capital		Share	Treasury	Other reserves	Retained	
	Common	Preferred	premium	shares	(Note 13)	earnings	Total equity
Balances at January 1, 2023	296,629,900	59,474,100	602,885,517	(2,667,645)	1,682,548	2,512,873,373	3,470,877,793
Total comprehensive income (loss) for the period	-	-	-	-	(11,105)	54,051,501	54,040,396
Balances at September 30, 2023	296,629,900	59,474,100	602,885,517	(2,667,645)	1,671,443	2,566,924,874	3,524,918,189
Balances at January 1, 2022	296,629,900	59,474,100	602,885,517	(2,667,645)	1,394,661	1,970,706,266	2,928,422,799
Total comprehensive income for the period	-	-	-	-	-	486,007,445	486,007,445
Balances at September 30, 2022	296,629,900	59,474,100	602,885,517	(2,667,645)	1,394,661	2,456,713,711	3,414,430,244

The notes on pages 5 to 27 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and Subsidiaries

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

	Notes	2023 (Unaudited)	2022 (Unaudited)
Cash flows from operating activities			
Income before income tax		55,885,592	487,511,761
Adjustments for:			
Depreciation and amortization expense	7, 8, 11	2,844,934	5,549,841
Retirement benefit expense	11	876,871	-
Interest expense on lease liability	7	290,370	328,888
Gain on sale of property and equipment		(95,480)	(2,300)
Interest income		(286,720)	(460,193)
Gain from termination of lease		(416,294)	-
Gain on reversal of liabilities		(1,157,246)	(1,785,762)
Share in results of associates and a joint venture	5	(58,770,719)	(495,654,419)
Unrealized foreign exchange loss		-	2,081,388
Operating loss before working capital changes		(828,692)	(2,430,796)
Decrease (increase) in:			
Due from related parties		4,196,890	(8,029,829)
Prepayments and other current assets		(2,741,158)	141,633
Receivables		(4,531,077)	(6,582,279)
Increase (decrease) in:			
Accounts payable and other current liabilities		2,190,761	4,236,205
Due to related parties		(57,018)	5,200,832
Net cash used in operations		(1,770,294)	(7,464,234)
Interest income received		306,189	460,193
Interest portion of lease liability paid	7	(290,370)	(328,888)
Income tax paid		(2,126,452)	(1,991,689)
Net cash used in operating activities		(3,880,927)	(9,324,618)
Cash flows from investing activities			
Proceeds from sale of property and equipment		128,000	2,300
Acquisition of property and equipment	8	(34,906)	(111,965)
Decrease in refundable deposits		-	(495,278)
Net cash provided by (used in) investing activities		93,094	(604,943)
Cash flows from financing activity			
Payments for the principal portion of lease liability	7	(2,476,915)	(2,426,344)
Net cash used in financing activity		(2,476,915)	(2,426,344)
Net decrease in cash and cash equivalents		(6,264,748)	(12,355,905)
Cash and cash equivalents at January 1		39,719,571	84,033,954
Cash and cash equivalents at September 30		33,454,823	71,678,049

The notes on pages 5 to 27 are integral part of these interim consolidated financial statements.

Keppel Philippines Properties, Inc. and Subsidiaries

Notes to Interim Consolidated Financial Statements
As at and for the nine months ended September 30, 2023
(With comparative figures as at December 31, 2022 and for the nine months ended September 30, 2022)
(In the Notes, all amounts are shown in Philippine Peso, unless otherwise indicated)

Note 1 - Corporate information

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

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

As at September 30, 2023 and December 31, 2022, the top five shareholders of the Parent Company are the following:

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

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

The Parent Company holds investments in associates and joint venture involved in property development and holding of investment properties (Notes 4 and 5) and renders management consultancy services to its joint venture (Note 10).

As at September 30, 2023 and December 31, 2022, the Parent Company's subsidiaries, associates and joint venture, which were all incorporated in the Philippines are as follows:

	Percentage of ownership	Effective ownership interest	Nature of business
Subsidiaries			
CSRI Investment Corporation (CSRI)	100	100	Investment holding
Buena Homes, Inc. (BHI)	100	100	Investment holding
Associates			
Opon Realty and Development Corporation (ORDC)	40	40	Investment holding
Opon Ventures, Inc. (OVI)	40	64	Investment holding
Opon-KE Properties, Inc. (OKEP)	40	78	Investment holding
Joint venture			
SM Keppel Land, Inc. (SMKL)	40	48	Lease of mall and office spaces, cinema ticket sales and carpark operation

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

Note 2 - Receivables

Receivables consist of:

	September 30, 2023	December 31, 2022
Accrued income	12,488,493	8,387,160
Accrued interest	8,869	28,338
Non-trade	-	2,666,664
Receivables from employees	-	2,350
Others	1,122,831	690,737
	13,620,193	11,775,249
Allowance for impairment loss on non-trade receivables	-	(2,666,664)
	13,620,193	9,108,585

Accrued income pertains to accruals for management and franchise fee revenue and are collectible within 30 to 90 days.

Accrued interest pertains to income accrued from the Group's short-term deposits and are collectible within one (1) year.

Non-trade receivable pertains to the receivable from a third party on the sale of fully depreciated investment properties in 2013. During the year, this receivable was written off in full as it is no longer deemed collectible.

Details and movements of the allowance for impairment loss on non-trade receivables are as follows:

	September 30, 2023	December 31, 2022
At January 1	2,666,664	2,666,664
Write-offs	(2,666,664)	-
	-	2,666,664

Receivable from employees represents non-interest-bearing loans granted to employees that are collected through salary deduction and are collectible within one (1) year.

Other receivables pertain to withholding taxes receivable whose creditable withholding tax certificates have yet to be received and refunds from third parties for the cancellation of paid services in prior years.

Note 3 - Prepayments and other current assets, net

Prepayments and other current assets, net consist of:

	September 30, 2023	December 31, 2022
Creditable withholding taxes	31,044,659	27,888,603
Tax credit	23,635,012	23,635,012
Prepayments	825,579	759,935
Input VAT, net	-	311,541
Deferred input VAT	-	8,082
	55,505,250	52,603,173

Creditable withholding taxes pertain to the amounts withheld by the Group's counterparties in relation to management fees.

Tax credit includes tax credit received from the Bureau of Internal Revenue (BIR) amounting to P21.4 million in relation to the withholding and remittance of final withholding taxes in relation to the

Parent Company's redemption of preferred shares in year 2010. Said tax credit can be applied against future applicable income tax liabilities per the BIR rules and regulations and is valid until May 16, 2027. It also includes P2.2 million excess final tax withheld in relation to the Parent Company's management consultancy fee that can be applied against future final withholding taxes.

Prepayments mainly consist of advance rentals and current portion of refundable deposits.

The input VAT, net balance pertains to the excess of input VAT over output VAT as at December 31, 2022. Deferred input VAT is the current portion of input tax credits on capital goods not yet claimable and were deferred during the year.

Note 4 - Investment in a joint venture held for sale

On March 25, 2023, a Share Purchase Agreement was executed between the stockholders of SMKL for KPPI and OKEP to sell all its redeemable preferred shares and common shares in SMKL constituting 40% and 10% interest held in SMKL, respectively, to BDO Unibank, Inc. (BDO). Completion of the divestment is subject to the satisfaction of conditions precedent including but not limited to the obtaining of the requisite regulatory and shareholders' approval of KPPI and OKEP. This divestment was approved by the shareholders on May 8, 2023 and awaiting requisite regulatory approval.

With the expected recovery of the investment's carrying value through sale, the Group's investment in SMKL (previously presented under non-current assets as "Investment in associate and a joint venture") was classified as "Investment in a joint venture held for sale" in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*. The carrying amount of this investment amounted to P2,902,661,570 as at September 30, 2023 and is lower as compared to its fair value less cost to sell.

Upon completion of the divestment, any gain or loss on the disposal of the investment, which will be measured based on the consideration received less the carrying amount of the investment, will be recognized in the Group's statement of profit or loss for the period in which the transaction completes. The consideration is based on the adjusted net asset value of SMKL and will be collected in cash upon completion of the divestment.

Note 5 - Investments in associates and a joint venture

Details of investments in associates and joint venture are as follows:

	September 30, 2023	September 30, 2022	December 31, 2022
Cost			
At January 1	653,989,443	653,989,443	653,989,443
Reclassification to Investment in a joint venture held for sale	(602,645,773)	-	-
At period/year end	51,343,670	653,989,443	653,989,443
Accumulated share in results of associates and a joint venture presented in profit or loss			
At January 1	2,659,681,540	2,103,985,191	2,103,985,191
Share in results of associates and a joint venture	58,770,719	495,654,419	555,696,349
Reclassification to Investment in a joint venture held for sale	(2,299,557,397)	-	-
At period/year end	418,894,862	2,599,639,610	2,659,681,540

	September 30, 2023	September 30, 2022	December 31, 2022
Presented in other comprehensive income			
At January 1	624,947	343,019	343,019
Share in other comprehensive loss	(11,105)	-	281,928
Reclassification to Investment in a joint venture held for sale	(458,400)	-	-
At period/year end	155,442	343,019	624,947
	470,393,974	3,253,972,072	3,314,295,930

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	
	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Associates (a)				
OKEP (i)	40%	40%	266,604,671	261,372,537
OVI (ii)	40%	40%	126,632,559	123,769,821
ORDC (iii)	40%	40%	77,156,744	75,485,782
Joint venture (b)				
SMKL (i)	40%	40%	-	2,853,667,790
			470,393,974	3,314,295,930

These investments were accounted for using the equity method. There were no dividends received from the associates and joint venture for the period ended September 30, 2023 and December 31, 2022. As at September 30, 2023 and December 31, 2022, there were no quoted prices for these investments.

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

(a) Associates

(i) OKEP

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

(ii) OVI

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

(iii) ORDC

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

The primary purpose of OKEP, OVI and ORDC 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.

(b) Joint venture

(i) SMKL

SMKL's primary business activity is to operate and maintain office and shopping center spaces for rent, carpark operations and cinema ticket sales. SMKL is involved in a mixed-use development comprising of retail spaces in "The Podium Mall" and office spaces in "The Podium West Tower" that is located in Ortigas Center, Mandaluyong City.

On March 25, 2023, a Share Purchase Agreement was executed between the stockholders of SMKL for KPPI and OKEP to sell all its redeemable preferred shares and common shares in SMKL constituting 40% and 10% interest held in SMKL, respectively to BDO. Completion of the divestment is subject to the satisfaction of conditions precedent including but not limited to the obtaining of the requisite regulatory and shareholders' approval of KPPI and OKEP. This divestment was approved by the shareholders on May 8, 2023 and awaiting requisite regulatory approval.

With the expected recovery of the investment's carrying value through sale, the Group's investment in SMKL was classified as "Investment in a joint venture held for sale" in accordance with PFRS 5, Noncurrent Assets Held for Sale and Discontinued Operations (Note 4).

Note 6 - Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) as at September 30, 2023 and December 31, 2022 are presented below.

	Amount
Preferred equity securities (a)	79,287,230
Club shares (b)	225,000
	79,512,230

(a) Preferred equity securities

Preferred equity securities pertain to investments in redeemable preferred shares of OVI and OKEP which were acquired in 2012 at ten pesos (P10) per share. These investments are classified as financial assets at FVOCI as the characteristics of the investments do not give the Group significant influence over OVI and OKEP. These investments are carried at cost less impairment as they do not have a quoted market price in an active market and their fair values cannot be reliably measured.

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

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

Redeemable preferred shares of OVI and OKEP are redeemable at the option of the issuer within a call period of ten (10) years from February 29, 2012 and March 2, 2012, respectively. The Parent Company will continue to hold the redeemable preferred shares for another five (5) years.

(b) Club shares

The original cost in investment in the Club Filipino Inc. de Cebu shares amounted to P225,000 as at September 30, 2023 and December 31, 2022. No movement in the fair value gains on financial assets at FVOCI was recognized by the Parent Company for the nine months ended September 30, 2023 and 2022.

Note 7 - Right-of-use asset, net and lease liability

The Group has the following operating lease contracts:

(a) Long-term lease agreements

(i) Office space

The Parent Company entered into an operating lease agreement for its office space located at the 18th floor of The Podium West Tower. The lease term covers a period of three (3) years from May 15, 2019 to May 14, 2022 and is renewable subject to the terms and conditions to be mutually agreed upon by both parties. Upon the lease expiration on May 14, 2022, the agreement was renewed for another three (3) years until May 14, 2025. Based on the renewed contract terms, the monthly base rental will be subject to an increase of three percent (3%) per annum on the first annual anniversary of the commencement date and every annual anniversary thereof (previously, five percent (5%)). This operating lease agreement was pre-terminated effective on July 15, 2023 without incurring any penalties and resulted in a gain from termination of lease amounting to P0.4 million.

The contract for the office space contains both lease and non-lease components. The Parent Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

(ii) Parking space

The Parent Company entered into an operating lease agreement for its parking space located in The Podium West Tower. The lease term started on January 1, 2020 and expired on May 14, 2022.

Total rent expense for the parking space charged to operations amounted to P16.5 thousand in 2022. This rent expense is presented as part of "Rental" in the "General and administrative expenses" (Note 11).

(b) Short-term lease agreements

(i) Office space

On July 12, 2023, the Parent Company entered into a one-year operating lease agreement for its office space located at the 26th floor of The Podium West Tower with automatic service term renewal unless terminated. Total rent expense charged to operations amounted to P0.4 million in 2023. This rent expense is presented as part of "Rental" in the "General and administrative expenses" (Note 11).

(ii) Officers' housing

The Parent Company also entered into operating lease agreements for its officers' housing. Total rent expense charged to operations, that is presented as part of "Salaries and employee benefits" in the "General and administrative expenses" (Note 11), amounted to P0.8 million and P1.3 million for the period ended September 30, 2023 and 2022, respectively.

These lease agreements were considered as short-term under PFRS 16, "Leases" as the remaining lease term is less than 12 months.

Refundable deposits for long-term and short-term leases are presented in the statements of financial position as follows:

	September 30, 2023	December 31, 2022
Prepayments and other current assets	38,500	-
Refundable deposits – leases	238,656	523,458
	277,156	523,458

The lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The carrying amount of the right-of-use asset are as follow:

	Note	Amount
Cost		
At January 1, 2022		14,649,459
Addition		15,756,013
At December 31, 2022		30,405,472
Termination		(30,405,472)
At September 30, 2023		-
Accumulated amortization		
At January 1, 2022		13,021,742
Amortization		5,129,053
At December 31, 2022		18,150,795
Amortization	11	2,626,002
Termination		(20,776,797)
At September 30, 2023		-
Net carrying amount		
At December 31, 2022		12,254,677
At September 30, 2023		-

The following are the amounts recognized in the interim consolidated statements of comprehensive income.

		September 30, 2023	September 30, 2022
Amortization of right-of-use asset (included in general and administrative expenses)	11	2,626,002	3,796,959
Interest expense on lease liability (included in other income, net)		290,370	328,888
		2,916,372	4,125,847

Movements in the lease liability are as follows:

	September 30, 2023	December 31, 2022
Lease liability		
At January 1	12,037,426	468,943
Additions	-	15,756,013
Interest expense	290,370	422,104
Interest payments	(290,370)	(422,104)
Principal payments	(2,476,915)	(4,187,530)
Termination	(9,560,511)	-
At period/year end	-	12,037,426
Lease liability		
Current	-	5,589,372
Non-current	-	6,448,054
	-	12,037,426

<u>Discount rate</u>

The lease payments for office space are discounted using the Parent Company's incremental borrowing rate, being the rate that the Parent Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions is at 5.27% in 2023 and 2022.

Note 8 - Property and equipment, net

Details of property and equipment are as follows:

	Note	Office equipment	Furniture and fixtures	Leasehold improvements	Total
Cost					
At January 1, 2022		4,422,522	1,470,618	11,542,143	17,435,283
Additions		111,965	-	-	111,965
Disposals		(163,311)	-	-	(163,311)
At December 31, 2022		4,371,176	1,470,618	11,542,143	17,383,937
Additions		34,906	-	-	34,906
Disposals		(547,935)	(369,603)	(11,542,143)	(12,459,681)
At September 30, 2023		3,858,147	1,101,015	-	4,959,162
Accumulated depreciation					
At January 1, 2022		3,946,934	1,032,261	10,259,683	15,238,878
Depreciation		397,028	142,743	1,282,460	1,822,231
Disposal		(163,311)	-	-	(163,311)
At December 31, 2022		4,180,651	1,175,004	11,542,143	16,897,798
Depreciation	11	218,932	-	-	218,932
Reclassification		(295,614)	295,614	-	-
Disposal		(515,415)	(369,603)	(11,542,143)	(12,427,161)
At September 30, 2023		3,588,554	1,101,015	-	4,689,569
Net carrying amount					
At December 31, 2022		190,525	295,614	-	486,139
At September 30, 2023		269,593	-	-	269,593

The cost of fully depreciated assets that are still in use in the Group's operations amounts to P4.4 million and P16.4 million as at September 30, 2023 and December 31, 2022, respectively.

As at September 30, 2023 and December 31, 2022, the Group's management has assessed that there is no objective evidence that indicators of impairment exist.

Note 9 - Accounts payable and other current liabilities

Accounts payable and other current liabilities consist of:

	September 30, 2023	December 31, 2022
Accrued expenses	9,264,075	7,280,997
Deferred output VAT, net	1,647,457	1,365,877
Accounts payable	705,872	503,802
Dividends payable	553,981	553,981
Taxes payable	8,976	953,536
Output VAT, net	-	488,653
	12,180,361	11,146,846

Accrued expenses mainly pertain to accruals on salaries and other employee benefits and other operating expenses which are to be settled within 30 to 60 days.

Output VAT balance pertains to the excess of output VAT over input VAT. Deferred output VAT pertains to VAT on uncollected income, net of deferred input VAT.

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

Dividends payable pertain to amounts declared when the Parent Company's name was still Cebu Shipyard and Engineering Works, Inc. and which as at December 31, 2022 and 2021, have not been claimed by the respective shareholders.

Taxes payable pertains to the amount withheld for transactions subject to withholding tax which are to be remitted the following month after the reporting date.

Note 10 - Related party disclosures

In the normal course of business, the Group transacts with companies which are considered related parties under PAS 24, *Related Party Disclosures*. The significant related party transactions for the nine months ended September 30 and outstanding balances as at September 30, 2023 and December 31, 2022 are as follows:

Related party	Transactions 2023 (9 months)	Transactions 2022 (9 months)	Outstanding receivable (payable) 2023	Outstanding receivable (payable) 2022	Terms and conditions
Due from related parties					
Associates					
OKEP					
Operating advances (a)	137,658	144,770	25,965	4,243,171	Non-interest-bearing, unsecured, collectible in cash upon demand
OVI					
Operating advances (a)	137,658	144,770	3,126,608	2,988,950	Non-interest-bearing, unsecured, collectible in cash upon demand
ORDC					
Operating advances (a)	204,629	199,720	38,032	301,663	Non-interest-bearing, unsecured, collectible in cash upon demand
Joint venture					
SMKL					
Operating advances (a)	392,081	6,331,035	276,574	614,858	Non-interest-bearing, unsecured, collectible in cash upon demand
Refund (f)	968,916	-	968,916	-	Non-interest-bearing, unsecured, collectible in cash upon demand
Affiliates					
Keppel Philippine Holdings, Inc.					
Operating advances (a)	115	-	51,007	50,892	Non-interest-bearing, unsecured, collectible in cash upon demand
Kepwealth, Inc.					
Operating advances (a)	-	-	47,870	47,870	Non-interest-bearing, unsecured, collectible in cash upon demand
Kepventures, Inc.					
Operating advances (a)	-	-	47,870	47,870	Non-interest-bearing, unsecured, collectible in cash upon demand
			4,582,842	8,295,274	
Receivables					
Joint venture					
SMKL					
Management fee (b)	25,885,185	21,596,450	9,098,495	6,085,794	Non-interest-bearing, unsecured, 30-to-60 days, collectible in cash
Franchise fee (b)	10,354,074	8,638,580	3,389,998	2,301,366	
	36,239,259	30,235,030	12,488,493	8,387,160	

Related party	Transactions 2023 (9 months)	Transactions 2022 (9 months)	Outstanding receivable (payable) 2023	Outstanding receivable (payable) 2022	Terms and conditions
Due to related parties					
Entities under common control					
KLL					
Tax credit (c)	-	(21,420,000)	(21,420,000)	(21,420,000)	Non-interest-bearing, unsecured, payable in cash upon demand
KL(RI)					
Operating advances (d)	(8,466,427)	(20,409)	(1,935,758)	(1,992,776)	Non-interest-bearing, unsecured, payable in cash upon demand
SMPM					
Management fee (e)	-	(7,302,629)	-	-	Non-interest-bearing, unsecured, 30-to-60 days, collectible in cash
			(23,355,758)	(23,412,776)	
Joint venture					
Lease liability					
SMKL					
Rentals (f)	(2,476,915)	(2,426,344)	-	(12,037,426)	Non-interest-bearing, unsecured, 30-to-60 days, payable in cash
Other income	1,383,643	1,209,534	-	-	Non-interest-bearing, unsecured, 30-to-60 days, collectible in cash
Shareholders					
Dividends payable					
Cash dividends	-	-	(553,981)	(553,981)	Outstanding balance is payable in cash on pay-out date as approved by the Company's BOD, non-interest bearing and unsecured.

(a) The Parent Company made operating advances for expenses incurred by associates, joint venture and affiliates. These operating advances represent expenses incurred in the normal operations paid on behalf of the Group's associates, joint ventures and affiliates. These are recharged at cost.

(b) The Parent Company provides management, advisory and consultancy services to SMKL. The amount of management fee charged by the Parent Company to SMKL amounted to P25.9 million and P21.6 million for the period ended September 30, 2023 and 2022, respectively. The amount of franchise fee charged amounted to P10.4 million and P8.6 million for the period ended September 30, 2023 and 2022, respectively. Management fee and franchise fee are charged at 2.5% and 1%, respectively, of SMKL's annual net revenues. Outstanding due from SMKL for management and franchise fees amounted to P12.5 million and P8.4 million as at September 30, 2023 and December 31, 2022, respectively.

(c) Tax credit pertains to the withholding tax credit from the BIR in year 2022 amounting to P21.4 million in relation to the Parent Company's redemption of preferred shares in year 2010.

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

(e) Straits Mansfield Property Marketing, Pte., Ltd. (SMPM), an entity under common control, provides consultancy, advisory and support services to the Parent Company and SMKL. Consultancy fees charged by SMPM, which is based on the time spent by SMPM personnel in rendering service to the Parent Company, amounted to P7.3 million in 2022. This contract was terminated effective on January 1, 2023.

(f) In 2022, the Parent Company renewed its operating lease agreement with SMKL for its office space located in The Podium West Tower. The lease term covers a period of three years from May 15, 2022 to

May 14, 2025 and is renewable subject to terms and conditions mutually agreed upon by both parties. Total payments related to this lease agreement amounted to P2.5 million and P2.4 million for the period ended September 30, 2023 and 2022, respectively. This contract was subsequently pre-terminated effective on July 15, 2023 without incurring penalties. The related refundable advance rent and security deposit amounting to P1.0 million paid by the Parent Company was reported under "Due from related parties."

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

	2023	2022
Salaries and other short-term employee benefits	14,465,323	13,055,289
Bonuses and allowances	8,313,867	2,732,172
	22,779,190	15,787,461

There were neither share-based compensation, termination benefits nor other long-term benefits given to key management personnel as at and for the periods ended September 30, 2023 and 2022. There were no outstanding balances with key management personnel as at September 30, 2023 and 2022.

Details of related party transactions for the nine months ended September 30 and outstanding balances as at September 30, 2023 and December 31, 2022 that were eliminated during consolidation are as follows:

	Transactions		Outstanding receivable (payable)		
Subsidiary	2023 (9 months)	2022 (9 months)	2023	2022	Terms and conditions
Due from subsidiaries					
BHI	148,180	156,099	25,965	268,197	Non-interest-bearing,
CSRI	140,485	178,736	16,894	235,143	unsecured, collectible in cash upon demand
			42,859	503,340	
Due to a subsidiary					
BHI	-	59,701,493	-	59,701,493	Non-interest-bearing, unsecured, payable in cash upon demand

Note 11 - General and administrative expenses

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

	Notes	2023	2022
Salaries and employee benefits		26,065,272	19,868,516
Professional fees		4,785,990	2,357,999
Taxes and licenses		2,872,575	417,863
Depreciation and amortization	7, 8	2,844,934	5,549,841
Repairs and maintenance		1,634,141	606,664
Utilities		1,252,553	1,399,627
Rental		908,095	307,225
Membership and dues		892,832	1,270,265
Retirement benefit expense		876,871	-
Transportation and travel		523,253	1,204,004
Insurance		372,471	511,234
Postage, printing, and advertising		250,757	203,974
Representation and entertainment		49,591	163,556
Bank and other charges		39,528	227,763
Office supplies		29,287	54,905
Management and consultancy fee		-	7,458,917
Other expenses		330,094	424,140
		43,728,244	42,026,493

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

Note 12 - Earnings per share

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

	2023	2022
Net income	54,051,501	486,007,445
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic and diluted earnings per share	0.18	1.65

The Group has no potential shares that will have a dilutive effect on income per share.

The weighted average number of shares outstanding as at September 30, 2023 and 2022 is computed as follows:

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

Note 13 - Other reserves

Other reserves pertain to items of other comprehensive income that will not be reclassified to profit or loss. These include actuarial gain on defined benefit plan, net of tax, amounting to P1.1 million as at September 30, 2023 and December 31, 2022, and share in actuarial gain of a joint venture amounting to P0.6 million as at September 30, 2023 and December 31, 2022.

Note 14 - Segment information

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

Significant information on the reportable segment as at September 30, 2023 and December 31, 2022 and for the period ended September 30, 2023 and 2022 are as follows:

	2023	2022
As at September 30, 2023 and December 31, 2022		
Operating assets	3,561,087,464	3,517,474,841
Operating liabilities	36,169,275	46,597,048
For the nine months ended September 30		
Gross income	95,296,698	526,349,642
Other income, net	4,317,138	3,188,612
General and administrative expenses	(43,728,244)	(42,026,493)
Segment net income	54,051,501	486,007,445

All revenues are from domestic entities incorporated in the Philippines, hence, the Group did not present geographical information required by PFRS 8, *Operating Segments*.

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

Note 15 - Financial risk and capital management

15.1 Financial risk management

The Group's principal financial assets and financial liabilities comprise cash and cash equivalents, receivables, financial assets at FVOCI, due to and from related parties. The Group has various other financial assets and financial liabilities such as refundable deposits, accounts payable and other current liabilities and lease liability, which arise from its operations.

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

(a) Foreign currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's exposure to foreign currency arises from payables to KL(RI) as at September 30, 2023 and December 31, 2022.

The Group's foreign currency-denominated monetary liabilities in Singaporean dollars (SGD) are as follows:

	September 30, 2023	December 31, 2022
Due to related parties	46,266	48,427
Exchange rates	41.84	41.15
PHP equivalent	1,935,758	1,992,776

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

The following table demonstrates the sensitivity to a reasonably possible change of 1.68% (2022 – 11.52%) in the Philippine Peso exchange rate, with all other variables held constant, of the Group's income before tax. There is no impact on the Group's equity other than those already affecting the net income.

	Net income before tax increase (decrease) September 30, 2023	Net income before tax increase (decrease) December 31, 2022
PHP against SGD		
- strengthened	32,521	229,568
- weakened	(32,521)	(229,568)

In September 30, 2023 and December 31, 2022, the Group used the average change in period closing rates in determining the reasonable possible change in foreign exchange rates.

(b) Credit risk

Credit risk arises when the counterparty to a financial asset of the Group is unable to fulfill its obligation at the time the obligation becomes due. Credit risk arises from the Group's financial assets, which comprise cash and cash equivalents, receivables, due from related parties and refundable deposits. As at September 30, 2023 and December 31, 2022, the carrying values of the Group's financial instruments represent maximum exposure to credit risk at reporting date.

There are no financial assets and liabilities that are offset and reported as net amount in the interim consolidated statement of financial position. There were no amounts subject to an enforceable master netting arrangement or similar agreement as at September 30, 2023 and December 31, 2022.

The Group transacts mostly with related parties, thus, there is no requirement for collateral. There are no significant concentrations of credit risk. The Group's due from related parties are approximately ninety-four percent (94%) and ninety-six percent (96%) of total receivables as at September 30, 2023 and December 31, 2022, respectively.

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

Below are the Group's financial assets classified under three categories which reflect their credit risk as at September 30, 2023 and December 31, 2022:

		Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
September 30, 2023					
Cash and cash equivalents*	(i)	33,399,823	-	-	33,399,823
Receivables**	(ii)	12,497,362	-	-	12,497,362
Due from related parties	(ii)	4,582,842	-	-	4,582,842
Refundable deposits***	(iii)	313,456	-	-	313,456
		50,793,483	-	-	50,793,483
December 31, 2022					
Cash and cash equivalents*	(i)	39,644,571	-	-	39,644,571
Receivables**	(ii)	8,438,637	-	2,666,664	11,105,301
Due from related parties	(ii)	8,295,274	-	-	8,295,274
Refundable deposits***	(iii)	617,218	-	-	617,218
		56,995,700	-	2,666,664	59,662,364

**Cash and cash equivalents exclude cash on hand.*
***Receivables exclude withholding tax receivables presented within others amounting to P1.1 million and P0.6 million as of September 30, 2023 and December 31, 2022, respectively.*
****Refundable deposits include the current portion of refundable deposits presented under prepayments and other current assets amounting to P0.3 million and P0.1 million as at September 30, 2023 and December 31, 2022, respectively.*

The above assets were classified by the Group based on changes in credit quality under three-stage model for impairment. Stage 1 pertains to assets of the Group that is not credit-impaired on initial recognition. Stage 2 pertains to assets of the Group with significant increase in credit risk but not yet deemed to be credit-impaired. Financial assets that are credit-impaired are classified under Stage 3.

The Group has policies that limit the amount of credit exposure with financial institutions. The Group also maintains its deposits with reputable banks and financial institutions. For banks and financial institutions, only independently rated parties with good, if not the highest credit ratings, are accepted such as universal and commercial banks as defined by the Philippine Banking System. All cash in banks of the Group are with universal banks as at September 30, 2023 and December 31, 2022.

The Group applies PFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for trade receivables presented under receivables and due from related parties. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance as at September 30, 2023 and December 31, 2022 was determined as follows:

	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
September 30, 2023				
Expected loss rate	0.00%	0.00%	100.00%	
Receivables	12,497,362	-	-	12,497,362
Loss allowance	-	-	-	-

	Stage 1 - Performing	Stage 2 - Underperforming	Stage 3 - Non-performing	Total
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	4,582,842	-	-	4,582,842
Loss allowance	-	-	-	-
December 31, 2022				
Expected loss rate	0.00%	0.00%	100.00%	
Receivables	8,438,637	-	2,666,664	11,105,301
Loss allowance	-	-	2,666,664	2,666,664
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	8,295,274	-	-	8,295,274
Loss allowance	-	-	-	-

The Group's receivable amounting to P2.7 million as at December 31, 2022 is determined to be impaired and was provided with allowance for doubtful accounts in 2017. In 2023, this receivable was written off as it is no longer deemed collectible (Note 2).

(i) Cash in bank

The Group has policies that limit the amount of credit exposure with financial institutions and only maintains its deposits with a reputable financial institution with good, if not the highest credit ratings. All cash in banks of the Group are with a universal bank as at September 30, 2023 and December 31, 2022.

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

(ii) Receivables

Receivables from related parties

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

The maximum credit risk exposure is equal to the carrying amount as at September 30, 2023 and December 31, 2022.

Receivables from third parties

The credit quality of receivables that are neither past due nor impaired and impaired can be assessed by reference to historical information about counterparty default rates.

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

(iii) Refundable deposits

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

(c) Liquidity risk

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

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

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

	On demand	Less than 3 months	More than 3 months to 1 year	More than 1 year	Total
September 30, 2023					
Accounts payable and other current liabilities*	553,981	11,626,380	-	-	12,180,361
Due to related parties	23,355,758	-	-	-	23,355,758
	23,909,739	11,626,380	-	-	35,536,119
December 31, 2022					
Accounts payable and other current liabilities*	553,981	7,784,799	-	-	8,338,780
Due to related parties	23,412,776	-	-	-	23,412,776
Lease liability**	-	1,369,944	4,219,428	7,210,425	12,799,797
	23,966,757	9,154,743	4,219,428	7,210,425	44,551,353

**Accounts payable and other current liabilities exclude taxes payable.*
***Lease liability includes future interest payments.*

15.2 Capital management

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

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

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

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

The percentages of debt to equity are as follows:

	September 30, 2023	December 31, 2022
Liabilities	36,169,275	46,597,048
Equity	3,524,918,189	3,470,877,793
Percentage of debt to equity	1.03%	1.34%

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

15.3 Fair value estimation

Due to the short-term nature of the Group's financial instruments, their fair values approximate their carrying amounts as at September 30, 2023 and December 31, 2022, except for financial assets at FVOCI.

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

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

Fair value hierarchy

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

During the reporting period ended September 30, 2023 and December 31, 2022, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

Note 16 - Summary of significant accounting policies

16.1 Basis of preparation

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

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

Changes in accounting policy and disclosures

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

A number of new standards, amendments to existing standards and interpretations are effective for annual periods after January 1, 2023. None of these standards are expected to have a significant impact on the interim consolidated financial statements of the Group.

16.2 Consolidation

The interim consolidated financial statements include the accounts of the Parent Company and its subsidiaries as at September 30, 2023 and December 31, 2022 and for each of the period ended September 30, 2023 and 2022. Subsidiaries are all entities over which the Group has control. Subsidiaries are fully consolidated from the date of acquisition or incorporation, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies.

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

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

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

Assessment of control

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

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

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

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

16.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group recognizes a financial instrument in the consolidated statement of financial position, when, and only when, it becomes a party to the contractual provisions of the instrument.

<u>Financial assets</u>

(a) Classification

The Group classifies its financial assets in the following measurement categories: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Group did not hold financial assets under the category financial assets at FVPL as at September 30, 2023 and December 31, 2022.

(i) Amortized cost

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

(ii) Fair value through other comprehensive income

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

(b) Recognition and measurement

(i) Initial recognition and measurement

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

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

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

(ii) Subsequent measurement

Amortized cost

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

Equity investments

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

(c) Impairment

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

Equity investments

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

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

(d) Derecognition

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

<u>Financial liabilities</u>

(a) Classification

The classification and measurement of financial liabilities under PFRS 9 remains the same as in PAS 39 except where an entity has chosen to measure a financial liability at fair value through profit or loss. For such liabilities, changes in fair value related to changes in own credit risk are presented separately in other comprehensive income. The Group did not measure its financial liabilities at fair value through profit or loss as at September 30, 2023 and December 31, 2022.

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

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

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

(b) Recognition and derecognition

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

(c) Measurement

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

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty. As at September 30, 2023 and December 31, 2022, there were no offsetting of financial assets and liabilities.

16.4 Investment in a joint venture held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification under PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations* is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification.

With the expected recovery of the investment in SMKL's carrying value through sale (Note 4 and 5), the Group's investment in SMKL (previously presented under non-current assets as "Investment in associates and a joint venture") was classified as "Investment in a joint venture held for sale" in accordance with PFRS 5. The carrying amount of this investment is lower as compared to its fair value less cost to sell.

16.5 Investments in associates and a joint venture

Associates are entities in which the Group has significant influence, and which are neither subsidiaries nor joint ventures of the Group. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in associates and joint venture are accounted for using the equity method of accounting from the date from which the entity becomes an associate and a joint venture. The difference between the cost of the investments and the Group's share of the net fair value of the investee's identifiable assets and liabilities is treated as a "Fair value adjustment" and included in the carrying amount of the investment. Under the equity method, the investments in associates and joint venture are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate, less dividends declared and impairment in value. If the Group's share of losses of an associate and joint venture equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses. The interest in an associate and joint venture is the carrying amount of the investment in the associate and joint venture under the equity method together with any long-term interests that, in substance, form part of the investor's net investment in the associate and joint venture. After application of the equity method, the Group determines whether it is necessary to recognize any impairment loss with respect to the Group's net investments in the associates and joint venture. The consolidated statement of comprehensive income reflects the Group's share in the results of operations of the associates. This is included in the "Share of results of associates and a joint venture" account in the consolidated statement of comprehensive income. After the Group's interest is reduced to zero, additional losses are provided to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any change and discloses this, when applicable, in the consolidated statement of changes in equity.

The reporting dates of the associates, joint venture and the Group are identical and the accounting policies of the associates and joint venture conform to those used by the Group for like transactions and events in similar circumstances.

Unrealized gains arising from intercompany transactions with its associates and joint venture are eliminated to the extent of the Group's interest in the associate and joint venture. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred.

Upon loss of significant influence over the associates, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associates and joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

16.6 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. The interest expense is recognized in the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

(i) Measurement of lease liabilities

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Group's leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing, and
- makes adjustments specific to the lease (i.e. term, currency and security).

Lease payments are allocated between principal and interest expense. The interest expense is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Measurement of right-of-use assets

Right-of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

(iii) Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

(iv) Residual value guarantees

The Group provides residual value guarantees for some lease contracts. The Group initially estimates and recognizes amounts expected to be payable under residual value guarantees as part of the lease liability.

(v) Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less.

16.7 Events after the reporting period

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

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

RESULTS OF OPERATIONS

The Group holds investments in associates and joint venture involved in property development and holding of investment properties. It derives its revenue from rendering management consultancy services to its associates.

Nine months ended September 30, 2023 as compared to the same period in 2022

TOTAL GROSS INCOME is lower by ₱431.0 million from ₱526.3 million in 2022 to ₱95.3 million in 2023. The decrease is mainly attributable to the lower **SHARE IN RESULTS OF ASSOCIATES AND A JOINT VENTURE** of ₱436.9 million from ₱495.7 million in 2022 to ₱58.8 million in 2023 due to the recognition of fair value gain by its joint venture in respect to its investment property, The Podium Complex in 2022. This decline was partly offset by the increase in **MANAGEMENT CONSULTANCY AND FRANCHISE FEES** by ₱6.0 million from ₱30.2 million in 2022 to ₱36.2 million in 2023 mainly attributable to the increase in fees from SMKL. Fees are charged based on SMKL's net rental revenue which has increased in 2023.

OTHER INCOME, NET increased by ₱1.1 million from ₱3.2 million in 2022 to ₱4.3 million in 2023 mainly due to lower foreign exchange loss recognized in 2023 as a result of appreciation of Philippine peso against Singapore dollars on its Singapore dollar-denominated transactions.

GENERAL AND ADMINISTRATIVE EXPENSES increased by ₱1.7 million from ₱42.0 million in 2022 to ₱43.7 million in 2023 due to professional fees incurred in relation to the divestment of SMKL, accrual for Information Technology charges and payment of additional assessed tax arising from the tax audit for year 2017.

As a result, net income decreased by ₱431.9 million from net income of ₱486.0 million in 2022 to ₱54.1 million in 2023.

FINANCIAL CONDITION

As of September 30, 2023 as compared to as of December 31, 2022

TOTAL ASSETS increased by ₱43.6 million to ₱3,561.1 million as of September 30, 2023 from ₱3,517.5 million as of December 31, 2022. The significant changes in account balances during the period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱6.2 million primarily due to net cash used in the Group's operating and financing activities.

- **RECEIVABLES** increased by ₱4.5 million due to higher accrual of management consultancy and franchise fees resulting from the higher gross rental revenue reported by the Company's joint venture in 2023 as compared to 2022.

- **DUE FROM RELATED PARTIES** decreased by ₱3.7 million mainly due to collections of advances issued from previous years.

- **INVESTMENT IN A JOINT VENTURE HELD FOR SALE** increased as a result of the classification as asset held for sale of the Parent Company's investment in SMKL as of September 30, 2023.

- **PREPAYMENTS AND OTHER CURRENT ASSETS** increased by ₱2.9 million mainly due to creditable withholding taxes related to the management consultancy and franchise fees.

- **INVESTMENTS IN ASSOCIATES AND A JOINT VENTURE** decreased by ₱2,843.9 million mainly due to the classification as asset held for sale of the Parent Company's investment in SMKL as of September 30, 2023 in accordance with PFRS 5, *Noncurrent Assets Held for Sale and Discontinued Operations*. This resulted from the expected recovery of the investment's carrying value through sale.

- **RIGHT-OF-USE ASSET, NET AND REFUNDABLE DEPOSITS** decreased by ₱12.3 million and ₱0.5 million, respectively, due to pre-termination of lease contract with SMKL effective July 15, 2023.

- **PROPERTY AND EQUIPMENT, NET** decreased by ₱0.2 million due to the depreciation and disposal asset recognized for the nine months ended September 30, 2023.

- **DEFERRED INCOME TAX ASSETS, NET** increased by ₱0.7 million mainly from the higher temporary difference with the increase in accruals for employee bonuses as of September 30, 2023.

TOTAL LIABILITIES decreased by ₱10.4 million from ₱46.6 million as of December 31, 2022 to ₱36.2 million as of September 30, 2023 mainly due to pre-termination of lease contract with SMKL effective July 15, 2023.

TOTAL EQUITY increased by ₱54.0 million from ₱3,470.9 million as of December 31, 2022 to ₱3,524.9 million as of September 30, 2023 due to the net income recognized for the period ended September 30, 2023.

KEY PERFORMANCE INDICATORS

	For the period ended September 30 2023 (Unaudited)	For the period ended September 30 2022 (Unaudited)	For the year ended December 31 2022 (Audited)
Return on assets [1]	1.53%	15.00%	16.70%
Earnings per share [2]	₱0.18	₱1.65	₱1.85
Net tangible asset value per share [3]	₱9.97	₱9.60	₱9.79
Working capital ratio [4]	83.21:1	1.88:1	2.73:1
Debt-to-equity ratio [5]	0.01:1	0.03:1	0.01:1

[1] Net income divided by average total assets

[2] Net income divided by No. of common stock outstanding

[3] Total assets less liabilities, preferred shares and related share premium divided by No. of common stock outstanding

[4] Total current assets divided by current liabilities. The current assets as of September 30, 2023 includes the investment in a joint venture held for sale amounting to P2,902,661,570.

[5] Total liabilities divided by total equity

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

a) As at September 30, 2023:

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

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

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

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

PART II. OTHER INFORMATION

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

Keppel Philippines Properties, Inc.

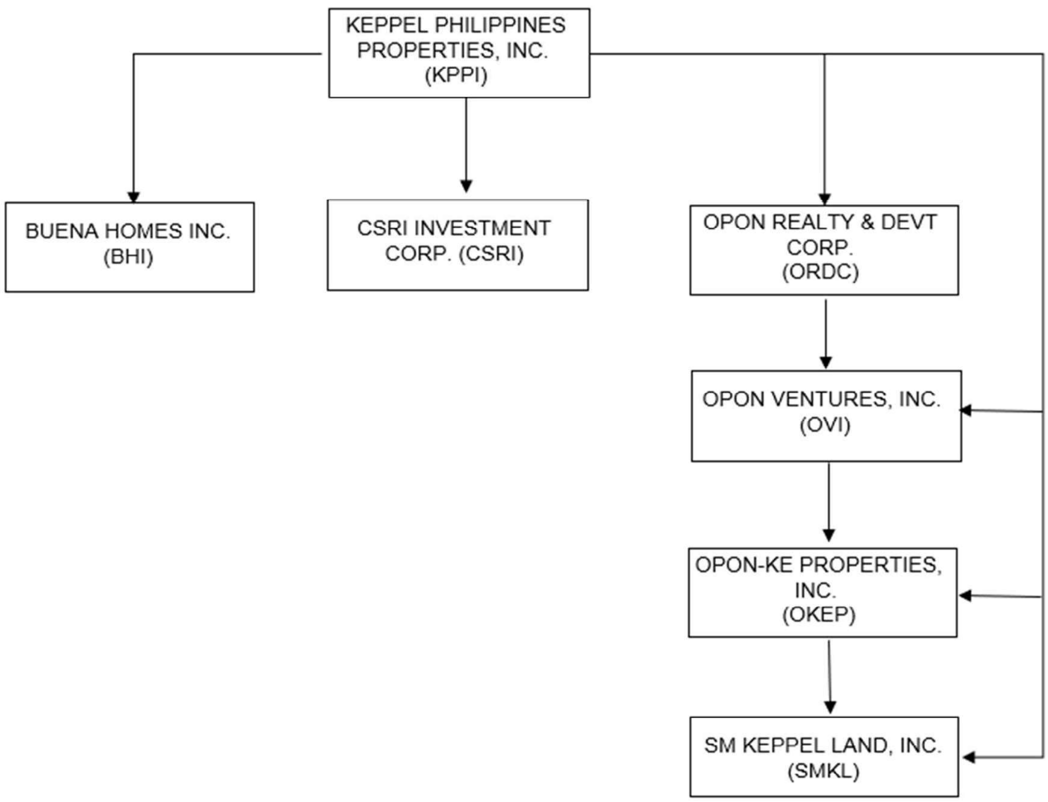
Aging of Receivables
As at September 30, 2023
(All amounts in Philippine Peso)

	Neither past due nor impaired	Past due but not impaired				Impaired	Total
		< 30 days	31-90 days	91-120 days	> 120 days		
Type of Account Receivable							
Non-Trade Receivables							
Non-trade	-	-	-	-	-	-	-
Accrued income	12,488,493	-	-	-	-	-	12,488,493
Accrued interest receivables	8,869	-	-	-	-	-	8,869
Others	1,122,831	-	-	-	-	-	1,122,831
Sub-total	13,620,193	-	-	-	-	-	13,620,193
Less: Allowance for doubtful accounts	-	-	-	-	-	-	-
Net Receivables	**13,620,193**	**-**	**-**	**-**	**-**	**-**	**13,620,193**

Account Receivable Description

Type of Receivables	Nature/Description	Collection Period
Non-trade	Installment collection on the sale of investment property	Past due account
Accrued income	Management consultancy and franchise fees revenue	Within 30 days
Accrued interest receivable	Interest on money market placements	Collectible upon maturity within 30-60 days
Others		

KEPPEL PHILIPPINES PROPERTIES, INC.
SUBSIDIARIES AND ASSOCIATES
AS AT SEPTEMBER 30, 2023



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
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

Keppel Philippines Properties, Inc.

Financial Ratios
(All amounts in Philippine Peso)

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	December 31, 2022 (Audited)
Liquidity/current ratio [1]	83.21:1	1.88:1	2.73:1
Acid test ratio [2]	1.43:1	1.27:1	1.42:1
Solvency ratio [3]	1.57:1	5.44:1	11.78:1
Debt-to-equity ratio [4]	0.01:1	0.03:1	0.01:1
Asset-to-equity ratio [5]	1.01:1	1.03:1	1.01:1
Interest Rate Coverage Ratio [6]	N/A	N/A	N/A
Return on equity [7]	1.55%	15.32%	16.94%
Return on assets [8]	1.53%	15.00%	16.70%
Net profit margin [9]	56.72%	92.34%	90.78%
Earnings per share [10]	₱0.18	₱1.65	₱1.85

[1] Total current assets divided by total current liabilities. The current assets as of September 30, 2023 includes the investment in a joint venture held for sale amounting to P2,902,661,570.

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

[3] Net income before depreciation and amortization divided by total liabilities

[4] Total liabilities divided by total equity

[5] Total assets divided by total equity

[6] Net income before interest expense and tax divided by interest expense

[7] Net income after tax divided by average total equity

[8] Net income after tax divided by average total assets

[9] Net income after tax divided by gross income

[10] Net income after tax divided by no. of common stock outstanding

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule A
Financial Assets
As at September 30, 2023
(All amounts in Philippine Peso)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Income received and accrued
Financial assets at fair value through other comprehensive income			
Opon Ventures, Inc.	4,800,000	48,000,000	-
Opon-KE Properties, Inc.	3,128,722	31,287,230	-
Club Filipino Inc. de Cebu	12	225,000	-
Total financial assets at fair value through other comprehensive income		79,512,230	-
Cash and cash equivalents		33,454,823	306,189
Receivables*		12,497,362	-
Due from related parties		4,582,842	-
Refundable deposits**		313,456	-
Total financial assets		130,360,713	306,189

**Receivables exclude withholding tax receivables presented within others amounting to P1.1 million as of September 30, 2023.*

***Refundable deposits include the current portion of refundable deposits presented under prepayments and other current assets amounting to P0.3 million as of September 30, 2023.*

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
As at September 30, 2023
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amounts written off	Current	Non-current	Balance at end of year
Opon-KE Properties, Inc.	4,243,171	137,658	(4,354,864)	-	25,965	-	25,965
Opon Ventures, Inc.	2,988,950	137,658	-	-	3,126,608	-	3,126,608
Opon Realty and Development Corporation	301,663	204,629	(468,260)	-	38,032	-	38,032
SM Keppel Land, Inc.	9,002,018	38,983,899	(34,251,934)		13,733,983	-	13,733,983
Keppel Philippine Holdings, Inc.	50,892	115	-	-	51,007	-	51,007
Kepwealth, Inc.	47,870	-	-	-	47,870	-	47,870
Kepventures, Inc.	47,870	-	-	-	47,870	-	47,870
Employees	2,350	131,193	(133,543)	-	-	-	-

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule C
Amounts Receivable from Related Parties which are Eliminated
During the Consolidation of Financial Statements
As at September 30, 2023
(All amounts in Philippine Peso)

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts provided for/ written off	Current	Non-current	Balance at end of period
Buena Homes, Inc.	268,197	148,180	(390,412)	-	25,965	-	25,965
CSRI Investment Corporation	235,143	140,485	(358,734)	-	16,894	-	16,894
Total	503,340	288,665	(749,146)	-	42,859	-	42,859

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule D
Long Term Debt
As at September 30, 2023
(All amounts in Philippine Peso)

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

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule E
Indebtedness to Related Parties
As at September 30, 2023
(All amounts in Philippine Peso)

Name of related party	Balance at beginning of period	Balance at end of period
Not Applicable		

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule F
Guarantees of Securities of Other Issuers
As at September 30, 2023
(All amounts in Philippine Peso)

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

Keppel Philippines Properties, Inc. and Subsidiaries

Schedule G
Capital Stock
As at September 30, 2023

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

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by affiliates	Directors, officers and employees	Others
Common shares of stock	375,000,000	296,629,900	-	-	-	-
Treasury stock		(2,801,000)	-	-	-	-
Outstanding common stock		293,828,900	-	255,147,693	10,007	38,671,200
Preferred stock	135,700,000	59,474,100	-	59,474,100	-	-
Total		353,303,000	-	314,621,793	10,007	38,671,200

Keppel Philippines Properties, Inc.

Reconciliation of Retained Earnings Available for Dividend Declaration
As at September 30, 2023
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, *beginning of the year*			2,512,873,373
Adjustments: Accumulated share in results of associates and a joint venture			(2,659,681,540)
Unappropriated Retained Earnings, *as adjusted to available for dividend distribution (deficit), beginning of the year*			(146,808,167)
Add:	**Net income actually earned/realized during the period**		
	Net income during the period closed to retained earnings	54,051,501	
Less:	**Non-actual/realized income net of tax:**		
	Equity in net income of an associate/joint venture	(58,770,719)	
	Unrealized foreign exchange gain (after tax) except those attributable to cash and cash equivalents	-	
	Unrealized actuarial gain	-	
	Fair value adjustment (mark-to-market gains)	-	
	Fair value adjustment of investment property resulting to gain	-	
	Adjustment due to deviation from PFRS – gain	-	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	-	
Sub-total		(58,770,719)	
Add:	**Non-actual losses**		
	Depreciation on revaluation increment (after tax)	-	
	Adjustment due to deviation from PFRS – loss	-	
	Loss on fair value adjustment of investment property (after tax)	-	
Subtotal		-	
Net loss actually incurred during the period			(4,719,218)
Add (Less):			
	Dividend declarations during the year		-
	Appropriations of retained earnings during the year		-
	Reversals of appropriations		-
	Effects of prior period adjustments		-
	Treasury shares		-
Subtotal			-
Total retained earnings available, end of the period available for dividend (deficit)			**(151,527,385)**

SIGNATURES

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

Issuer	:	Keppel Philippines Properties, Inc.
Signature and Title	:	**Tan Kuang Liang** President
		Jona Arrol V. Cabrera Treasurer
Date	:	14 November 2023