

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P W - 3 0 5

Company Name

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

Principal Office (No./Street/Barangay/City/Town/Province)

2 6 t h F l o o r , T h e P o d i u m W e s t T o w e r
A D B A v e n u e , W a c k - W a c k G r e e n h i l l s
E a s t , M a n d a l u y o n g C i t y 1 5 5 5

Form Type

1 7 - A

Department requiring the report

C R M D

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

ph.corpsec.realestate@keppel.com

Company's Telephone Number/s

(632) 8539-0460 loc. 4990

Mobile Number

0917-8570633

No. of Stockholders

1,202

Annual Meeting
Month/Day

06/11

Fiscal Year
Month/Day

12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person

Jona Arrol V. Cabrera

Email Address

jona.cabrera@keppel.com

Telephone Number/s

(632) 8539-0460

Mobile Number

0943-2569089

Contact Person's Address

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

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES**

1. For the fiscal year ended December 31, 2025
2. SEC Identification Number PW305
3. BIR Tax Identification No. 000-067-618-000

- KEPPEL PHILIPPINES PROPERTIES, INC.**
4. Exact name of registrant 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

- (632) 8539-0460 loc. 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 8 and 12 of the SRC

<u>Title of each Class</u>	<u>Number of shares of common stock outstanding and amount of debt outstanding</u>
Common Stock	293,828,900 (Exclusive of Treasury Shares)
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. Check whether the issuer:

(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 Section 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 ninety (90) days.

Yes [/] No []

13. Aggregate market value of the voting stock held by non-affiliates of the registrant:

₱85,107,440

DOCUMENTS INCORPORATED BY REFERENCE

14. Consolidated Audited Financial Statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 (incorporated as reference to item 9 of SEC Form 17-A)

KEPPEL PHILIPPINES PROPERTIES, INC.
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PART I - BUSINESS AND GENERAL INFORMATION

1. BUSINESS

The Company

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

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

KEP is also listed in the Philippine Stock Exchange (PSE). Its immediate parent company is Keppel Management Ltd. (KML; previously known as Keppel Land Limited) and the ultimate parent company is Keppel Ltd. (KL, previously known as Keppel Corporation Limited), both incorporated in Singapore. KL is listed on the Singapore Exchange Securities Trading Limited.

On February 12, 2026, the Parent Company’s shareholders, KL, KML, Molten Pte. Ltd., and Kepwealth, Inc. (collectively, the “Sellers”) entered into a share purchase agreement with Forward Synergy Group, Inc. (the “Buyer”) for the sale and purchase of the Sellers’ 86.83% (“Sale Shares”) ownership of the total outstanding capital stock of the Parent Company (the “Transaction”), which represents all of the shares owned by the Sellers in the Parent Company.

The Sellers have agreed to sell the Sale Shares to the Buyer for an aggregate cash consideration of approximately ₱472.7 million (₱1.8526 per share).

The Transaction is subject to the fulfillment of certain conditions precedent, including the conduct of a mandatory tender offer by the Buyer pursuant to the Securities Regulation Code of the Philippines and its 2015 implementing regulations.

Subsidiaries

CSRI Investment Corporation (“CSRI”) was incorporated in the Philippines on October 25, 1990. CSRI, a wholly owned subsidiary of KEP, is a holding company with investments in marketable equity securities and other investments.

On December 2, 2022, CSRI’s Board of Directors approved the dissolution through shortening of CSRI’s corporate term effective on January 31, 2024 which was approved by the SEC on February 3, 2023. On March 25, 2024 and July 18, 2024, CSRI completed the processing of its business closure with the Municipality of Mandaluyong City and the BIR, respectively. As a result of the dissolution, KEP lost control over CSRI. Accordingly, CSRI has ceased to be a subsidiary of KEP.

Buena Homes, Inc. (“BHI”) was incorporated in the Philippines on May 25, 2000. BHI, a wholly owned subsidiary of KEP, was previously engaged in property holding and development.

On November 14, 2023, BHI’s Board of Directors approved the dissolution through shortening of

BHI's corporate term effective on January 31, 2025 which was approved by the SEC on January 31, 2024. On April 4, 2025 and April 15, 2025, BHI completed the processing of its business closure with the Municipality of Mandaluyong City and the Bureau of Internal Revenue (BIR), respectively. As a result of the dissolution, KEP lost control over BHI. Accordingly, BHI has ceased to be a subsidiary of KEP.

Associates

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

Opon Ventures, Inc. ("OVI"), 40% owned by KEP, was incorporated in the Philippines on September 14, 1993 with the same purpose as ORDC.

Opon-KE Properties, Inc. ("OKEP"), 40% owned by KEP, was incorporated in the Philippines on January 19, 1994 primarily to hold investments in associates.

On July 26, 2024, the Board of Directors of ORDC, OVI and OKEP, approved the dissolution through shortening of their corporate term effective on September 30, 2025 which was approved by the SEC on September 11, 2024 for ORDC and on September 16, 2024 for OVI and OKEP. The processing of the business closure of these associates with the Municipality of Mandaluyong City was completed on October 23, 2025. OVI completed its business closure with BIR on January 16, 2026 while OKEP and ORDC's business closure is still in progress. As a result of the dissolution, KEP lost control over these associates. Accordingly, ORDC, OVI and OKEP have ceased to be associates of KEP.

Joint Venture

SM Keppel Land, Inc. ("SMKL") was incorporated in the Philippines on January 11, 1994 to develop, operate and manage the investment property, The Podium Complex.

On March 25, 2023, a Share Purchase Agreement was executed between the stockholders of SMKL for KEP 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. ("Divestment"). Completion of the Divestment had been subjected to the satisfaction of conditions precedent (including but not limited to the obtaining of the requisite regulatory approvals and shareholders' approval of KEP and OKEP).

On December 22, 2023, the Divestment was completed and SMKL has ceased to be an associated company of KEP and OKEP.

The Parent Company, together with its subsidiaries (up until January 2024 and January 2025 for CSRI and BHI, respectively), associates (up until September 30, 2025) and a joint venture (up until December 22, 2023), are collectively referred to as the "Group".

Business

Prior to the Divestment, KEP, through SMKL, is engaged in real estate development and leasing of office and commercial buildings, and renders property management consultancy services to SMKL. The Divestment resulted in cash proceeds of ₱6,528.7 million and KEP's gain of ₱4,981.6 million. Out of this gain, KEP declared cash dividends of ₱15.14/share or a total of ₱4,448.6 million on April 12, 2024 for stockholders of record as of April 29, 2024, due on

May 22, 2024. Also, KEP's Board of Directors approved the redemption of KEP's redeemable preferred shares held by KML in year 2024 at a redemption price equivalent to its issuance cost of ₱10.00/share plus an annual premium of 12% or ₱2,022.1 million. The said redemption was executed on May 22, 2024. The remaining proceeds from the Divestment was placed in local and US Dollars short-term time deposits where KEP continues to earn interest income and foreign exchange gains.

Keppel embarked on a multi-dimensional transformation to pivot into a global asset-light asset manager and operator. KEP is conducting strategic reviews to synchronize with the transformation and will continue to explore possible avenues to maximize shareholders' value.

Aligned with this transformation strategy, dormant subsidiaries and associates of KEP applied for dissolution through the shortening of their respective corporate terms. These entities have sufficient cash to settle all its third-party creditors before its dissolution.

Based on the audited consolidated financial statements as at and for the year ended December 31, 2025, KEP reported a net income of P7.7 million, of which only P1.5 million pertain to KEP's share in the net income of its associates. Despite the dissolution of the subsidiaries and associates, KEP will continue to sustain the business through the interest income earned on its placements in short-term deposits, and realized foreign exchange gains on its US Dollar short-term deposits.

Competition

As a property developer through SMKL, KEP considers the following as the industry's key players in terms of commercial developments:

	3Q2025 Income to date <i>In P Billions</i>
SM Prime Holdings, Inc.	37.89
Ayala Land Inc.	25.74
Robinson's Land Corporation	12.07

Source: Published corporate disclosures.

In the retail sector, the market is expected to be resilient with continued consumer spending. Retail developers continue to expand their retail portfolios to meet the growing consumer demand.

In the office sector, the market is also expected to be robust with the increasing demand from traditional and outsourcing tenants and the continued supply of office spaces within the business district.

Related Party Transactions

In the normal course of business, KEP's significant transactions with related parties consist of the following:

- a. KEP extends operating advances to its subsidiaries, associates, shareholders and entities under common control. These operating advances represent expenses incurred in the normal operations.
- b. OKEP, OVI and ORDC declared and paid liquidating dividends to KEP in October 2025, amounting to ₱41.3 million, ₱24.7 million and ₱12.6 million, respectively.
- c. On April 12, 2024, KEP declared cash dividends amounting to P15.14 per common share or ₱4,448.6 million for stockholders of record as of April 29, 2024, due on May 22, 2024. The dividends payable pertain to ₱74.5 million unclaimed cash dividends related to the April 12,

2024 declaration and ₱0.5 million unclaimed cash dividends declared when KEP's name was still Cebu Shipyard and Engineering Works, Inc.

- d. On May 22, 2024, KEP redeemed KML's 59,474,100 redeemable preferred shares at a redemption price of ₱10.00 per share plus an annual premium of 12% for and in consideration of ₱2,022.1 million in cash settlement.
- e. OKEP, OVI and ORDC declared and paid cash dividends to KEP in February 2024, amounting to ₱507.4 million, ₱273.8 million and ₱164.9 million, respectively.
- f. On February 2, 2024, KEP 's BOD approved the acceptance of OKEP and OVI's redemption of 3,128,722 and 4,800,000 preferred shares, respectively, held by KEP at a redemption price equivalent to the issue price of ₱10.00 per share. KEP collected redemption price of ₱31.3 million and ₱48.0 million from OKEP and OVI, respectively, on February 12, 2024.
- g. KEP provided management and advisory, and franchise services to SMKL based on agreed rates. The related service agreements were terminated effective December 22, 2023 due to the Divestment.
- h. In 2010, KEP redeemed its preferred shares from KML in which final withholding tax was withheld and remitted to the BIR. In May 2022, the BIR issued a tax credit certificate under the name of KEP, and as a result, KEP recognized the amount as tax credit and due to KML.
- i. Keppel Land (Regional Investments) Pte. Ltd., entity under common control, and KL, provide support services to the Group. These are recharged at cost.
- j. KEP had a lease agreement with SMKL for its office space located in The Podium West Tower. This covered up to July 15, 2023.

Government Approvals/Regulations

The Philippines' real estate industry is regulated by numerous government policies and guidelines, commencing from land acquisition and title issuance, development planning, design and construction permits up to mortgage financing/refinancing to pre-selling.

KEP, through SMKL, has accordingly complied with all applicable laws and regulations as mandated by the government.

Employees

KEP has a total of 3 employees as at December 31, 2025 with breakdown as follows:

	No. of Employees
Finance and Accounting	2
Internal Audit	1
Total	3

No significant hiring or recruitment is expected for year 2026.

Risks

KEP's business activities are conducted in the Philippines and its revenues and operating profits are derived from its investments and the activities of its associates which expose KEP to changes in the Philippines economy. The Group is also exposed to financial, operating and administrative risks in the ordinary course of business.

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

The Group also considers significant market trends and analysis in light of the current economic and political developments when assessing significant transactions and financial viability of prospect projects.

2. PROPERTIES

Prior to the Divestment on December 22, 2023, KEP joint venture's investments in real estate properties is as follows:

Type of Property	Location	Description	Remarks
Land & Buildings	ADB Avenue, Ortigas Center, Mandaluyong City	20,000 sqm site on which stands SMKL's mixed-use development	Forty percent (40%) is owned by KEP through its associated company, SMKL.

As at December 31, 2025, KEP does not own any real estate properties.

3. LEGAL PROCEEDINGS

The Parent Company, its subsidiaries, and associates are not involved in any material litigation.

4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for the matters taken up during the Annual Stockholders' Meeting, there were no other matters submitted to a vote of security holders during the period covered by this report.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS' MATTERS

a.) Market Information

KEP's common shares are traded in the Philippine Stock Exchange.

STOCK PRICES	2026		2025		2024	
	Low	High	Low	High	Low	High
First Quarter	₱2.21	₱2.87	₱2.60	₱3.30	₱4.77	₱8.48
Second Quarter	-	-	2.71	3.20	2.31	17.48
Third Quarter	-	-	2.44	2.88	2.92	3.45
Fourth Quarter	-	-	1.82	2.60	2.42	3.50

KEP's common shares were last traded on December 29, 2025 at ₱2.20 per share.

There are no recent sales of unregistered or exempt securities nor any plans for acquisitions, business combinations, or other reorganization planned in the near future which involves issuance of securities.

b.) Holders

There were 1,202 shareholders on record and 293,828,900 common shares outstanding, with KEP's top 20 stockholders as at December 31, 2025 as follows:

	Name	No. of Shares Held	% to Total																		
1.	PCD Nominee Corporation – Foreign	205,574,534	69.96																		
	<table border="1"> <thead> <tr> <th>Name</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>a. Keppel Management Ltd.</td> <td>148,365,050</td> <td>50.49</td> </tr> <tr> <td>b. Keppel Ltd.</td> <td>35,783,742</td> <td>12.18</td> </tr> <tr> <td>c. Molten Pte. Ltd.</td> <td>19,951,723</td> <td>6.79</td> </tr> <tr> <td>d. Others</td> <td>1,474,019</td> <td>0.50</td> </tr> <tr> <td>Total</td> <td>205,574,534</td> <td>69.96</td> </tr> </tbody> </table>	Name	No. of Shares	%	a. Keppel Management Ltd.	148,365,050	50.49	b. Keppel Ltd.	35,783,742	12.18	c. Molten Pte. Ltd.	19,951,723	6.79	d. Others	1,474,019	0.50	Total	205,574,534	69.96		
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c. Molten Pte. Ltd.	19,951,723	6.79																			
d. Others	1,474,019	0.50																			
Total	205,574,534	69.96																			
2.	PCD Nominee Corporation - Filipino	67,239,168	22.88																		
	<table border="1"> <thead> <tr> <th>Name</th> <th>No. of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>a. Kepwealth Inc.</td> <td>51,033,178</td> <td>17.37</td> </tr> <tr> <td>b. Others</td> <td>16,205,990</td> <td>5.51</td> </tr> <tr> <td>Total</td> <td>67,239,168</td> <td>22.88</td> </tr> </tbody> </table>	Name	No. of Shares	%	a. Kepwealth Inc.	51,033,178	17.37	b. Others	16,205,990	5.51	Total	67,239,168	22.88								
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a. Kepwealth Inc.	51,033,178	17.37																			
b. Others	16,205,990	5.51																			
Total	67,239,168	22.88																			
3.	International Container Terminal Services Inc.	4,265,171	1.45																		
4.	George S. Dee, Jr.	3,442,891	1.17																		
5.	PNOC Shipping and Transport Corporation	2,227,511	0.76																		
6.	Visayan Surety & Insurance Corporation	1,671,664	0.57																		
7.	Sulpicio Lines Inc.	694,719	0.24																		
8.	Augusto Go	410,423	0.14																		
9.	Eduardo Go Hayco	269,277	0.09																		
10.	Ho Tong Hardware, Inc.	248,018	0.08																		
11.	Adrienne Gotian Chu	236,795	0.08																		
12.	Mary Margaret G. Dee	236,788	0.08																		
13.	Tessa L. Navera	225,005	0.08																		
14.	Janette Nellie Go Chiu	200,055	0.07																		
15.	East Visayan Milling Corporation	181,453	0.06																		
16.	Rafanan/Antonio Diosdado	181,453	0.06																		
17.	Soh Ngoi May Mrs Sng Ngoi May	167,245	0.06																		
18.	DCA Holdings Inc.	147,225	0.05																		
19.	Carlos S. Go	140,176	0.05																		
20.	Eusebio S. Go	130,638	0.04																		

c.) Dividends

On April 12, 2024, KEP declared cash dividends amounting to ₱15.14 per common share or a total of ₱4,448.6 million for stockholders of record as of April 29, 2024, due on May 22, 2024.

There are no cash dividends declared from year 2003 to 2023 as KEP's retained earnings are restricted for the portion of undistributed share in results of associates and cost of treasury shares.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

A. Results of Operations

Year Ended December 31, 2025 Compared To 2024

The net income for the year ended December 31, 2025 decreased by ₱191.4 million, from ₱199.1 million to ₱7.7 million, due to the following:

- Decrease in **INTEREST INCOME** by ₱126.9 million from ₱151.7 million in 2024 to ₱24.8 million in 2025 due to the decline in short-term time deposit placements resulting from the payment of redemption price to KML and cash dividends to shareholders in 2024
- Decrease in **OTHER INCOME, NET** by ₱109.7 million from ₱111.5 million in 2024 to ₱1.8 million in 2025 mainly due to the ₱117.2 million foreign exchange gain with the appreciation of Philippines peso against US dollars on KEP's US Dollar short-term deposit in 2024, partly offset by the ₱8.3 million impairment loss on investments in associates recognized in 2024.
- Changes in **SHARE IN NET INCOME OF ASSOCIATES** from period to period are dependent upon the results of the operations of the associates. The Group recorded a share in net income of associates in 2025 of ₱1.5 million, against the share in net income of ₱5.4 million in 2024.

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

- Decrease in **GENERAL AND ADMINISTRATIVE EXPENSES** by ₱23.0 million from ₱37.7 million in 2024 to ₱14.7 million in 2025 mainly due to lower taxes and licenses, professional fees and repairs and maintenance.
- Decrease in **INCOME TAX EXPENSE** by ₱26.1 million from ₱31.8 million in 2024 to ₱5.7 million in 2025 due to the decrease in final taxes on interest income.

Year Ended December 31, 2024 Compared To 2023

The net income for the year ended December 31, 2024 is lower by ₱3,089.0 million mainly due to the ₱2,681.6 million net gain from the Divestment recognized in year 2023. The said Divestment also resulted in decrease in share in net income of associates and joint venture by ₱608.7 million and management consultancy and franchise fees by ₱45.5 million.

The aforementioned decreases were partly offset by following:

- Increase in **INTEREST INCOME** by ₱141.5 million from ₱10.2 million in 2023 to ₱151.7 million in 2024 due to income earned by the Divestment proceeds placed in short-term deposits.
- Decrease in **GENERAL AND ADMINISTRATIVE EXPENSES** by ₱26.5 million from ₱64.2 million in 2023 to ₱37.7 million in 2024 mainly due to lower salaries, wages and benefits from lower payroll headcount, lower depreciation from fully depreciated assets in 2023, lower utilities and repairs and maintenance, partly offset by the one-time remuneration paid to KEP's directors and the payment of assessed tax arising from the audit of taxable years 2016 and 2022.

- Increase in **OTHER INCOME, NET** by ₱106.2 million from ₱5.3 million in 2023 to ₱111.5 million in 2024 mainly due to the ₱119.6 million foreign exchange gain with the appreciation of Philippines peso against US dollars on KEP's US Dollar short-term deposit, partly offset by the ₱8.3 million impairment loss on KEP's investment in associates and lower intercompany charges.
- Increase in **INCOME TAX EXPENSE** by ₱27.5 million from ₱4.3 million in 2023 to ₱31.8 million in 2024 due to the final taxes on interest income.

Year Ended December 31, 2023 Compared To 2022

The net income for the year ended December 31, 2023 increased by ₱2,745.9 million, from ₱542.2 million to ₱3,288.1 million mainly due to the ₱2,681.6 million net gain from the Divestment on December 22, 2023. Other reasons for the increase in net income are as follows.

- Changes in **SHARE IN NET INCOME OF ASSOCIATES AND JOINT VENTURE** from year to year are dependent upon the results of the operations of the associates and joint venture. The share in net income for the year 2023 is higher by ₱58.4 million from a share in net income of ₱555.7 million to ₱614.1 million in 2023.
- Increase in **MANAGEMENT CONSULTANCY AND FRANCHISE FEES** by ₱4.7 million from ₱40.8 million in 2022 to ₱45.5 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.
- Increase in **INTEREST INCOME** by ₱9.5 million from ₱0.7 million in 2022 to ₱10.2 million in 2023 due to the increase in amount of short-term deposits arising from the cash proceeds from the Divestment and increase in the related interest rates.
- Increase in **OTHER INCOME, NET** by ₱3.2 million from ₱2.1 million in 2022 to ₱5.3 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.

The aforementioned increase in net income was partially offset by the increase in **GENERAL AND ADMINISTRATIVE EXPENSES** by ₱9.5 million from ₱54.7 million in 2022 to ₱64.2 million in 2023 mainly due to higher taxes and licenses incurred from the payment of tax assessment fees for the taxable years 2017 and 2018, higher salaries, wages and benefits from accrual of bonuses, and higher professional fees related to the Divestment. The said increases in expenses were partially offset by the decline in management consultancy fees with SMPM due to the termination of related agreement effective on January 1, 2023 and decline in depreciation due to full depreciation and disposal of assets in 2023.

KEY PERFORMANCE INDICATORS

	2025	2024	2023	2022
Return on assets ¹	1.26%	4.64%	(0.13%)	(0.42%)
Earnings (loss) per share from continuing operations ²	₱0.03	₱0.68	(₱0.02)	(₱0.05)
Earnings per share from discontinued operations ²	-	-	₱11.21	₱1.89
Earnings per share from operations ²	₱0.03	₱0.68	₱11.19	₱1.85
Net tangible asset value per share ³	₱1.69	₱1.66	₱16.12	₱9.79
Working capital ratio ⁴	4.85:1	4.05:1	178.77:1	2.73:1
Debt-to-equity ratio ⁵	0.24:1	0.26:1	0.14:1	0.01:1

¹ Net income (loss) from continuing operations divided by Average total assets

² Net income (loss) from continuing/discontinued/overall operations divided by No. of common stock outstanding

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

⁴ Total current assets divided by current liabilities. The significantly high ratio in year 2023 resulted from the cash proceeds from the Divestment.

⁵ Total liabilities divided by total equity

B. Financial Condition

Year Ended December 31, 2025 Compared To 2024

TOTAL ASSETS decreased by ₱1.1 million from ₱613.7 million in 2024 to ₱612.6 million in 2025. The significant changes in account balances during the period are as follows:

- **CASH AND CASH EQUIVALENTS** increased by ₱76.1 million mainly due to cash inflows from the liquidating dividends received by KEP from the associates amounting to ₱78.6 million.
- **RECEIVABLES** increased by ₱0.9 million mainly due to the increase in accrued interest from higher amount of short-term time deposits.
- **DUE FROM RELATED PARTIES** decreased by ₱0.2 million due to collection of operating advances made on behalf of the Group's associates.
- **PREPAYMENTS AND OTHER CURRENT ASSETS, AND OTHER NON-CURRENT ASSETS** decreased by ₱1.3 million due to the impairment loss recognized in 2025 on creditable withholding tax amounting to ₱0.9 million.
- **INVESTMENTS IN ASSOCIATES** decreased by ₱76.7 million due to the liquidating dividends declared and paid by the associates totaling ₱76.7 million to KEP as a result of the associates' dissolution.

TOTAL LIABILITIES decreased by ₱8.8 million from ₱126.0 million in 2024 to ₱117.2 million in 2025 mainly due to the payment of dividends payable and transaction costs related to the sale of investment in joint venture.

TOTAL EQUITY increased by ₱7.6 million from ₱487.8 million in 2024 to ₱495.4 million in 2025 due to the net income recognized for the period ended December 31, 2025.

Year Ended December 31, 2024 Compared To 2023

TOTAL ASSETS decreased by ₱7,125.6 million from ₱7,739.3 million in 2023 to ₱613.7 million in 2024. The significant changes in account balances during the period are as follows:

- **CASH AND CASH EQUIVALENTS** decreased by ₱6,066.0 million mainly due to the cash outflows for the dividend to stockholders of ₱4,367.4 million, preferred shares redemption price of ₱2,022.1 million and capital gains tax (CGT) related to the Divestment of ₱909.3 million, partly offset by the cash inflows from interest on short-term deposits of ₱157.9 million, dividends from associates of ₱946.1 million and realization of financial assets at fair value through other comprehensive income of ₱78.3 million.
- **RECEIVABLES, AND RECEIVABLES FROM SALE OF INVESTMENT IN JOINT VENTURE** decreased by ₱25.9 million due to the collection in 2024 of the remaining receivable from the sale of investment in joint venture and the outstanding management consultancy and franchise fees from the joint venture; and the receipt of accrued interest income on short-term deposits.
- **DUE FROM RELATED PARTIES** decreased by ₱3.2 million due to collection of operating advances made on behalf of the Group's associates.
- **INVESTMENTS IN ASSOCIATES** decreased by ₱949.0 million due to the dividends received from associates and recorded impairment loss, partly offset by the share in net income of associates.
- **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME** decreased by ₱79.3 million due to the redemption of preferred shares by OKEP and OVI.
- **DEFERRED INCOME TAX ASSETS, NET** decreased by ₱1.7 million due to derecognition of deferred tax on accrued bonuses.

TOTAL LIABILITIES decreased by ₱854.0 million from ₱980.0 million in 2023 to ₱126.0 million in 2024 mainly due to the payment of CGT related to the Divestment, partly offset by the increase in dividends payable arising from the cash dividends declared on April 12, 2024.

TOTAL EQUITY decreased by ₱6,271.5 million from ₱6,759.3 million in 2023 to ₱487.8 million in 2024 mainly due to the cash dividend declared on April 12, 2024 and preferred shares redeemed on May 22, 2024.

7. TRENDS, EVENTS OR UNCERTAINTIES THAT HAVE AFFECTED OR THAT ARE REASONABLY EXPECTED TO AFFECT REVENUES OR INCOME

a) As at December 31, 2025:

- There are no known material commitments for capital expenditures.
- There are no other 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.
- The significant element of income or loss that did not arise from the Group's continuing operations is the net gain from the Divestment in year 2023.

- There are no seasonal aspects that had a material impact on the results of operations of 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 Group with unconsolidated entries or other persons created during the reporting period.
- d) The Group is not a party to any lawsuit or claim arising from the ordinary course of business.

8. INFORMATION ON EXTERNAL AUDITORS

Isla Lipana & Co. was the external auditor of the Group for the year ended December 31, 2025. The Group's aggregate annual external audit fees for the audit of the Annual Financial Statements is in the amount of ₱1,222,651 and ₱1,300,383 in 2025 and 2024, respectively.

The Audit and Compliance Committee's approval on policies and procedures included assessing the proposed scope of audit work to be conducted by the independent auditor, evaluating if there are material audit issues to be resolved, and determining whether the fee charged is commensurate with the work carried out.

Other non-audit fees paid to Isla Lipana & Co. include tax retainer services in the amount of ₱223,200 for each of the years 2025 and 2024.

9. CONSOLIDATED AUDITED FINANCIAL STATEMENTS

The consolidated audited financial statements and schedules listed in the accompanying Index to Consolidated Audited Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

10. CHANGES IN AND DISAGREEMENTS WITH EXTERNAL AUDITORS ON ACCOUNTING AND FINANCIAL DISCLOSURES

There were no changes in and/or disagreements with Group's external auditors on accounting and financial disclosures.

PART III - CONTROL AND COMPENSATION INFORMATION

11. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Board of Directors

(1) Tan Kuang Liang, 51

Mr. Tan Kuang Liang, 51, Singaporean, was elected as Chairman of the Board of Directors and President of KEP effective on February 10, 2023.

Mr. Tan joined Keppel in 2012 and is currently the President of Regional Investments under Keppel's Real Estate Division. Before his current appointment, he was the General Manager for Operational excellence with oversight on Sustainability, Safety, Corporate social responsibility, and Project management at KML. Prior to joining KML, he led CapitaLand's South China operations, Jurong China group's business development, and worked in CPG Consultants. Mr. Tan graduated with BSc. Building (2nd Upper Hons) from the National University of Singapore and completed his MSc. Sustainable Building Design (Merit) from the University of Nottingham under BCA-WDA Scholarship in 2016. He is a Green Mark Advanced Accredited Professional and a member of the Singapore Institute of Arbitrators and Society of Project Managers.

(2) Ramon J. Abejuela, 76

Mr. Ramon J. Abejuela, 76, Filipino, was elected as an Independent Director of KEP from November 1999 to June 2008. He was re-elected in June 2009 and is currently the Chairman of the Audit and Compliance Committee of KEP. He is also an Independent Director of Keppel Philippines Holdings, Inc. since September 2017 and Mabuhay Vinyl Corporation since August 2022. He also serves as Director and Vice Chairman of the Board of Philippine Nutri-Foods Corporation and Health Delivery System, Inc. since 2004. He was also an independent director of Seatrium Philippines Marine, Inc. (previously, Keppel Philippine Marine, Inc.) from year 2020 to 2022.

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

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

(3) Celso P. Vivas, 79

Mr. Celso P. Vivas, 79, Filipino, was elected as an Independent Director of KEP since November 2004 and is a member of KEP's Audit and Compliance Committee. He is also an Independent Director since June 2005 and is currently the Lead Independent Director and Chairman of the Audit Risk and Compliance Committee of Keppel Philippine Holdings, Inc.

Mr. Vivas is also an Independent Director of Megawide Construction Corporation, Chairman of its Audit and Compliance Committee, and Member of both the Board Risk Oversight and Governance, Nomination and Remuneration Committee. He also serves as an Independent Director of Republic Glass Holdings Corporation, Chairman of its Governance, Nomination and Remuneration Committee, and Member of the Audit and Risk Management Committee. He is also an Independent Director of Goodsoil Marine Realty, Inc., Goodwealth Realty Development, Inc., and Consort Land, Inc. He was also an Independent Director of Seatrium Philippines Marine, Inc. and Seatrium Subic Shipyard Inc. (previously, Keppel Subic Shipyard, Inc.) until year 2022.

Mr. Vivas was a Risk Consulting Partner and Assurance Business Advisory Partner of SGV & Company until his retirement in 2001.

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

Mr. Vivas is a Certified Public Accountant and has over 50 years of experience in audit, finance, enterprise risk management and corporate governance.

(4) Ms. Kang Siew Fong, 53

Ms. Kang Siew Fong, 53, Singaporean was elected as Director of the Company on June 10, 2022. She was appointed as Country Head of the Company to oversee Keppel's business in the Philippines on May 2022.

Ms. Kang joined Keppel in 2005. She has extensive experience and knowledge in business development and asset management in Singapore and regional countries such as India, Myanmar, Malaysia and Sri Lanka. Prior to joining Keppel, she worked for Singapore Land Authority, Urban Redevelopment Authority and major international commercial real estate services companies in areas of portfolio management and marketing. Ms. Kang holds a Bachelor Degree (Honours 2nd Class Upper) in Science (Estate Management).

(5) Leonardo R. Arguelles, Jr., 76

Mr. Leonardo R. Arguelles Jr., 76, Filipino, was elected as an Independent Director of the Company in August 2020 and is a Member of KEP's Audit and Compliance Committee. He is also an Independent Director of Keppel Philippines Holdings, Inc. since June 2020.

He was the Chief Executive Officer and Director of Unicapital Securities, Inc. from 2001 to March 2019, concurrently being a Member of its Strategic Planning Committee, Risk Management Committee, and Digital Committee. He was also an Independent Director from 2002 to 2009 at Royal Bank of Scotland, Manila Branch, being the Chairman of the Audit Committee and Member of its Governance Committee and Risk Management Committee. He has also held Executive, Advisory and Directorship positions in various Financial Institutions and Listed Entities.

Mr. Leonardo R. Arguelles Jr. graduated from Ateneo de Manila University with Bachelor's Degree in Economics. He also finished a certificate course in Strategic Business Economics from University of Asia and the Pacific, and completed his Advanced Management Program from University of Asia and the Pacific and IESE Business School of Barcelona.

(6) Stefan Tong Wai Mun, 53

Mr. Stefan Tong Wai Mun, 53, Malaysian, was elected as a Director of KEP in June 2007. He was elected as a regular Director of Seatrium Philippines Marine, Inc. in February 2010 until 13 August 2025, and has been its Executive Vice-President since 2011. He is also a Director of Keppel Philippines Holdings, Inc., and of various Keppel companies in the Philippines.

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

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

(7) Tan Boon Ping, 51

Ms. Tan Boon Ping, 51, Singaporean, was elected as a Director of KEP on January 14, 2019. Ms. Tan joined KML in December 2008 as Financial Controller, overseeing the Group consolidation and reporting for KML. She reported directly to the Chief Financial Officer, and she also assisted the Company Secretary on corporate secretarial matters. In December 2015, she was appointed the Chief Financial Officer of Keppel Real Estate (China) Limited. In August 2018, she assumed the role of Chief Financial Officer, KML. Ms. Tan is now the Head, Finance Business Partner.

Prior to joining KML, Ms. Tan has worked with established real estate companies in Singapore where she gained experiences in group consolidation, tax, financial and management reporting, forecasting and budgeting for large groups with regional presence. She started her career as an auditor with Ernst and Young and PricewaterhouseCoopers.

Ms. Tan holds a Bachelor of Business Administration from National University of Singapore and a Master in Financial Management from University of Manchester. She is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

(8) Yong Ngai Soon, 52

Mr. Yong Ngai Soon, 52, Singaporean, was elected as a Director of KEP on May 29, 2020. Mr. Yong joined KML in January 2019 as Financial Controller. Mr. Yong is now a Director in Finance. His professional background includes various industries such as Audit, Information Technology, and Real Estate. Mr. Yong is now a Director in Finance.

Prior to joining KML, he held senior finance leader positions in the past ten years with established real estate companies in Singapore and China. He also has profound experience in group consolidation, financial reporting, business partnering, tax, and mergers and acquisitions.

Mr. Yong holds a Bachelor's Degree in Accountancy from Nanyang Technological University of Singapore. He is a Chartered Accountant with the Institute of Singapore Chartered Accountants.

Resigned Members of the Board of Directors in year 2025 until the date of this report

There were no resignations from the members of the Board of Directors in year 2025 until the date of this report.

Key Officers

(1) Tan Kuang Liang, 51 *(See foregoing director's profile)*

(2) Kang Siew Fong, 53 *(See foregoing director's profile)*

(3) Jona Arrol V. Cabrera, 34

Ms. Jona Arrol V. Cabrera, 34, Filipino, joined the Company in May 2021 as Finance Deputy Manager and was appointed as Treasurer effective June 10, 2022.

Ms. Cabrera has over 10 years of combined experience in the field of external audit, accounting, business process improvement, and underwriting. She previously worked with the real estate conglomerate, Filinvest Land, Inc.; investment bank, Avana Capital; and auditing firms, SGV & Co. (Ernst & Young Philippines) and Grant Thornton in the Kingdom of Bahrain.

Ms. Cabrera graduated from Universidad De Dagupan with Bachelor of Science Degree in Accountancy and passed the licensure examination for Certified Public Accountants in

October 2011.

(4) Atty. Maria Melva E. Valdez, 66

Atty. Maria Melva E. Valdez, 66, Filipino, is a Partner in Bello Valdez & Esguerra (BVE Law) and has been in the legal profession for almost four decades, continuously contributing to the institutional continuity of numerous corporations in the Philippines, especially KEP, where she has been the Corporate Secretary since 1999. From 2008 to 2009, she served as a Director of KEP. Her practice spans a vast portfolio of industries. Currently, she holds the positions of Chairman and President of Servier Philippines, Inc., Director of Leighton Contractors (Philippines), Inc., and Director and President of Taurus First Properties, Inc. Her excellence as Corporate Secretary extends to various publicly listed companies/public companies, specifically Mabuhay Vinyl Corporation and Keppel Philippines Holdings, Inc., subsidiaries, along with other corporations, such as Asian Institute of Management, Calamba Medical Center, Inc., Sagara Metro Plastics Industrial Corporation, VS Industries Philippines, Inc., ITC Philippines, Inc., Toyota Corolla Sapporo Philippines Holdings, Inc., Philippine EDS Techno-Service, Inc., Wartsila Philippines, Inc., Kopiko Philippines Corporation, EMS Services International, Inc. In addition, Atty. Valdez is a trustee of AIM Scientific Research Foundation, Inc., FIF Foundation, Inc., and Philippine-Japan Economic Cooperation Committee, Inc. and a member of the Philippines-Japan Society. Beyond her extensive list of corporate secretarial roles, she remains committed to molding the next generation of legal professionals by serving as a lecturer at the UP Law Center's Paralegal Training Program, the university where she got her degree in Political Science and Law. She earnestly provides quality legal service to a broad range of clients, and is recognized for her long-standing experience and expertise in corporate secretarial work and governance.

(5) Atty. Pamela Ann T. Cayabyab, 43

Pamela Ann T. Cayabyab, 43, Filipino, has been the Assistant Corporate Secretary of KEP since May 2021. She has been the Assistant Corporate Secretary of other companies such as Mabuhay Vinyl Corporation (a listed company) and MVC Properties Inc. since November 2020, Keppel Philippines Holdings, Inc. (a public company) since June 2021 and various Keppel companies as well as Seatrium Philippines Marine, Inc. and Seatrium Subic Shipyard, Inc. She is likewise the Corporate Secretary of the FIF Foundation Inc., Gruppo EMS Inc., EMS Resources Technology Inc., EMS Services Philippines, Inc., Creotec Philippines Inc., and Toyota Corolla Sapporo Philippines Holdings, Inc. Atty. Cayabyab is a Partner of the BVE Law. She obtained her degrees in Bachelor of Arts in Political Science from the University of the Philippines – Diliman in 2003 and Juris Doctor from the Ateneo de Manila University School of Law in 2007. She was admitted to the Philippine Bar in 2008.

Resigned Key Officers in year 2025 until date of this report

There were no resignations from the key officers in year 2025 until the date of this report.

Significant Employees

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

Directorships in Other Reporting Companies

The following are directorships held by the Directors in other reporting companies:

Ramon J. Abejuela

Keppel Philippines Holdings, Inc. - Independent Director

Celso P. Vivas

Keppel Philippines Holdings, Inc. - Lead Independent Director and Chairman of the Audit, Risk and Compliance Committee

Stefan Tong Wai Mun

Keppel Philippines Holdings, Inc. - Director

Leonardo R. Arguelles, Jr.

Keppel Philippines Holdings, Inc. - Independent Director

Family Relationship

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

Legal Proceedings

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

12. EXECUTIVE COMPENSATION

KEP has four (4) executive officers as at December 31, 2025:

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

SUMMARY COMPENSATION TABLE					
Annual Compensation (in Pesos)					
Name and Principal Position		Salary	Bonus	Others	Total
		In ₱ Millions			
Tan Kuang Liang <i>(Chairman of the Board of Directors and President)</i> 1) Kang Siew Fong <i>(Country Head)</i> 2) Jona Arrol V. Cabrera <i>(Treasurer)</i> 3) Kimberly Escolano <i>(Internal Auditor)</i>					
	2026 (Estimate)	2.75	2.30	0.45	5.50
	2025	2.62	2.19	0.43	5.24
	2024	2.05	1.55	0.51	4.11
Aggregate compensation of the President and top Executive Officers					

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

- b. KEP's By-Laws provide that, by resolution of the Board, each Director shall receive a per diem allowance for his/her attendance at each meeting of the Board. As compensation, the Board shall receive and allocate an amount of not more than ten (10%) of the net income before tax of the corporation during the preceding year. Such compensation shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least majority of the outstanding capital stock at a regular or special meeting of the stockholders. With respect to directors' remuneration, the directors are being paid directors' fees of ₱120,000 each per annum. Payment of directors' fee of ₱120,000 per director for 2025 will be presented to the stockholders for approval at the annual stockholders' meeting. Each director also receives an amount of ₱12,000 per diem for attendance at every board meeting. In year 2025, the directors received directors' fee of P120,000 each.
- c. There are no other standard or special arrangements and no special consulting contracts awarded to any director or officer of KEP by which they were compensated, or to be compensated, directly or indirectly, and there are no amounts payable to any of the directors arising from participation in any working committee or special assignments in the current fiscal year or in the coming year.
- d. There are no employment contract/s, termination and change in control arrangements including pension/s or retirement plan/s in which any of the directors and officers will participate.
- e. There are no outstanding warrants or options held by the registrant's president, executive officers and all officers and directors as a Group.

13. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security Ownership of Certain Record and Beneficial Owners:

As at December 31, 2025, KEP has no knowledge of any individual or any party who beneficially owns KEP stock in excess of 5% of KEP's common stock except as set forth in the table below:

Title of Class	Name and Address of Record Owner and relationship with KEP	Name of Beneficial Owner and relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common Shares of Stock	Keppel Management Ltd. (previously known as Keppel Land Limited) ¹ 1 HarbourFront Avenue #18-01 Keppel Bay Tower, Singapore 098632 (Stockholder)	Same as Record Owner	Singaporean	148,365,050	50.49%
Common Shares of Stock	Kepwealth, Inc. ² Unit 3-B Country Space I Bldg., Sen. Gil Puyat Avenue, Makati City (Stockholder)	Same as Record Owner	Filipino	51,033,178	17.37%
Common Shares of Stock	Keppel Ltd. (previously known as Keppel Corporation Limited) ³ 1 HarbourFront Avenue #18-01 Keppel Bay Tower, Singapore 098632 (Stockholder)	Same as Record Owner	Singaporean	35,783,742	12.18%
Common Shares of Stock	Molten Pte Ltd. ⁴ 1 HarbourFront Avenue #18-01 Keppel Bay Tower, Singapore 098632 (Stockholder)	Same as Record Owner	Singaporean	19,951,723	6.79%
Common Shares of Stock	PCD Nominee Corp. – Filipino ⁵ 37/F Enterprise Bldg. Ayala Avenue, Makati City 1226	Various ⁵	Filipino	16,205,990	5.51%

1. Mr. Tan Kuang Liang is authorized as proxy to vote for the shareholdings of Keppel Management Ltd.

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

3. Mr. Tan Kuang Liang, or in his absence, the Chairman of the meeting is duly authorized as proxy to vote for the shareholdings of Keppel Ltd. in KEP.

4. Ms. Kang Siew Fong, or in his absence, the Chairman of the meeting is duly authorized as proxy to vote for the shareholdings of Molten Pte. Ltd. in KEP.

5. PCD Nominee Corporation (PCNC) is a wholly-owned subsidiary of the Philippine Central Depository, a corporation established to improve operations in securities transactions and to provide a fast, safe and highly efficient system for securities settlement in the Philippines. PCNC acts as trustee-nominee for all the shares lodged in the PCD system, where trades effected on the Philippine Stock Exchange are finally settled with the PCD. However, while PCNC is the actual shareholder in the said company, shares held by PCNC do not grant voting powers to it as the beneficial ownership of the shares still remain with the lodging stockholder. By policy, PCNC does not vote the shares it was entrusted with in its name.

(b) Security Ownership of Directors and Management:

As at December 31, 2025, the shareholdings of all Directors of KEP are as follows:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class
Common Shares of Stock	Tan Kuang Liang	1	Singaporean	0.00%
Common Shares of Stock	Ramon J. Abejuela	1	Filipino	0.00%
Common Shares of Stock	Celso P. Vivas	1	Filipino	0.00%
Common Shares of Stock	Kang Siew Fong	1	Singaporean	0.00%
Common Shares of Stock	Leonardo R. Arguelles, Jr.	1	Filipino	0.00%
Common Shares of Stock	Stefan Tong Wai Mun	10,000	Malaysian	0.00%
Common Shares of Stock	Tan Boon Ping	1	Singaporean	0.00%
Common Shares of Stock	Yong Ngai Soon	1	Singaporean	0.00%

As disclosed above, apart from the President and the Country Head who are also Directors of KEP, none of the compensated executive officers have Security Ownership in KEP as shown in the list of shareholders' purchases as provided by KEP's transfer agent.

(c) Voting Trust Holders of 5% or more

As at December 31, 2025, there are no individuals or parties who hold 5% or more of KEP's common shares of stock under a voting trust or similar agreement.

(d) Changes in control

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

14. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

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

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

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

- b) The Parent Company of the registrant is KML, who owns 50.49% of KEP's capital stock.

Details of KEP's related party transactions are explained in Note 12 of the Notes to the Consolidated Audited Financial Statements of KEP.

PART IV – CORPORATE GOVERNANCE

15. CORPORATE GOVERNANCE

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

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

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

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

KEP created committees required under the Amended Manual, namely, Executive Committee, Audit and Compliance Committee, and Governance, Nomination and Compensation Committee. The creation of said committees and the election of corresponding members were immediately disclosed to the SEC and the PSE. Each aforementioned committee performs functions and responsibilities set forth in the Amended Manual.

The Executive Committee meets regularly to perform tasks as delegated by the Board.

The Audit and Compliance Committee meets regularly to review all financial reports to comply with the relevant accounting and regulatory standards, and performs oversight of financial management functions. The Committee is composed of three (3) independent directors with one (1) independent director serving as Chairperson.

The Governance Nomination and Compensation Committee complies with the provisions of KEP's Amended Manual with regard to its oversight responsibility on corporate governance, nomination and compensation. The Committee pre-screens all candidates nominated to become members of the Board. The qualifications of director mentioned in the Amended Manual have also been strictly followed. The Committee is composed of three (3) independent directors with one (1) independent director serving as Chairperson.

All of the directors of KEP have attended and actively participated in the Corporate Governance Seminars held annually.

KEP submitted its Integrated Annual Corporate Governance Report to SEC and PSE on May 30, 2024.

PART V - EXHIBITS AND SCHEDULES

16. EXHIBITS AND REPORTS ON SEC FORM 17-C

- (a) Exhibits - See accompanying Index to Exhibits

The following exhibit is filed as a separate section of this report:
No. (18) on Index to Exhibits - Subsidiaries of the Registrant

The other exhibits, as indicated in the Index to Exhibits are either not applicable to KEP or require no answer.

- (b) Reports on SEC Form 17-C

Reports on SEC Form 17-C filed during the last twelve (12) month period covered by this report are as follows:

<u>Date of Report</u>	<u>Events Reported</u>
January 31, 2025	End of BHI's corporate term
February 07, 2025	Approval of the Audited Financial Statements, the Annual Report and the Sustainability Report for the period ended 31 December 2024 and approval of Additional Impairment Loss on Investment in associate at KEP's Parent Level
March 05, 2025	Approval of Application for Listing of One (1) Common Share and Designation of Authorized Representative, Approval of the Share Price of the One (1) Common Share for Listing and Setting of the Annual Stockholders' Meeting Date and Record Date
April 24, 2025	Results of the Regular Meeting of the Board of Directors
April 24, 2025	Results of the Annual Stockholders' Meeting
April 24, 2025	Results of the Organizational Meeting of the Board of Directors
May 08, 2025	Approval of Quarterly Financial Statements (SEC Form 17-Q) and Y2024 Integrated Annual Corporate Governance Report (I-ACGR)
August 13, 2025	Approval of Quarterly Financial Statements (SEC Form 17-Q)
September 30, 2025	End of OKEP, OVI and ORDC's corporate term
October 01, 2025	Approval of KEP's Money Laundering and Terrorism Financing Prevention Program
November 12, 2025	Approval of Quarterly Financial Statements (SEC Form 17-Q)



KEMENTERIAN HUKUM
REPUBLIK INDONESIA
Ministry of Law
Republic of Indonesia



APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Negara Republik Indonesia
Republic Of Indonesia

Dokumen publik ini
This public document

2. telah ditandatangani oleh Amelia Jocelyn Situngkir, SH., M. Kn
has been signed by Amelia Jocelyn Situngkir, SH., M. Kn

3. bertindak dalam kewenangan sebagai Notaris Kabupaten Tangerang
acting in the capacity of Notaris Kabupaten Tangerang

4. dibubuhi segel/cap Notaris Amelia Jocelyn Situngkir, S.H., M. Kn.
bears the seal/stamp of Notaris Amelia Jocelyn Situngkir, S.H., M. Kn.

Disahkan
Certified

5. di Jakarta
at Jakarta

6. tanggal 02 April 2026
the 2nd day of April 2026

7. oleh Direktur Jenderal Administrasi Hukum Umum
by Director General of Legal Administrative Affairs

8. Nomor AHU.AH.12.05.01-36858 Tahun 2026
No. AHU.AH.12.05.01-36858 Tahun 2026

9. Segel/Cap
Seal/stamp

10. Tanda Tangan
Signature



Widodo
Direktur Jenderal Administrasi Hukum Umum

SERTIFIKAT APOSTILLE INI HANYA MENYATAKAN KEASLIAN TANDA TANGAN, KEWENANGAN PENANDA TANGAN DOKUMEN, DAN JIKA ADA, IDENTITAS SEGEL ATAU CAP YANG DILEKATKAN DI ATASNYA.

THIS APOSTILLE CERTIFICATE ONLY CERTIFIES THE AUTHENTICITY OF THE SIGNATURE AND THE CAPACITY OF THE PERSON WHO HAS SIGNED THE PUBLIC DOCUMENT, AND WHERE APPROPRIATE, THE IDENTITY OF THE SEAL OR STAMP WHICH THE PUBLIC DOCUMENTS BEARS.



SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Tangerang on February 13, 2026.

By:

Tan Kuang Liang
President

LEGALIZATION

Number: 887/L/2026 (two copies)

Seen for legalization the signature of:

-Mr. TAN KUANG LIANG,

On this day, Friday, 13th March, 2026 by me,
AMELIA JOCELYN SITUNGKIR, Sarjana Hukum,
Magister Kenotariatan, Notary in Kabupaten
Tangerang.

Notary in Kabupaten Tangerang



AMELIA JOCELYN SITUNGKIR, S.H., M.Kn.

KEPPEL PHILIPPINES PROPERTIES, INC.
INDEX TO FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
SEC FORM 17-A

Financial Statements

Statements of Management's Responsibility for Consolidated Financial Statements
Report of Independent Public Accountants
Consolidated Statements of Financial Position as at December 31, 2025 and 2024
Consolidated Statements of Total Comprehensive Income for each of the three years in the period ended December 31, 2025
Consolidated Statements of Changes in Equity for each of the three years in the period ended December 31, 2025
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2025
Notes to the Consolidated Financial Statements

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- A Financial Assets
- B Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
- C Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements.
- D Long Term Debt
- E Indebtedness to Related Parties
- F Guarantees of Securities of Other Issuers
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Map of the Relationships of the Company within the Group

KEPPEL PHILIPPINES PROPERTIES, INC.
INDEX TO EXHIBITS
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No.		<u>Page No.</u>
(1)	Publication of Notice re: Filing	NA
(2)	Underwriting Agreement	NA
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession	NA
(4)	Articles of Incorporation and By-Laws	NA
(5)	Instruments Defining the Rights of Security Holders, Including Indentures	NA
(6)	Opinion Re: Legality	NA
(7)	Opinion Re: Agreement	NA
(8)	Voting Trust Agreement	NA
(9)	Material Contracts	NA
(10)	Annual Report to Security Holders, Form 11- Q or Quarterly Report to Security Holders	NA
(11)	Material Foreign Patents	NA
(12)	Letter Re: Unaudited Interim Financial Information	NA
(13)	Letter Re: Change in Certifying Accountant	NA
(14)	Letter Re: Director Resignation	NA
(15)	Letter Re: Change in Accounting Principles	NA
(16)	Report Furnished to Security Holders	NA
(17)	Other Documents Or Statements to Security Holders	NA
(18)	Subsidiaries of the Registrant	NA
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	NA
(20)	Consents of Experts and Independent Counsel	NA
(21)	Power of Attorney	NA
(22)	Statements of Eligibility of Trustee	NA
(23)	Exhibits to be Filed with Bonds Issues	NA
(24)	Exhibits to be Filed with Stocks Options Issues	NA
(25)	Exhibits to be Filed by Investment Companies	NA
(26)	Curriculum Vitae and Photographs of Officers and Members of the Board of Directors	NA
(27)	Copy of Board of Investment Certificate in the case of Board of Investment Registered Companies	NA
(28)	Authorization to Commission to Access Registrant's Bank Accounts	NA
(29)	Additional Exhibits	NA



KEMENTERIAN HUKUM
REPUBLIK INDONESIA
Ministry of Law
Republic of Indonesia



APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Negara Republik Indonesia
Republic Of Indonesia

Dokumen publik ini
This public document

2. telah ditandatangani oleh Amelia Jocelyn Situngkir, SH., M.Kn
has been signed by Amelia Jocelyn Situngkir, SH., M.Kn

3. bertindak dalam kewenangan sebagai Notaris Kabupaten Tangerang
acting in the capacity of Notaris Kabupaten Tangerang

4. dibubuhi segel/cap Notaris Amelia Jocelyn Situngkir, S.H., M.Kn.
bears the seal/stamp of Notaris Amelia Jocelyn Situngkir, S.H., M.Kn.

Disahkan
Certified

5. di Jakarta
at Jakarta

6. tanggal 02 April 2026
the 2nd day of April 2026

7. oleh Direktur Jenderal Administrasi Hukum Umum
by Director General of Legal Administrative Affairs

8. Nomor AHU.AH.12.05.01-36860 Tahun 2026
No. AHU.AH.12.05.01-36860 Tahun 2026

9. Segel/Cap
Seal/stamp

10. Tanda Tangan
Signature



Widodo
Direktur Jenderal Administrasi Hukum Umum

SERTIFIKAT APOSTILLE INI HANYA MENYATAKAN KEASLIAN TANDA TANGAN, KEWENANGAN PENANDA TANGAN DOKUMEN, DAN JIKA ADA, IDENTITAS SEGEL ATAU CAP YANG DILEKATKAN DI ATASNYA.

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Keppel Philippines Properties, Inc.
 26th Floor The Podium West Tower ADB Avenue,
 Wack-Wack Greenhills Mandaluyong City 1555, Philippines
 T +63 (02) 8539 0460 keppel.com
 SEC No. PW - 305

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of Keppel Philippines Properties, Inc. and Subsidiaries ("the Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at and for the years ended December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein and submits the same to the stockholders.

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

TAN KUANG LIANG
 Chairman of the Board and President

JONA ARROL V. CABRERA
 Treasurer

Signed this 13th day of February 2026

LEGALIZATION

Number: 885/L/2026 (two copies)

Seen for legalization the signature of:

-Mr. TAN KUANG LIANG,

On this day, Friday, 13th March, 2026 by me,
 AMELIA JOCELYN SITUNGKIR, Sarjana Hukum,
 Magister Kenotariatan, Notary in Kabupaten
 Tangerang.

Notary in Kabupaten Tangerang

AMELIA JOCELYN SITUNGKIR, S.H., M.Kn.



Keppel Philippines Properties, Inc.
26th Floor The Podium West Tower ADB Avenue,
Wack-Wack Greenhills Mandaluyong City 1555, Philippines
T +63 (02) 8539 0460 keppel.com
SEC No. PW - 305

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TAN KUANG LIANG
Chairman of the Board and President


JONA ARROL V. CABRERA
Treasurer

Signed this 13th day of February 2026

MAR 12 2026

SUBSCRIBED AND SWORN TO BEFORE ME, this _____ of 2026, affiants exhibited to me their Tax Identification Numbers:

1. Jona Arrol V. Cabrera



~~NOTARY PUBLIC~~
~~FERDINAND B. ZAHAO~~
~~Notary Public~~

For and in Pasig City and the Municipality of Pateros
Commission No. 122 (2024-2027) valid until 12/31/2027
MCLE Exemption No. VIII-BHP003234, until 04/30/28
Roll No. 46377; IBPLRN 02459; OR 535886; 06201/2001
TIN 123-011-785; PTR 4018763AA; 01/09/26; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City, NCR, 1605 Philippines

Doc. No. 24;
Page No. 4;
Book No. 16;
Series of 2026.

PASIG CITY

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

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

As at December 31, 2025

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- C Amounts Receivable from Related Parties which are Eliminated during Consolidation of Financial Statements
- D Long-Term Debt
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- F Guarantee of Securities of Other Issuers
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Supplementary Schedule of External Auditor Fee-Related Information
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Keppel Philippines Properties, Inc. and Subsidiaries
26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills
Mandaluyong City

Schedule A
Financial Assets
As at December 31, 2025
(All amount in Philippine Peso)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the statements of financial position	Income received and accrued
Financial assets at fair value through other comprehensive income			
Club Filipino Inc. de Cebu	7	225,000	-
Total financial assets at fair value through other comprehensive income		225,000	-
Cash and cash equivalents		556,800,797	24,847,205
Receivables		2,729,954	-
Refundable deposits		238,656	-
Total financial assets		559,994,407	24,847,205

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

Schedule B
Amounts Receivable from Directors, Officers, Employees,
Related Parties and Principal Stockholders (Other than Related Parties)
As at December 31, 2025

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected, liquidated or reclassified	Amounts written off	Total	Current	Non- current	Balance at end of year
Opon-KE Properties, Inc.	-	168,155	(168,155)	-	-	-	-	-
Opon Ventures, Inc.	-	168,155	(168,155)	-	-	-	-	-
Opon Realty and Development Corporation	-	239,595	(239,595)	-	-	-	-	-
Keppel Philippines Holdings, Inc.	-	128,044	(128,044)	-	-	-	-	-
Kepwealth, Inc.	-	20,111	(20,111)	-	-	-	-	-
Kepventures, Inc.	-	20,111	(20,111)	-	-	-	-	-
Keppel Land (Regional Investments), Pte. Ltd.	174,309	600	(174,909)	-	-	-	-	-

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

Schedule C
Amounts Receivable from Related Parties which are Eliminated
during the Consolidation of Financial Statements
As at December 31, 2025

Receivables of the Parent Company from its wholly-owned subsidiaries are as follows:

Name and designation of debtor	Balance at beginning of year	Additions	Amounts collected	Amounts provided for/ written off	Total	Current	Non-current	Balance at end of year
NOT APPLICABLE								

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

Schedule D
Long Term Debt
As at December 31, 2025

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

Schedule E
Indebtedness to Related Parties
As at December 31, 2025

Name of related party	Balance at beginning of period	Balance at end of period
Keppel Management Ltd.	20,973,943	20,973,943

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

Schedule F
Guarantees of Securities of Other Issuers
As at December 31, 2025

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

Schedule G
Capital Stock
As at December 31, 2025

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

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

Keppel Philippines Properties, Inc.
(The "Parent Company")
26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills
Mandaluyong City

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2025

Unappropriated Retained Earnings, beginning of the year/period	90,777,303
Add: Category A: Items that are directly credited to Unappropriated retained earnings Reversal of Retained earnings appropriation/s Effect of restatements or prior-period adjustments Others (describe nature)	
Less: Category B: Items that are directly debited to Unappropriated retained earnings Dividend declaration during the reporting period Retained earnings appropriated during the reporting period Effect of restatements or prior-period adjustments Treasury shares	
Unappropriated Retained Earnings, as adjusted	
Add/Less: Net Income (loss) for the current year/period	39,925,590
Less: Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax) Equity in net income of associate/joint venture, net of dividends declared Unrealized foreign exchange gain, except those attributable to cash and cash equivalents Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) Unrealized fair value gain of investment property Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax) Realized foreign exchange gain, except those attributable to Cash and cash equivalents Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL) Realized fair value gain of Investment property Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	

Cont.

Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	
Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	
Reversal of previously recorded fair value gain of investment property	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	
<hr/>	
Adjusted net income/loss	39,925,590
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	
Amortization of the effect of reporting relief	
Total amount of reporting relief granted during the year	
Others (describe nature)	
<hr/>	
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and setup of service concession asset and concession payable	
Adjustment due to deviation from PFRS/GAAP - gain (loss)	
Others (describe nature)	
<hr/>	
Total Retained Earnings, end of the year/period available for dividend declaration	130,702,893

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

Financial Soundness Indicators
As at December 31, 2025
(With comparatives as at December 31, 2024 and 2023)

Financial ratio	Calculation	2025	2024	2023
Liquidity/current ratio	Total current assets divided by total current liabilities			
	Total current assets	565,546,537	4.85	4.05
	Divided by: Total current liabilities	116,562,155		178.77
	Liquidity/current ratio	4.85		
Acid test ratio	Quick assets (total current assets less prepayments and other current assets) divided by total current liabilities			
	Total current assets	565,546,537	4.80	3.85
	Less: Prepayments and other current assets	(5,905,786)		6.71
	Total	559,640,751		
	Divided by: Total current liabilities	116,562,155		
	Acid test ratio	4.80		
Solvency ratio	[Net income after tax plus non-cash expenses (e.g. depreciation etc.)] divided by total liabilities			
	Net income (loss) from continuing operations after Tax	7,697,928	0.07	1.58
	Add: Depreciation and amortization	58,521		(0.00)
	Total	7,756,449		
	Divided by: Total liabilities	117,171,314		
	Solvency ratio	0.07		
Debt-to-equity ratio	Total liabilities divided by total equity			
	Total liabilities	117,171,314	0.24	0.26
	Divided by: Total equity	495,448,501		0.14
	Debt-to-equity ratio	0.24		
Asset-to-equity ratio	Total assets divided by total equity			
	Total assets	612,619,815	1.24	1.26
	Divided by: Total equity	495,448,501		1.14
	Asset-to-equity ratio	1.24		
Return on equity	Net income after tax divided by total equity			
	Net loss from continuing operations after tax	7,697,928	1.57%	5.49%
	Divided by: Average Total equity	491,599,537		(0.11%)
	Return on equity	1.57%		
Return on assets	Net income after tax divided by total assets at beginning			
	Net income (loss) from continuing operations after tax	7,697,928	1.26%	4.77%
	Divided by: Average Total assets	613,164,950		(0.10%)
	Return on assets	1.26%		
Net profit margin	Net income after tax divided by total revenue and income			
	Net income (loss) from continuing operations after tax	7,697,928	30.98%	126.72%
	Divided by: Total revenue and income from continuing operations	24,847,205		(9.46%)
	Net profit margin from continuing operations	30.98%		
Earnings per share	Net income divided by number of common stock outstanding			
	Net income (loss) from continuing operations after tax	7,697,928	0.03	0.68
	Divided by: Number of common stock outstanding	293,828,900		(0.02)
	Earnings per share from continuing operations	0.03		

Keppel Philippines Properties, Inc.

Supplementary Schedule of External Auditor Fee-Related Information
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

Audit and non-audit fees of Keppel Philippines Properties, Inc. and Subsidiaries

	2025	2024
Audit fees:		
Keppel Philippines Properties, Inc.	742,446	742,446
Buena Homes Inc.	-	81,200
Total audit fees	742,446	823,646
Non-audit fees:		
Tax consultancy services	-	-
Tax retainer	223,200	223,200
Total non-audit fees	223,200	223,200
Total audit and non-audit fees	965,646	1,046,846

Audit and non-audit fees of other related entities (Associates)

	2025	2024
Audit fees:		
Opon Realty and Development Corporation	139,187	139,187
Opon Ventures, Inc.	81,200	81,200
Opon-KE Properties, Inc.	81,200	81,200
Total audit fees	301,587	301,587
Non-audit services fees	-	-
Total audit and non-audit fees of other related entities	301,587	301,587

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

Keppel Group Structure
As at December 31, 2025

As at December 31, 2025, the Group's subsidiaries and associates have been dissolved.

Keppel Philippines Properties, Inc.

SUSTAINABILITY REPORT 2025

CONTEXTUAL INFORMATION

Name of Organization	Keppel Philippines Properties, Inc.
Location of Headquarters	26th Floor The Podium West Tower ADB Avenue, Ortigas Center, Brgy. Wack-Wack Greenhills East, 1555 Mandaluyong City, Metro Manila, Philippines
Location of Operations	Mandaluyong City, Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report	This report covers information on Keppel Philippines Properties, Inc. (KPPI or the Company)
Business Model, including Primary Activities, Brands, Products, and Services	Real estate development and property management.
Reporting Period	January 1 to December 31, 2025
Highest Ranking Person responsible for this report	Sarah Kang Country Head

MATERIALITY PROCESS

Keppel Philippines Properties, Inc. (KPPI) continues its materiality process aligned with the AA1000 Standard's 5-step Materiality Test comprising: (a) issues that have direct short-term impact, (b) issues where the Company has policy statements of a strategic nature, (c) issues that comparable organizations consider material, (d) issues important to stakeholders, and (e) issues that are considered to be social norms. The same topics were used last year to ensure consistency in reporting. The material topics are organized to focus on Environmental Stewardship, Responsible Business, and People and Community.

Following the divestment of KPPI's stake in a joint venture in 2023, the Company currently has no developed properties to include within the scope of this sustainability report. Similar to the previous reporting year, there is an overall reduction in the scope of the disclosures, with the most significant impact on environmental and climate-related material topics. These disclosures will be updated as and when necessary.

SUSTAINABILITY FRAMEWORK

KPPI's commitment to sustainability is articulated through its sustainability framework:

ENVIRONMENTAL STEWARDSHIP We are committed to climate action, improving resource efficiency and reducing our environmental impact. Material ESG Issues: <ul style="list-style-type: none">Climate Action and Environmental Management	RESPONSIBLE BUSINESS The long-term sustainability of KPPI's business is underpinned by strong corporate governance, risk management, and supply chain management. Material ESG Issues: <ul style="list-style-type: none">Corporate Governance and Risk ManagementSupply Chain Management	PEOPLE AND COMMUNITY We are committed to human capital management and health and safety, and we contribute to the communities where we operate. Material ESG Issues: <ul style="list-style-type: none">Human Capital ManagementHealth and SafetyContribution to Society
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(The six material environmental, social, and governance (ESG) factors were grouped under the three sustainability pillars of Environmental Stewardship, Responsible Business as well as People and Community, which correspond with the ESG aspects of sustainability respectively. Sustainability topics related to economic and community development were merged into a single material ESG factor named Contribution to Society.)

ENVIRONMENTAL STEWARDSHIP

CLIMATE ACTION AND ENVIRONMENTAL MANAGEMENT

Climate-related risks and opportunities

In this report, KPPI voluntarily discloses its approach in four key areas recommended by the Task Force on Climate-related Financial Disclosures (TCFD)¹:

Disclosure	Our Approach
Governance	KPPI's key material ESG issues, including climate-related risks and opportunities, take reference from Keppel's material ESG issues and customized to the local setting for the Philippines' operations. The KPPI Board of Directors has oversight of ESG matters and the Management implements initiatives on these ESG issues.
Strategy	KPPI's material ESG issues are integrated into its business objectives and strategy. KPPI continues to adopt Keppel's sustainability principles throughout the supply chain and adheres to the Keppel Supplier Code of Conduct.
Risk Management	Sustainability risk assessments, including environmental and social impacts, are integrated in KPPI's Investment Review and Risk Assessment process used for major project acquisitions.
Metrics and Targets	KPPI has adopted six United Nations Sustainable Development Goals (UN SDGs) in its business goals, which serve as the supporting framework to guide the Company's sustainability strategy. Metrics and targets for climate-related risks and opportunities will be more clearly defined as the Company further refines its business strategies moving forward.

¹ TCFD has fulfilled its remit and disbanded in October 2023. Following the publication of the inaugural ISSB Standards – IFRS S1 and IFRS S2 – the Financial Stability Board has asked the IFRS Foundation to take over the monitoring of the progress on companies' climate-related disclosures from TCFD.

RESPONSIBLE BUSINESS

CORPORATE GOVERNANCE AND RISK MANAGEMENT

Anti-Corruption Policies, Procedures and Incidents

KPPI's anti-corruption policies and procedures promote transparency and ethical behavior, and positively benefit its shareholders, employees, government agencies, and civil society organizations.

Over the past years, KPPI has maintained zero incidents of corruption among its directors, employees, and business partners. Keppel's Code of Conduct and Global Anti-Bribery Policy are effectively communicated to key stakeholders including its employees and business partners to ensure their awareness of the policies and procedures. Furthermore, all directors and employees undergo corporate governance training to ensure their commitment to ethical behavior and practices.

Anti-Corruption Policies and Procedures	Units	2024	2025
Percentage of Employees to whom the Organization's Anti-Corruption Policies and Procedures have been Communicated to	%	100	100
Percentage of Business Partners to whom the Organization's Anti-Corruption Policies and Procedures have been Communicated to	%	100	100
Percentage of Directors and Management who have Received Anti-Corruption Training	%	100	100
Percentage of Employees who have Received Anti-Corruption Training	%	100	100

Anti-Corruption Incidents	Units	2024	2025
Number of Incidents in which Directors were Removed or Disciplined for Corruption	#	0	0
Number of Incidents in which Employees were Dismissed or Disciplined for Corruption	#	0	0
Number of Incidents when Contracts with Business Partners were Terminated due to Incidents of Corruption	#	0	0

Culture of Integrity

KPPI is dedicated to upholding corporate governance principles to ensure integrity in its operations. The Board sets the tone and takes a strong stance against corrupt practices as stipulated in KPPI's Manual on Corporate Governance. Keppel's Code of Conduct incorporates anti-corruption measures, which are communicated to its employees through comprehensive annual training. Keppel's Global Anti-Bribery policy sets out the compliance framework, management systems and standards, that guides the conduct of business and operations in an ethical manner, with a zero-tolerance approach towards bribery. Employees are encouraged to report any illegal or unethical practices through the whistleblowing channel.

By taking these measures, KPPI demonstrates its commitment to transparency, accountability, and responsible business practices.

Cybersecurity and Data Protection

KPPI is committed to prioritizing cybersecurity and data protection. Through adherence to stringent data protection measures, and commitment to privacy, KPPI maintains its reputation as a trusted custodian of stakeholder information.

KPPI has no recorded incidents of data breaches, leaks, theft, or data losses. This reflects KPPI's dedication to maintaining high standards of data security.

Data Security Incidents	Units	2024	2025
No. of Data Breaches, including Leaks, Thefts and Losses of Data	#	0	0

Safeguarding Information

KPPI values stakeholder privacy and data protection and is committed to implementing stringent internal security measures and regular compliance reviews. The Company emphasizes end-user protection and conducts periodic employee training on cybersecurity awareness. KPPI ensures the availability and effectiveness of its IT Disaster Recovery Plan. Continuous improvement is achieved through periodic risk assessments and technology upgrades.

SUPPLY CHAIN MANAGEMENT

Supply Chain Management

KPPI has maintained the sustainability performance of its supply chain. This includes promoting fair labor practices and implementing efficient logistics. These efforts benefit KPPI and positively impact its customers, suppliers, employees, and the environment.

The Keppel Supplier Code of Conduct sets clear guidelines for ethical behavior, fair treatment of workers, and environmental responsibility for its suppliers and its stakeholders.

Supplier Accreditation Sustainability Topic	Reference (Keppel Supplier Code of Conduct)
• Environmental Performance	Stated under Environmental Management (page 5)
• Forced Labor, Child Labor and Human Rights	Stated under Human Rights (pages 3-4)
• Bribery and Corruption	Stated under Business Conduct (page 2)

Building a Responsible Supply Chain

In 2025, KPPI promoted sustainability in its supply chain by selecting suppliers with strong track records in quality, environmental, and safety management. Suppliers with significant transactions must comply with the Keppel Supplier Code of Conduct, which is in line with sustainability principles. KPPI holds suppliers accountable to this code and reserves the right to discontinue business with non-compliant suppliers.

Procurement Practices

KPPI's commitment to sustainable procurement practices is evident in its focus on sourcing materials and products from suppliers who prioritize environmental sustainability and ethical labor practices.

In 2025, KPPI continued to allocate 100% of its procurement budget to local suppliers. This reduces KPPI's carbon footprint and supports local economies. KPPI will continue to prioritize sustainability in its procurement processes, seeking out suppliers who contribute to positive community impact.

Proportion of Spending on Local Suppliers	Units	2024	2025
Percentage of Procurement Budget Used for Significant Locations of Operations that is Spent on Local Suppliers	%	100%	100%

Efficient Purchasing

KPPI is committed to ethical procurement practices and recognizes the importance of working with local suppliers and service providers to promote inclusive growth opportunities and support local communities.

KPPI ensures the quality and reliability of products and services from its suppliers by implementing and enforcing the Keppel Supplier Code of Conduct. Through this, KPPI continues to uphold ethical standards and maintains its reputation as a responsible and ethical company.

PEOPLE AND COMMUNITY

HUMAN CAPITAL MANAGEMENT

Employee Hiring, Benefits and Data

KPPI's employee hiring and benefits policies are developed to promote inclusivity, diversity, and employee satisfaction. The Company believes that creating a supportive and inclusive workplace is key to a positive environment within the organization.

KPPI remains committed to providing competitive and comprehensive benefits that support the well-being and satisfaction of its employees. These benefits include social insurance, mandatory benefits, leave, health insurance, telecommuting options, medical reimbursements, and rice allowance.

Employee Data	Units	2024	2025
Total Number of Employees	#	3	3
a. Number of Female Employees	#	2	2
b. Number of Male Employees	#	1	1
Attrition Rate*	Rate	-0.29%	0%
Ratio of Lowest Paid Employee Against Minimum Wage	Ratio	2.38:1.00	2.78:1.00

* Attrition rate % = (no. of new hires – no. of turnover) / (average of total no. of employees of previous year and total no. of employees in the current year)

Employee Benefits	Y/N	Female Employees Who Availled for the Year (%)	Male Employees Who Availled for the Year (%)
SSS	Y	50%	0%
PhilHealth	Y	100%	0%
PAG – IBIG	Y	100%	100%
Parental Leave	Y	50%	0%
Vacation Leave	Y	100%	100%
Sick Leave	Y	100%	100%
Medical Benefits (Aside from PhilHealth)*	Y	100%	100%
Telecommuting	Y	100%	100%
Flexible – Working Hours	Y	100%	100%

* Includes HMO, Life & Accident Insurance.

Employee Satisfaction

KPPI is committed to providing a positive and inclusive workplace for employees. The Company ensures equal opportunities and fair treatment for all employees in its structured and merit-based recruitment process, regardless of race, gender, religion, or age. KPPI also ensures that all employees receive government-mandated benefits. KPPI also places importance on employee engagement activities to create a more positive work environment.

Employee Training and Development

Employees continued to undergo training in 2025, with a total of 44 training hours achieved.

Employee Training Hours	Units	2024	2025
Total Training Hours Provided to Employees		47	44
a. Female	Hours	33	33
b. Male	Hours	14	11
Average Training Hours Provided to Employees			
a. Female	Hours/Employee	16.5	16.5
b. Male	Hours/Employee	14	11

The Company remains steadfast in its commitment to employee training and development, fostering an environment where individuals can realize their potential by continuously strengthening their competencies and skills within their respective fields. Overall, this positively benefits employees by promoting their welfare and supporting their professional growth.

Nurturing Talent Growth

KPPI continuously monitors and recommends courses and training programs offered by industry leaders, research groups, and academic institutions for employees' professional growth. The Company recognizes the crucial role of staff training and development for both individual and company success. The annual performance review process and surveys help determine employees' training requirements.

Key seminars and training attended in 2025 include:

- Controls Assurance Training
- Ethics and Internal Controls Training
- Compliance Training related to Anti-Money Laundering and Targeted Financial Sanctions
- Tax Updates Webinar
- Real Estate Market Briefing
- Data protection, Technology and Cybersecurity Training
- Annual Training and Declaration of Group Policies

Diversity And Equal Opportunities

KPPI maintains a workforce comprising both male and female employees. KPPI recognizes the importance of ensuring that all employees, regardless of gender or other characteristics, have equal opportunities for growth and advancement within the organization. This commitment is central to KPPI's values and will continue to guide its actions as it moves forward.

Workforce Diversity	Units	2024	2025
Female Workers in the Workforce	%	67%	67%
Male Workers in the Workforce	%	33%	33%
Employees from Indigenous Communities and/ or Vulnerable Sector*	#	0	0

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Embracing Differences

KPPI is dedicated to embracing diversity and fostering an inclusive workplace. As a responsible organization, KPPI firmly upholds its principles of merit-based hiring and a zero-tolerance policy against discrimination.

This commitment to diversity and inclusion is evident in KPPI's adherence to ethical labor practices and stringent anti-discrimination policies. The Company advocates for the elimination of all exploitative work conditions, as stipulated in the Labor Code of the Philippines. Through these initiatives, KPPI guarantees fair treatment for all employees, offering equal opportunities for growth and advancement. This approach creates a workplace that celebrates diversity and welcomes differences.

In October 2025, employees participated in the Keppel Global Inclusion Festival webinar as part of the Company's inclusion initiatives.

Labor Laws And Human Rights

KPPI ensures a safe and ethical work environment by complying with labor laws and human rights. In 2025, there were no cases of child or forced labor, or any human rights violations within KPPI. The Company has implemented measures, such as enhanced recruitment screening and employee training to prevent such violations. The Company's commitment to human rights is rooted in Keppel's Human Rights Policy which prohibits unethical labor practices in any of its operations.

Legal Action / Grievance	Units	2024	2025
No. of Legal Actions or Employees Grievance involving Forced or Child Labor	#	0	0

KPPI Policy / Topic	References
<ul style="list-style-type: none"> Forced Labor Child Labor Human Rights 	<ul style="list-style-type: none"> As stated in the Human Rights Policy, the Company prohibits any form of unethical labor practices such as child or forced labor, and human right clauses.

Ethical Workplace

In compliance with the Labor Code of the Philippines, KPPI strictly prohibits forced and child labor and violations of human rights standards.

KPPI takes proactive measures to ensure adherence to ethical labor practices which include proper training for HR staff and front-line managers on handling workplace concerns as well as having reporting lines where employees can report any breach or incident.

HEALTH AND SAFETY

Workplace Safety and Health

KPPI's commitment to workplace safety is evident in its record of zero work-related injuries, fatalities, and ill-health cases in both 2024 and 2025. To enhance operational readiness in handling emergencies, KPPI regularly participates in safety drills related to bomb threats, fire emergencies and earthquakes. These drill exercises are integral to the emergency and disaster preparedness of KPPI's employees to ensure their safety and well-being.

OHS Incidents and Drills	Units	2024	2025
Safe Man-hours	Man-hours	7,512	7,512
No. of Work – Related Injuries	#	0	0
No. of Work – Related Fatalities	#	0	0
No. of Work – Related Ill-Health	#	0	0
No. of Safety Drills	#	3	4

Promoting Safety Culture

KPPI maintains the implementation of its "Keppel Zero Fatality Strategy". All employees and suppliers adhere to the strategy's five key thrusts, fostering a high-performance safety culture. The employees participate in training sessions and drills conducted by the building admin to promote safety awareness and preparedness.

KPPI upholds the Five Key Safety Principles to emphasize that every incident is preventable, and that safety is a line responsibility. By continually enhancing the capabilities and discipline of its employees, KPPI aims to cultivate a culture of Zero Fatality.

CONTRIBUTION TO SOCIETY

Direct Economic Value Generated and Distributed

Related to the divestment of KPPI's interest in a joint venture in 2023, the Company reported zero revenues in both 2024 and 2025 after the termination of its consultancy and advisory agreements with the joint venture in late December 2023. The Company used the interest earned from its short-term time deposits to cover its operating expenses.

In 2025, KPPI primarily distributed its generated economic value to suppliers for operating expenses and to employees through wages and benefits. The Company's presence has continued to provide employment for its employees, business opportunities for its local service providers, and government contribution through taxes and regulatory fees.

Direct Economic Value Generated and Distributed	Units	2024	2025
Direct Economic Value Generated (Revenue)	PHP	0	0
Direct Economic Value Distributed	PHP	6,508,239,376	15,561,707
a. Payments to Suppliers/Operating Costs	PHP	19,131,298	8,933,753
b. Employee Wages and Benefits	PHP	5,096,981	6,449,020
c. Taxes given to Government	PHP	13,282,151	168,934
d. Investments to Community	PHP	40,000	10,000
e. Dividends given to stockholders	PHP	6,470,688,946	-

Community Development



KPPI understands the importance of building lasting positive relationships and community relations where it operates. In 2025, KPPI made sponsorships and donations to a non-government organization which fund programs aimed at supporting vulnerable communities, such as indigent pregnant mothers, abandoned children, leukemia patients and victims of natural disasters, among others, making a positive impact through its community outreach efforts.

THE UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Environmental Stewardship

SDGs	   
Material Topics	<ul style="list-style-type: none"> Climate Action and Environmental Management
Approach	<ul style="list-style-type: none"> KPPI is focused on creating properties that foster harmonious co-existence of building occupants with the environment. The Company is committed to minimizing its environmental impact and is focused on sustainable management and efficient use of natural resources.
Contribution to the UN SDGs	<ul style="list-style-type: none"> To support the fight against climate change, KPPI is committed to developing green properties and optimizing resource efficiency in its operations.
Potential Negative	<ul style="list-style-type: none"> Properties built not according to standard designs would have consumed more energy and water, leading to more greenhouse gas emissions and effluents.
Management Approach	<ul style="list-style-type: none"> Properties were designed and built with fixtures that reduce resource consumption such as a double-glazed glass façade to minimize solar heat gain, a green roof to reduce cooling energy load, LED lighting, variable refrigerant volume air conditioning equipment, high efficiency chiller units and dynamic power metering. Water-efficient fixtures are also used in toilets with a centralized sewage treatment plant, with rainwater harvested, and grey water is treated for reuse.

Responsible Business

SDGs	 
Material Topics	<ul style="list-style-type: none"> • Corporate Governance and Risk Management • Supply Chain Management
Approach	<ul style="list-style-type: none"> • We conduct business fairly, impartially, in an ethical and proper manner, with integrity, and in compliance with all applicable laws and regulations. Our stance on regulatory compliance is clear and consistently reiterated by the top management. The Company has zero tolerance for fraud, bribery, corruption and violation of laws and regulations. • We work closely with our suppliers to make a positive impact on their sustainability performance.
Contribution to the UN SDGs	<ul style="list-style-type: none"> • Our business operations generate employment and opportunities for suppliers. • Suppliers with significant amounts of transactions with KPPI are required to sign the Keppel Supplier Code of Conduct which states the ESG requirements that suppliers need to adhere to. • We do not tolerate unethical labor practices in any of our operations and strongly support the elimination of exploitative work conditions as provided for in the Labor Code of the Philippines. These actions are also supported by Keppel's Code of Conduct, which we also follow. • We adopt a set of Responsible Design Values, including Design for Quality and Design for Safety, to ensure quality and safety principles are incorporated into designs right from the start of our value chain.
Potential Negative	<ul style="list-style-type: none"> • There may be risks of corruption in the operations. • Suppliers that do not adopt ESG clauses could impact our entire value chain of operations, thereby impacting our financial standing.
Management Approach	<ul style="list-style-type: none"> • We continue to be firm in our zero-tolerance stance against corruption and will continue to implement more safeguards against it. • We will continue to implement our zero-tolerance stance against unethical labor practices and ensure that suppliers follow the Keppel Supplier Code of Conduct strictly. • We will continue our due diligence from the design and construction stages to the operations stage, to ensure that our products meet all design specifications.

People and Community

SDGs	 
Material Topics	<ul style="list-style-type: none"> • Health and Safety • Human Capital Management • Contribution to Society

Approach	<ul style="list-style-type: none"> • Providing a safe and healthy working environment for all stakeholders is fundamental to our commitment to conduct business responsibly. • Our business contributes to economic growth, productivity, and jobs, as well as tax revenues for the government. • We uphold human rights principles and adhere to fair employment practices. We provide equal opportunities for the recruitment and career development of our employees. Our hiring policies ensure equal employment opportunities for all. • Through collaboration with stakeholders, we share knowledge and best practices to support the achievement of the SDGs in the Philippines. • The Company regards its contribution to sustainable urbanization both as a corporate responsibility and a source of business opportunities. We are committed to apply knowledge and skills to drive innovation and support economic development, and in turn, support the well-being of our community.
Contribution to the UN SDGs	<ul style="list-style-type: none"> • We achieved zero fatalities in 2024 and 2025. We are committed to maintaining an incident and injury-free work environment. • We adhere to Keppel's stance on human rights. We also believe in the importance of promoting an inclusive and harmonious workplace and giving equal opportunities to all during the hiring process, regardless of background, gender or race. • We are committed to continuing our efforts in collaborating with partners and stakeholders to create value for our stakeholders and the wider community.
Potential Negative	<ul style="list-style-type: none"> • Poor building design could put workers and customers' health and safety at risk. • If the site is not properly selected, it could result in displacement of residential communities.
Management Approach	<ul style="list-style-type: none"> • We adhere to strict building design standards and follow all health and safety regulations.

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

P W - 3 0 5

COMPANY NAME

K E P P E L P H I L I P P I N E S P R O P E R T I E S ,

I N C . A N D S U B S I D I A R I E S

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

2 6 t h F l o o r , T h e P o d i u m W e s t

T o w e r , A D B A v e n u e , W a c k - W a c k

G r e e n h i l l s , M a n d a l u y o n g C i t y

Form Type
A A F S

Department requiring the report
C R M D

Secondary License Type, If Applicable
N / A

COMPANY INFORMATION

Company's Email Address ph.corpsec.realestate@keppel.com	Company's Telephone Number 8539-0460	Mobile Number 0917-8570633
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No. of Stockholders 1,202	Annual Meeting (Month / Day) 06/11	Fiscal Year (Month / Day) 12/31
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CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person Jona Arrol Cabrera	Email Address Jona.Cabrera@keppel.com	Telephone Number/s 8539-0460	Mobile Number 0943-2569089
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CONTACT PERSON'S ADDRESS

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

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



Independent Auditor's Report

To the Board of Directors and Shareholders of
Keppel Philippines Properties, Inc.
26th Floor, The Podium West Tower, ADB Avenue
Wack-wack Greenhills East, Mandaluyong City

Our Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Keppel Philippines Properties, Inc. (the "Parent Company") and its Subsidiaries (the "Group") as at December 31, 2025 and 2024, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standard (PFRS) Accounting Standards.

What we have audited

The consolidated financial statements of the Group comprise:

- the consolidated statements of financial position as at December 31, 2025 and 2024;
- the consolidated statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated statements of changes in equity for each of the three years in the period ended December 31, 2025;
- the consolidated statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), as applicable to audits of consolidated financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit pertains to the liquidating dividends received from investments in associates.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<p data-bbox="177 902 746 963">Liquidating dividends received from investments in associates</p> <p data-bbox="177 1025 746 1444">The Group recognized liquidating dividends received from its investment in associates amounting to P78.6 million as at and for the year ended December 31, 2025 (Note 6). The liquidating dividends represent a return of capital following the shortening of corporate lives of the associates and the cessation of business operations until September 30, 2025 as approved by the Securities and Exchange Commission. This matter was considered significant as the liquidating dividends have direct impact on the derecognition of the Group's investments and the determination of resulting gain or loss.</p> <p data-bbox="177 1480 746 1541">Refer to Notes 1, 6, 12 and 20.1(a) for the related disclosures on this matter.</p>	<p data-bbox="746 1025 1441 1144">We obtained an understanding of the process applied by the Group in determining the liquidating dividends and evaluated management's supporting basis and analysis.</p> <p data-bbox="746 1180 1441 1384">We inspected the board resolutions of the Associates approving the declaration and payment of the liquidating dividends to confirm the nature and authorization of the distributions. We traced the corresponding payments of the associates and receipt by the Parent Company of such liquidating dividends by inspecting the corresponding bank statements.</p> <p data-bbox="746 1420 1441 1659">We tested the appropriateness of the accounting entries to take up the receipt of the liquidating dividends, the derecognition of the carrying value of the investment, the resulting gain or loss and the tax consideration at the consolidated financial statements. We likewise reviewed the consistency and adequacy of the related notes disclosures with respect to such transaction.</p>

Other information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A, but does not include the consolidated financial statements and our auditor's report thereon, which are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read SEC Form 20-IS (Definitive Information Statement) and SEC Form 17-A, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

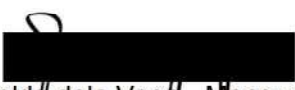
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report
To the Board of Directors and Shareholders of
Keppel Philippines Properties, Inc.
Page 7

The engagement partner on the audit resulting in this independent auditor's report is
Imelda Dela Vega-Mangundaya.

Isla Lipana & Co.


Imelda dela Vega - Mangundaya
Partner

CPA Cert No. 0090670

PTR No. 0024586, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 90670-SEC, Category A;
valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 

BIR A.N. 08-000745-047-2024, issued on October 30, 2024; effective until October 29, 2027
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 13, 2026



Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Keppel Philippines Properties, Inc.
26th Floor, The Podium West Tower, ADB Avenue
Wack-wack Greenhills East, Mandaluyong City

We have audited the consolidated financial statements of Keppel Philippines Properties, Inc. (the "Parent Company") and its Subsidiary as at and for the years ended December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, on which we have rendered the attached report dated February 13, 2026. The supplementary information shown in the Reconciliation of the Parent Company's Retained Earnings Available for Dividend Declaration and Map of the Group of Companies within which the Parent Company belongs, as additional components required by Part I, Section 5 of the Revised SRC Rule 68, and Schedules A, B, C, D, E, F and G, as required by Part II of the Revised SRC Rule 68, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements. In our opinion, the supplementary information has been prepared in accordance with the Revised SRC Rule 68.

Isla Lipana & Co.


Imelda dela Vega - Mangundaya
Partner

CPA Cert No. 0090670

PTR No. 0024586, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 90670-SEC, Category A;
valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 

BIR A.N. 08-000745-047-2024, issued on October 30, 2024; effective until October 29, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 13, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
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Isla Lipana & Co.

Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Keppel Philippines Properties, Inc.
26th Floor, The Podium West Tower, ADB Avenue
Wack-wack Greenhills East, Mandaluyong City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Keppel Philippines Properties, Inc. and its Subsidiary (the "Group") as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 13, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised SRC Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

Isla Lipana & Co.


Imelda dela Vega - Mangundaya
Partner

CPA Cert No. 0090670

PTR No. 0024586, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 90670-SEC, Category A;
valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 

BIR A.N. 08-000745-047-2024, issued on October 30, 2024; effective until October 29, 2027

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Keppel Philippines Properties, Inc. and Subsidiaries

Consolidated Statements of Financial Position
As at December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	556,840,797	480,667,147
Receivables	3	2,799,954	1,917,194
Due from related parties	12	-	174,309
Prepayments and other current assets	4	5,905,786	25,474,723
Total current assets		565,546,537	508,233,373
Non-current assets			
Financial assets at fair value through other comprehensive income	7	225,000	225,000
Property and equipment, net	9	35,619	94,140
Investments in associates	6	-	76,696,816
Other non-current assets	4	46,812,659	28,460,756
Total non-current assets		47,073,278	105,476,712
Total assets		612,619,815	613,710,085
Liabilities and equity			
Current liabilities			
Accounts payable and other current liabilities	10	79,428,287	84,733,263
Due to related parties	12	20,973,943	20,973,943
Provision for transaction cost	5	16,159,925	19,811,308
Total current liabilities		116,562,155	125,518,514
Non-current liability			
Deferred income tax liability	15	609,159	440,998
Total liabilities		117,171,314	125,959,512
Equity			
Share capital	11	356,104,000	356,104,000
Share premium		67,618,617	67,618,617
Treasury shares		(62,141,745)	(62,141,745)
Retained earnings		133,867,629	126,169,701
Total equity		495,448,501	487,750,573
Total liabilities and equity		612,619,815	613,710,085

(The notes on pages 1 to 45 are an integral part of these consolidated financial statements)

Keppel Philippines Properties, Inc. and Subsidiaries

Consolidated Statements of Total Comprehensive Income
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Income				
Interest income	2	24,847,205	151,727,348	10,161,478
Share in net income of associates	6	1,456,028	5,401,868	2,062,241
Management consultancy and franchise fees	12	-	-	45,516,132
Income from continuing operations		26,303,233	157,129,216	57,739,851
General and administrative expenses	13	(14,731,931)	(37,665,960)	(64,172,072)
Other income, net	14	1,814,707	111,485,783	5,258,804
Net income (loss) before income tax on continuing operations		13,386,009	230,949,039	(1,173,417)
Income tax expense	15	(5,688,081)	(31,837,606)	(4,288,338)
Net income (loss) on continuing operations		7,697,928	199,111,433	(5,461,755)
Income from discontinued operation				
Share in net income of joint venture		-	-	611,987,876
Gain on sale of investment in joint venture, net of taxes	5	-	-	2,681,571,638
		-	-	3,293,559,514
Net income for the year		7,697,928	199,111,433	3,288,097,759
Other comprehensive income				
Item that will not be subsequently reclassified to profit or loss				
Deferred income tax on remeasurement gains on retirement benefit obligation	17	-	-	352,534
		-	-	352,534
Total comprehensive income for the year		7,697,928	199,111,433	3,288,450,293
Basic earnings (loss) per share from continuing operations	16	0.03	0.68	(0.02)
Basic earnings per share from discontinued operation	16	-	-	11.21
Basic earnings per share	16	0.03	0.68	11.19

(The notes on pages 1 to 45 are an integral part of these consolidated financial statements)

Keppel Philippines Properties, Inc. and Subsidiaries

Consolidated Statements of Changes in Equity
For each of the three years in the period ended December 31, 2025
(All amounts in Philippine Peso)

	Share capital			Other reserves			Retained earnings		Total	Total equity
	Common shares (Note 11)	Preferred shares (Note 11)	Share premium (Note 11)	Treasury shares (Note 11)	Remeasurement on retirement benefit obligation (Notes 11 and 17)	Share in remeasurements of an associate and joint venture (Notes 6 and 11)	Appropriated (Note 11)	Unappropriated (Note 11)		
Balances at January 1, 2023	296,629,900	59,474,100	602,885,517	(2,667,645)	1,057,601	624,947	2,667,645	2,510,205,728	2,512,873,373	3,470,877,793
Comprehensive income										
Net income for the year	-	-	-	-	-	-	-	3,288,097,759	3,288,097,759	3,288,097,759
Other comprehensive income	-	-	-	-	352,534	-	-	-	-	352,534
Total comprehensive income for the year	-	-	-	-	352,534	-	-	3,288,097,759	3,288,097,759	3,288,450,293
Transactions with owners										
Appropriation for the annual premiums on redeemable preferred shares	-	-	-	-	-	-	1,427,378,400	(1,427,378,400)	-	-
Transfer to retained earnings	-	-	-	-	(1,410,135)	(624,947)	-	2,035,082	2,035,082	-
Balances at December 31, 2023	296,629,900	59,474,100	602,885,517	(2,667,645)	-	-	1,430,046,045	4,372,960,169	5,803,006,214	6,759,329,086
Comprehensive income										
Net income for the year	-	-	-	-	-	-	-	199,111,433	199,111,433	199,111,433
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	199,111,433	199,111,433	199,111,433
Transactions with owners										
Declaration of cash dividends	-	-	-	-	-	-	-	(4,448,569,546)	(4,448,569,546)	(4,448,569,546)
Reversal of appropriation	-	-	-	-	-	-	(1,427,378,400)	1,427,378,400	-	-
Redemption of preferred shares	-	-	(535,266,900)	(59,474,100)	-	-	-	(1,427,378,400)	(1,427,378,400)	(2,022,119,400)
Total transactions with owners for the year	-	-	(535,266,900)	(59,474,100)	-	-	-	(4,448,569,546)	(5,875,947,946)	(6,470,688,946)
Balances at December 31, 2024	296,629,900	59,474,100	67,618,617	(62,141,745)	-	-	2,667,645	123,502,056	126,169,701	487,759,573
Comprehensive income										
Net income for the year	-	-	-	-	-	-	-	7,697,928	7,697,928	7,697,928
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	7,697,928	7,697,928	7,697,928
Balances at December 31, 2025	296,629,900	59,474,100	67,618,617	(62,141,745)	-	-	2,667,645	131,199,984	133,867,629	495,448,501

(The notes on pages 1 to 45 are an integral part of these consolidated financial statements)

Keppel Philippines Properties, Inc. and Subsidiaries

Consolidated Statements of Cash Flows
For each of the three years in the period ended December 31, 2024
(All amounts in Philippine Peso)

	Notes	2025	2024	2023
Cash flows from operating activities				
Income (loss) before income tax				
Continuing operations		13,386,009	230,949,039	(1,173,417)
Discontinued operation	5, 6,12	-	-	4,202,839,639
Income before income tax		13,386,009	230,949,039	4,201,666,222
Adjustments from continuing operations:				
Impairment loss on creditable withholding taxes	4, 14	888,297	-	-
Depreciation and amortization expense	8,9,13	58,521	103,082	2,877,742
Gain on reversal of liabilities	10,14	(77,104)	(86,799)	(1,154,752)
Gain on investments in associates	6	(403,156)	-	-
Share in net income of associates	6	(1,456,028)	(5,401,868)	(2,062,241)
Unrealized foreign exchange gain	19	(2,436,637)	(1,763,992)	-
Interest income	2	(24,847,205)	(151,727,348)	(10,161,478)
Impairment loss on investments in associates	6,14	-	8,306,329	-
Retirement benefit expense	13,17	-	-	876,871
Interest expense on lease liabilities	8,14	-	-	290,370
Gain on sale of property and equipment	9,14	-	-	(281,117)
Gain from termination of lease	8,14	-	-	(416,294)
Adjustments from discontinued operation:				
Loss from deconsolidation of subsidiaries	12,14	319,169	182,673	-
Share in net income of associates and joint venture	6	-	-	(611,987,876)
Gain on sale of investment in joint venture	5	-	-	(3,590,851,763)
Operating (loss) income before working capital changes		(14,568,134)	80,561,116	(11,204,316)
Decrease (increase) in:				
Receivables		152,300	12,720,318	(2,835,495)
Due from related parties		174,309	2,757,068	4,917,840
Prepayments and other current assets		(627,452)	(2,159,774)	(2,356,222)
Increase (decrease) in:				
Accounts payable and other current liabilities		1,066,395	3,353,437	5,219,993
Due to related parties		-	-	(1,992,776)
Net cash (used in) from operations		(13,802,582)	97,232,165	(8,250,976)
Interest received		23,812,145	157,861,959	2,360,311
Income taxes paid		(4,840,436)	(42,405,854)	(4,633,218)
Contribution to the retirement plan	17	-	-	(633,156)
Net cash from (used in) operating activities		5,169,127	212,688,270	(11,157,039)
Cash flow from investing activities				
Liquidating dividends received	12	89,668,663	7,796,025	-
Cash dividends received	6,12	-	946,083,200	-
Proceeds from redemption of preferred shares	7	-	79,287,230	-
Proceeds from sale of property and equipment	9	-	-	353,200
Acquisition of property and equipment	9	-	-	(34,906)
Discontinued operation:				
Payment of transaction costs related to the sale of an investment in joint venture	5	(3,651,383)	(13,948,692)	(1,089,170)
Proceeds from sale of investment in joint venture	5	-	6,994,777	6,521,682,726
Payment of capital gains tax payable related to the sale of an investment in joint venture	5	-	(909,280,125)	-
		(3,651,383)	(916,234,040)	6,520,593,556
Net cash from investing activities		86,017,280	116,932,415	6,520,911,850
Cash flows from financing activities				
Dividend paid to shareholders	11	(6,203,536)	(4,367,360,739)	-
Payment for the redemption of preferred shares	11	-	(2,022,119,400)	-
Payments for the interest portion of lease liabilities	8	-	-	(290,370)
Payments for the principal portion of lease liabilities	8	-	-	(2,476,915)
Net cash used in financing activities		(6,203,536)	(6,389,480,139)	(2,767,285)

Forwarded

	Notes	2025	2024	2023
<i>Continued</i>		(6,203,536)	(6,389,480,139)	(2,767,285)
Effect of deconsolidation of a subsidiary	12	(11,245,858)	(7,944,488)	-
Net increase (decrease) in cash and cash equivalents		73,737,013	(6,067,803,942)	6,506,987,526
Cash and cash equivalents				
At January 1		480,667,147	6,546,707,097	39,719,571
Effect of changes in foreign exchange rates on cash and cash equivalents		2,436,637	1,763,992	-
At December 31	2	556,840,797	480,667,147	6,546,707,097

(The notes on pages 1 to 45 are an integral part of these consolidated financial statements)

Keppel Philippines Properties, Inc. and Subsidiaries

Notes to the Consolidated Financial Statements

As at December 31, 2025 and 2024

and for each of the three years in the period ended December 31, 2025

(All amounts are shown in Philippine Peso, unless otherwise indicated)

1 General 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 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 subsequent offering after the IPO. Its Immediate Parent Company is Keppel Management Ltd. (KML; previously known as Keppel Land Limited) and the Ultimate Parent Company is Keppel Ltd. (KL, previously known as Keppel Corporation Limited), both incorporated and domiciled in Singapore. KL is listed in the Singapore Exchange Securities Trading Limited.

As at December 31, 2025 and 2024, the shareholders of the Parent Company are the following:

	Percentage of ownership
KML	50.49%
Kepwealth, Inc.	17.37%
KL	12.18%
Molten Pte Ltd	6.79%
Public	13.17%

The 86.83% total shareholdings of KML, Kepwealth, Inc., KL and Molten Pte. Ltd. were lodged with the Philippine Depository and Trust Corporation in March 2025.

The public ownership represents 7.17% direct ownership and 6.00% through PCD Nominee Corporation as at December 31, 2025 and 2024.

The Parent Company, together with its subsidiary and associates, are collectively referred to as the “Group”.

As at December 31, 2024, the Parent Company’s subsidiary and associates, which were all incorporated and domiciled in the Philippines are as follows:

	Percentage of ownership	Effective ownership interest	Nature of business
Subsidiary			
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

In 2025, the subsidiary and associates ceased operations until January 31, 2025 and September 30, 2025, respectively.

In 2024, Keppel embarked on a multi-dimensional transformation to pivot into a global asset-light asset manager and operator. The Parent Company conducted strategic reviews to synchronize with the transformation and will continue to explore possible avenues to maximize shareholders' value.

Aligned with this transformation strategy, dormant subsidiaries and associates of the Parent Company applied for dissolution through the shortening of their respective corporate terms and have ceased operations as at December 31, 2025. These entities have sufficient cash to settle all its third-party creditors before its dissolution. Further, the Parent Company's shareholders, KL, KML, Molten Pte. Ltd. and Kepwealth, Inc., entered into a share purchase agreement with a third-party buyer subsequent to December 31, 2025.

BHI was incorporated in the Philippines on May 25, 2000. BHI, a wholly-owned subsidiary of the Parent Company, was previously engaged in property holding and development. On November 14, 2023, BHI's Board of Directors (BOD) approved BHI's dissolution through shortening of its corporate term effective on January 31, 2025 which was approved by the SEC on January 31, 2024. On April 4, 2025 and April 15, 2025, BHI completed the processing of its business closure with the Municipality of Mandaluyong City and the Bureau of Internal Revenue (BIR), respectively. On March 31, 2025, BHI declared liquidating dividends to the Parent Company amounting to P11.2 million (Note 12) that resulted in a loss on deconsolidation in 2025 amounting to P0.3 million (Note 14) and the derecognition of the corresponding Parent Company's investment in BHI.

CSRI was incorporated in the Philippines on October 25, 1990. CSRI, a wholly-owned subsidiary of the Parent Company, is a holding company with investments in marketable equity securities and other investments. On December 2, 2022, CSRI's BOD approved CSRI's dissolution through shortening of its corporate term effective on January 31, 2024 which was approved by the SEC on February 3, 2023. On March 25, 2024 and July 18, 2024, CSRI completed the processing of its business closure with the Municipality of Mandaluyong City and the BIR, respectively. On April 26, 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7.8 million (Note 12) that resulted in a loss on deconsolidation amounting to P0.2 million (Note 14) and the derecognition of the Parent Company's investment in CSRI.

ORDC, OVI and OKEP were incorporated to acquire by purchase, lease, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds. On July 26, 2024, the BOD of these associates approved the dissolution through shortening of their corporate terms effective on September 30, 2025 which were approved by the SEC on September 11, 2024 for ORDC and on September 16, 2024 for OVI and OKEP. On October 1, 2025, these associates declared liquidating dividends to the Parent Company totaling to P78.6 million (Note 6) that resulted in a net gain on investments amounting to P0.4 million (Notes 6 and 14) and the corresponding derecognition of the Parent Company's investments in these associates. The processing of the business closure of these associates with the Municipality of Mandaluyong City was completed on October 23, 2025. OVI completed its business closure with BIR on January 16, 2026 while OKEP and ORDC's business closure is still in progress.

The Parent Company has 1,002 shareholders, owning 100 or more shares each, as at December 31, 2025 (2024 - 1,008).

The Group's principal and registered office address is at 26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills, Mandaluyong City. As at December 31, 2025 and 2024, the Group has three (3) employees.

Subsequent event

On February 12, 2026, the Parent Company's shareholders, KL, KML, Molten Pte Ltd. and Kepwealth, Inc. (collectively the "Sellers") entered into a share purchase agreement with Forward Synergy Group, Inc. (the "Buyer") for the sale and purchase of the Sellers' 86.83% ("Sale Shares") ownership of the total outstanding capital stock of the Parent Company (the "Transaction"), which represents all of the shares owned by the Sellers in the Parent Company.

The Sellers have agreed to sell the Sale Shares to the Buyer for an aggregate cash consideration of approximately P472.7 million (P1.8526 per share).

The Transaction is subject to the fulfillment of certain conditions precedent, including the conduct of a mandatory tender offer by the Buyer pursuant to the Securities Regulation Code of the Philippines and its 2015 implementing regulations.

The consolidated financial statements of the Group have been approved and authorized for issuance by the BOD on February 13, 2026.

2 Cash and cash equivalents

The account as at December 31 consists of:

	2025	2024
Cash equivalents	551,007,222	453,902,026
Cash in banks	5,793,575	26,725,121
Cash on hand	40,000	40,000
	556,840,797	480,667,147

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term deposits made for varying periods of up to three (3) months from maturity and earns interest at the respective short-term deposit rates that range from 4.10% to 6.00% per annum in 2025 (2024 - 4.00% to 6.13% per annum).

Interest income earned from cash and cash equivalents amounted P24.8 million in 2025 (2024 - P151.7 million; 2023 - P10.2 million). Accrued interest receivable on short-term deposits amounting to P2.7 million in 2025 (2024 - P1.7 million) is presented as part of "Receivables" (Note 3).

3 Receivables

The account as at December 31 consists of:

	Notes	2025	2024
Accrued interest	2	2,729,954	1,694,894
Receivable from a government agency		70,000	130,000
Others		-	92,300
		2,799,954	1,917,194

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

Receivable from a government agency represents outstanding maternity benefit claims from the Social Security System.

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

Prepayments and other current assets as at December 31 consist of:

		2025	2024
Creditable withholding taxes	a.1	3,998,031	2,495,136
Input value added tax (VAT)	b	1,520,821	1,197,851
Tax credit	c	-	21,420,000
Others	d	386,934	361,736
		5,905,786	25,474,723

Other non-current assets as at December 31 consist of:

		2025	2024
Creditable withholding taxes	a.2	25,392,659	28,460,756
Tax credit	c	21,420,000	-
		46,812,659	28,460,756

(a) Creditable withholding taxes pertain to the amounts withheld by the Group's counterparties in relation to management fees which management has determined that these are recoverable and can be applied against future income taxes.

(a.1) The Group expects to utilize P4.0 million (2024 - P2.5 million) of the creditable withholding taxes within 12 months from reporting date.

(a.2) The Group expects to utilize P25.4 million (2024 - P28.5 million) of the creditable withholding taxes beyond 12 months from reporting date which was classified and presented as part of "Other non-current assets."

In 2025, the BIR approved a tax refund amounting to P3.9 million out of the unutilized creditable withholding tax applied for refund of P4.8 million. The disallowed refund amounting to P0.9 million was directly written-off (Note 14).

(b) Input VAT pertains to the excess of input VAT over output as at December 31, 2025 and 2024.

(c) Tax credit includes tax credit received from the Bureau of Internal Revenue (BIR) amounting to P21.4 million for the withholding and remittance of final withholding taxes in relation to the Parent Company's redemption of preferred shares in year 2010 (Note 12). This can be applied against future applicable income tax liabilities or can be applied as a tax refund. In 2024, the Parent Company has applied for the cash conversion of the tax credit and is awaiting approval from BIR. In 2025, The Parent Company, through its correspondence with BIR and its tax advisors, assessed to fully recover and receive the refund beyond 12 months from reporting date resulting in the reclassification from "Other current assets" to "Other non-current assets."

(d) Others mainly consist of current portion of security and utility deposits from existing lease term agreement (Note 8).

5 Sale of investment in joint venture

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

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

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" which are located in Ortigas Center, Mandaluyong City.

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

	Note	Amount
January 1		
Cost		602,645,772
Accumulated share in equity		2,251,022,018
		2,853,667,790
Share in equity of SMKL		48,993,780
March 31	6	2,902,661,570

The Group recognized share in equity from SMKL's operation from January 1, 2023 up until March 31, 2023, the date of re-classification to assets held-for-sale, in accordance with the Share-Purchase Agreement. The amount is recorded under share in net income of associates and joint venture in the consolidated statements of total comprehensive income (Note 6).

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

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

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

The purchase price consists of share in the net asset value of SMKL after adjustments as approved and agreed between the Seller and BDO as at closing date. On the same date, the Parent Company has collected P6,521.7 million of the purchase price, while the remaining P7.0 million was collected in January 2024.

The cost to sell include actual incurred transaction costs amounting to P1.4 million and provisions amounting to P33.8 million for the Parent Company's share in any unrecorded liabilities and condominiumization expense of SMKL to be determined no later than one year from its sale, which are agreed between the Seller and BDO in the Share-Purchase Agreement. The provision also covers tax indemnity to BDO on SMKL's open tax period as of the closing date, claimable until the third year anniversary of the closing date. Out of the provision for transaction cost, P17.6 million was paid to BDO as of December 31, 2025 (2024 – P14.0 million). There were no subsequent reversals of this provision.

Capital gains tax refers to accrued tax payable as a result of the gain on sale of investment in joint venture, payable within 30 days from completion of the sale. The related capital gains tax was paid in January 2024.

The Parent Company's share in net income of associates from OKEP's sale of its 10% interest in SMKL are summarized below:

	Gain on sale of SMKL investment	Parent Company ownership	Parent Company's share
OKEP	705,856,269	40%	282,342,508
OVI	423,513,761	40%	169,405,505
ORDC	254,108,257	40%	101,643,302
Total	1,383,478,287		553,391,315

For the period from January 1 to March 31, 2023, the Parent Company recognized share in net income in SMKL through OKEP amounting to P9.6 million.

The financial performance and cash flow information of SMKL presented are for the 12 months as at December 31, 2023:

	Amount
Revenue and income	1,711,405,011
Cost and expenses	(1,315,793,840)
Profit before taxes	395,611,171
Income tax expense	(100,649,349)
Profit after income tax of discontinued operation	294,961,822
Other comprehensive income	(26,113)
Total comprehensive income of discontinued operation	294,935,709
Net cash inflow from operating activities	1,375,956,924
Net cash outflow from investing activities	(303,373,274)
Net cash outflow from financing activities	(967,547,603)
Net increase in cash generated by joint venture	105,036,047

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

6 Investments in associates

Details of and movement in the account as at and for the years ended December 31 are as follows:

	Notes	2025	2024	2023
Cost				
At January 1		51,343,671	51,343,671	653,989,443
Sale of investment in joint venture	5	-	-	(602,645,772)
At December 31		51,343,671	51,343,671	51,343,671
Accumulated share in results of associates and joint venture presented in profit or loss				
At January 1		25,353,145	973,715,859	2,659,681,540
Share in net income of associates and joint venture during the year				
Continuing operations		1,456,028	5,401,868	2,062,241
Discontinued operation		-	-	611,987,876
		1,456,028	5,401,868	614,050,117
		78,152,844	1,030,461,398	3,273,731,657
Liquidating dividends received	12	(78,556,000)	-	-
Gain on investments in associates	14	403,156	-	-
Reclassification		-	624,947	-
Impairment loss	14	-	(8,306,329)	-
Cash dividends received	12	-	(946,083,200)	-
Sale of investment in joint venture	5	-	-	(2,300,015,798)
At December 31		-	25,353,145	973,715,859
Presented in other comprehensive income				
At January 1		-	624,947	624,947
Reclassification		-	(624,947)	-
At December 31		-	-	624,947
		-	76,696,816	1,025,684,477

The associates were accounted for using the equity method. In 2024, cash dividends totaling P946.1 million was declared and paid on February 2, 2024 and February 12, 2024, respectively. On October 1, 2025, the associated companies declared the liquidating dividends to the Parent Company amounting to P78.6 million, resulting to the derecognition of the carrying value of P78.2 million and a gain of P0.4 million. The associated companies paid the liquidating dividends on October 3, 2025.

As at December 31, 2025 and 2024, there were no quoted prices for these investments.

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

On July 26, 2024, the BOD of these associates approved the dissolution through shortening of their corporate term effective on September 30, 2025 (Note 1).

(i) ORDC

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

(ii) OVI

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

(iii) OKEP

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

The primary purpose of ORDC, OVI and OKEP 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.

The carrying values of the Group's investments in associates and the related percentages of ownership as at December 31, 2024 are shown below:

	Percentage of ownership	Carrying amount
Associates		
OKEP	40%	41,400,832
OVI	40%	22,668,045
ORDC	40%	12,627,939
		76,696,816

The reconciliation of the associates' net assets as at December 31, 2024 multiplied by the ownership interest and the carrying amount of each investment is shown in the table below:

	Note	OKEP	OVI	ORDC
Net assets		1,447,047,341	107,032,097	12,508,167
Ownership interest		40%	40%	40%
		578,818,937	42,812,839	5,003,267
Fair value adjustments		8,304,230	301,615,206	173,819,096
Investments in redeemable preferred shares	7	(31,287,230)	(48,000,000)	-
Cash dividends received	12	(507,383,200)	(273,760,000)	(164,940,000)
Impairment losses	14	(7,051,905)	-	(1,254,424)
		41,400,832	22,668,045	12,627,939

Significant financial information of the associates as at and for the nine-month period ended September 30, 2025 and audited financial information as at and for the year ended December 31, 2024 as at year-end:

<i>(In millions)</i>	OKEP	OVI	ORDC
<i>September 30, 2025</i>			
Current assets	103.9	0.4	0.9
Non-current assets	-	62.1	10.0
Total assets	103.9	62.5	10.9
Current liabilities	0.2	0.2	0.4
Net assets	103.7	62.3	10.5
Gross income	4.4	-	-
Net income (loss) for the period	3.3	(0.2)	(0.3)
Other comprehensive income	-	-	-
Total comprehensive income for the period	3.3	(0.2)	(0.3)
<i>December 31, 2024</i>			
Current assets	100.5	0.5	1.0
Non-current assets	-	62.1	10.0
Total assets	100.5	62.6	11.0
Current liabilities	0.1	0.1	0.2
Net assets after transactions with owners	100.4	62.5	10.8
Transactions with owners	1,346.7	804.4	412.4
Net assets before transactions with owners	1,447.1	866.9	423.2
Gross income	18.1	761.1	410.9
Net income for the year	15.1	750.0	410.3
Other comprehensive income	-	-	-
Total comprehensive income for the year	15.1	750.0	410.3

In view of the associates' end of corporate term (Note 1), the Group assessed and recognized impairment loss on its investments in associates, OKEP and ORDC, amounting to P8.3 million (Note 14) as at December 31, 2024. The impairment loss is determined by comparing the carrying value of investments in associates before impairment amounting to P62.3 million versus the recoverable amount, based on value-in-use, amounting to P54.0 million as at December 31, 2024 (Note 20.1 (a)). No impairment loss was recognized for OVI as the recoverable amount, based on value-in-use of the investment in an associate, remains higher than the carrying value. PAS 36 requires entities to assess the recoverability of the non-financial assets based on the higher amount between fair value less cost to sell and value-in-use.

7 Financial assets at fair value through other comprehensive income (FVOCI)

Financial assets at fair value through other comprehensive income (FVOCI) amounted to P225,000 as at December 31, 2025 and 2024.

(a) Club shares

The original cost in investment in the Club Filipino Inc. de Cebu shares amounted to P0.2 million as at December 31, 2025 and 2024. There is no significant change in fair value on financial assets at FVOCI for the years ended December 31, 2025, 2024, and 2023.

(b) Preferred equity securities

Preferred equity investments pertain to investments in redeemable preferred shares of OVI and OKEP which were acquired in 2012 at P10 per share. These investments are classified as financial assets at FVOCI as the characteristics of the investment do not give the Group significant influence over OVI and OKEP (Note 6). These investments are carried at fair value. Based on the Group's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities (Note 19.3).

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 10 years from date of issuance, at a price to be determined by the BOD of the issuer.
- If not redeemed within the period of 10 years, the holder shall have the option to:
 - (a) Convert the preferred shares to participating preferred shares; or
 - (b) Hold the redeemable preferred shares for another five (5) years, after which the holder can choose to convert to either common shares or participating preferred shares.

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

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

8 Leases

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 in 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 lease agreement was pre-terminated effective on July 15, 2023 without incurring any penalties. As a result, the Group recognized a gain on termination of lease amounting to P0.4 million and is presented as part of "Other income, net" (Note 14).

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.

(b) Short-term lease agreements

(i) Office space

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 guaranteed service term renewal unless terminated. Total rent expense charged to operations amounted to P1.5 million in 2025 (2024 - P1.5 million; 2023 - P0.7 million) and is presented as part of "Rentals" in the "General and administrative expenses" (Note 13).

(ii) Officers' housing

The Parent Company also entered into operating lease agreements for its officers' housing renewable every three (3) months which was discontinued subsequent to year 2023. Total rent expense charged to operations, that is presented as part of "Salaries, wages and employee benefits" in the "General and administrative expenses" (Note 13), amounted to P0.9 million in 2023.

(iii) Vehicle

The Parent Company entered into an operating lease agreement on its service vehicle renewable monthly up to a maximum period of 36 months unless terminated. The contract expired in November 2023 and was not renewed thereafter. Total rent expense charged to operations in 2023 amounted to P0.6 million and is presented as part of "Rentals" in the "General and administrative expenses" (Note 13).

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

Refundable deposits for leases are presented under "Others" as part of "Prepayments and other current assets in the consolidated statements of financial position as at December 31, 2025 and 2024 amounting to P0.2 million.

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 as at December 31, 2023 is as follows:

	Note	Amount
Cost		
At January 1		30,405,472
Termination		(30,405,472)
At December 31		-
Accumulated amortization		
At January 1		18,150,795
Amortization	13	2,626,002
Termination		(20,776,797)
At December 31		-
		-

Movements in the lease liabilities for the year ended December 31, 2023 are as follows:

	Note	Amount
Lease liabilities		
At January 1		12,037,426
Principal payments		(2,476,915)
Interest payments		(290,370)
Interest expense	14	290,370
Termination		(9,560,511)
At December 31		-
Lease liabilities		
Current		-
Non-current		-
		-

Discount rate

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 5.27% in 2023.

Extension and termination options

The Parent Company may pre-terminate the operating lease agreement for its office space after completing the guaranteed service term of 12 months from the rental commencement date, subject to 90 day prior written notice to the lessor without penalties.

9 Property and equipment, net

Details of and movements in the account as at and for the years ended December 31 are as follows:

	Note	Office equipment	Furniture and fixtures	Total
Cost				
At January 1, 2024		2,188,134	14,827	2,202,961
Additions		-	-	-
At December 31, 2024		2,188,134	14,827	2,202,961
At December 31, 2025		2,188,134	14,827	2,202,961
Accumulated depreciation				
At January 1, 2024		1,990,912	14,827	2,005,739
Depreciation	13	103,082	-	103,082
At December 31, 2024		2,093,994	14,827	2,108,821
Depreciation	13	58,521	-	58,521
At December 31, 2025		2,152,515	14,827	2,167,342
Net carrying amount				
At December 31, 2024		94,140	-	94,140
At December 31, 2025		35,619	-	35,619

There were no unpaid additions as at December 31, 2025 and 2024. As at December 31, 2025, the cost of fully depreciated assets that are still in use in the Parent Company's operations amounts to P2.0 million (2024 - P1.8 million) .

As at December 31, 2025 and 2024, the Group's management has assessed that there is no objective evidence that indicators of impairment exist.

10 Accounts payable and other current liabilities

The account as at December 31 consists of:

	Note	2025	2024
Dividends payable	12	75,005,271	81,208,807
Accrued expenses		3,564,269	2,828,232
Taxes payable		738,340	696,224
Accounts payable		120,407	-
		79,428,287	84,733,263

On April 12, 2024, the Parent Company declared cash dividends amounting to P15.14 per common share or P4,448.6 million for shareholders of record as at April 29, 2024, due on May 22, 2024. The remaining dividends payable pertain to unclaimed cash dividends amounting to P74.5 million as at December 31, 2025 (2024 - P80.7 million), related to the April 12, 2024 declaration, and P0.5 million unclaimed cash dividends declared when the Parent Company's name was still Cebu Shipyard and Engineering Works, Inc.

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. In 2025, a portion of the bonus and other employee benefits accrued and other accruals in prior years amounting to P77.1 thousand (2024 - P86.8 thousand and 2023 - P1.2 million) were reversed (Note 14). These amounts pertain to the outstanding accrual made over the actual amount paid to settle the liabilities and no longer a valid obligation. Government contributions payables are included as part of Accrued expenses, such as Social Security System (SSS), Home Development Mutual Fund (HDMF) and Philippine Health Insurance Corporation (PHIC).

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.

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

11 Equity

(a) Share capital and treasury shares

Share capital as at December 31, 2025 and 2024 consist of:

	Number of shares	Amount
Authorized at P1 par value		
Common shares	375,000,000	375,000,000
Preferred shares	135,700,000	135,700,000
	510,700,000	510,700,000
Issued at P1 par value		
Common shares	296,629,900	296,629,900
Preferred shares	59,474,100	59,474,100
	356,104,000	356,104,000
Treasury shares		
Common shares	(2,801,000)	(2,667,645)
Preferred shares	(59,474,100)	(59,474,100)
	(62,275,100)	(62,141,745)
		293,962,255

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

The redeemable preferred shares have the following terms and conditions:

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

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

On May 22, 2024, KPPI redeemed KML's 59,474,100 redeemable preferred shares and paid in cash for a redemption price of P2,022.1 million. The difference between the par value and the redemption price reduced the share premium by P535.3 million. As the shares certificate are yet to be cancelled, the preferred shares formed part of the treasury shares as at December 31, 2025 and 2024.

(b) Share premium

Share premium for common shares amounts to P67.6 million presented in the consolidated statement of financial position and consolidated statement of changes in equity as at December 31, 2025 and 2024.

(c) Retained earnings

As at December 31, 2025, total retained earnings of the Group amounted to P133.9 million (2024 - P126.2 million). The portion of retained earnings corresponding to the undistributed share in results of associates amounted to nil as at December 31, 2025 (2024 - P25.4 million) (Note 6). These amounts are not available for distribution as dividends until declared by the associates.

As at December 31, 2023, the Parent Company's unappropriated retained earnings exceed its paid-up capital by P2,492.0 million which were planned to be declared as dividends to shareholders in the subsequent year. On April 12, 2024, the BOD of the Parent Company approved the declaration of cash dividends of P15.14 per common share to shareholders of record as of April 29, 2024 due on May 22, 2024 amounting to P4,448.6 million. The Group has remaining unpaid cash dividend amounting to P81.2 million as at December 31, 2025 (2024 - P75.0 million) (Note10).

Retained earnings are further restricted to the extent of P2.7 million representing the cost of shares held in treasury as at December 31, 2025 and 2024. These treasury shares were reacquired below P1 issue price.

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

(d) Track record of registration of securities

In accordance with SRC Rule 68, as amended in 2019, Annex 68-K, below is a summary of the Parent Company's track record of registration of securities.

	Issue/ offer price	Date of approval	Number of shares registered	Number of holders of securities as at December 31		
				2025	2024	2023
Common	P1	September 11, 1989	293,828,900	1,202	1,208	1,214

12 Related party disclosures

In the normal course of business, the Parent Company transacts with companies which are considered related parties under PAS 24, Related Party Disclosures. The significant related party transactions and outstanding balances as at and for the years ended December 31 are as follows:

Related party	Transactions				Terms and conditions
	2025	2024	2023	Outstanding receivable (payable)	
Due from related parties				2024	
Associates (until September 30, 2025)					
OKEP					
Operating advances (a)	168,155	98,632	339,172	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
Cash dividends (b)	-	507,383,200	-	-	
Redemption of preferred shares (c)	-	31,287,230	-	-	
Liquidating dividend (d)	41,276,000	-	-	-	
OVI					
Operating advances (a)	168,155	65,127	319,621	-	
Cash dividends (b)	-	273,760,000	-	-	
Redemption of preferred shares (c)	-	48,000,000	-	-	
Liquidating dividend (d)	24,664,000	-	-	-	
ORDC					
Operating advances (a)	239,595	65,127	392,143	-	
Cash dividends (b)	-	164,940,000	-	-	
Liquidating dividend (d)	12,616,000	-	-	-	
Entities under common control					
Keppel Philippine Holdings, Inc.					
Operating advances (a)	128,044	108,098	13,391	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
Keptures, Inc.					
Operating advances (a)	20,111	18,130	13,391	-	
KL(RI)					
Operating advances (a)	600	(660,163)	-	174,309	
Shareholder					
Kepwealth, Inc.					
Operating advances (a)	20,111	18,130	13,391	-	
				174,309	
Receivables					
Joint venture (until December 22, 2023)					
SMKL					
Management consultancy fee (e)	-	-	32,511,523	-	Non-interest-bearing, unsecured, unguaranteed, 30 to 60 days, collectible in cash at gross amount.
Franchise fee (e)	-	-	13,004,609	-	
			45,516,132	-	

Related party	Transactions				Outstanding receivable (payable)		Terms and conditions
	2025	2024	2023	2025	2024		
Entities under common control							
KML							
Tax credit (f)	-	-	-	(21,420,000)	(21,420,000)		Non-interest-bearing, unsecured, unguaranteed and payable in cash upon demand at gross amount.
Operating advances (a)	-	446,057	-	446,057	446,057		
Redemption of preferred shares (g)	-	(2,022,119,400)	-	-	-		
KL(RI)							
Support services (h)	-	-	(9,214,261)	-	-		
Ultimate parent entity control							
KL							
Support services (h)	-	-	(1,705,779)	-	-		
				(20,973,943)	(20,973,943)		
Joint venture							
Lease liabilities							
SMKL							
Rentals (i)	-	-	2,767,285	-	-		Non-interest-bearing, unsecured, unguaranteed, 30-to-60 days, payable in cash at gross amount.
Other income (Note 14)	-	-	1,868,101	-	-		
Shareholders							
Dividends payable							
Cash dividends (j)	-	(4,448,569,564)	-	(75,005,271)	(81,208,807)		Outstanding balance is payable in cash, at gross amount, on pay-out date as approved by the Company's BOD, non-interest bearing, unsecured and unguaranteed.
Key management personnel (k)							
Salaries and other short-term employee benefits	(2,855,251)	(2,264,809)	(17,675,700)	-	-		Outstanding balance is payable every designated period per employee contracts, non-interest bearing, unsecured and unguaranteed.
Bonuses and allowances	(2,054,000)	(1,588,513)	(10,125,008)	(1,464,679)	(689,569)		
Retirement benefit expense	-	-	(809,665)	-	-		
Retirement fund transactions							
Contribution to the retirement fund	-	-	(633,156)	-	-		Refer to Note 17 - Retirement benefits

SMKL was no longer considered a related party upon the completion of the Parent Company and OKEP's sale of its interest in SMKL as at December 22, 2023 (Note 5). ORDC, OVI and OKEP are no longer considered related parties upon shortening of corporate life and cessation of business operation effective September 30, 2025.

- (a) The Parent Company provided operating advances for expenses to its associates, shareholders and entities under common control. These operating advances represent expenses incurred in the normal operations. These are recharged at cost.
- (b) OKEP, OVI and ORDC declared and paid cash dividends of P946.1 million to the Parent Company on February 2, 2024 and February 12, 2024, respectively (Note 6).
- (c) On February 2, 2024, the Parent Company's BOD approved the acceptance of OKEP and OVI's redemption of 3,128,722 and 4,800,000 preferred shares, respectively, held by the Parent Company at a redemption price equivalent to the issue price of P10.00 per share. The Parent Company collected redemption price from OKEP and OVI amounting to P31.3 million and P48.0 million, respectively, on February 12, 2024.
- (d) OKEP, OVI and ORDC declared liquidating dividends of P78.6 million to the Parent Company on October 1, 2025 (Note 6). The liquidating dividends were paid on October 3, 2025.
- (e) The Parent Company provided management and advisory, and franchise services to SMKL. Management consultancy and franchise fees are charged at 2.5% and 1.0%, respectively, of SMKL's annual net revenues. The related service agreements were terminated effective December 22, 2023.
- (f) In 2010, the Parent Company redeemed its preferred shares from KML in which final withholding tax was withheld and remitted to the BIR. In May 2022, the BIR issued a tax credit certificate under the name of KPPI, and as a result, the Parent Company recognized the amount as tax credit (Note 4) with a corresponding due to KML as agreed by the parties.
- (g) On May 22, 2024, the Parent Company redeemed KML's 59,474,100 redeemable preferred shares and paid in cash a redemption price of P10.00 per share plus an annual premium of 12% or P2,022.1 million.
- (h) Keppel Land (Regional Investments) Pte. Ltd. (KL(RI)), entity under common control, and KL provide support services to the Group. These are recharged at cost.
- (i) The Parent Company had a lease agreement with SMKL for its office space located in The Podium West Tower. This covered up to July 15, 2023 (Note 8).
- (j) On April 12, 2024, the Parent Company declared cash dividends amounting to P15.14 per common share or P4,448.6 million for shareholders of record as at April 29, 2024, due on May 22, 2024. The remaining dividends payable pertain to unclaimed cash dividends amounting to P74.5 million as at December 31, 2025 (2024 - P80.7 million), related to the April 12, 2024 declaration, and P0.5 million unclaimed cash dividends declared when the Parent Company's name was still Cebu Shipyard and Engineering Works, Inc., which are presented as part of "Accounts payable and other current liabilities".
- (k) There were neither share-based compensation, termination benefits nor other long-term benefits given to key management personnel as at and for the years ended December 31, 2025, 2024 and 2023. Bonuses and allowances are included in salaries, wages, and employee benefits presented under general and administrative expenses (Note 13). The related payable is included as part of Accrued expenses under Accounts and other payables (Note 10).

Details of related party transactions and balances eliminated during consolidation are as follows:

Subsidiary	Transactions			Outstanding balance		Terms and conditions
	2025	2024	2023	2025	2024	
Due from						
BHI	-	90,793	450,205	-	-	Non-interest-bearing, unsecured, collectible in cash upon demand
CSRI	-	9,446	317,387	-	-	
				-	-	

Loss of control

- (a) BHI's corporate term ended on January 31, 2025 and, as a result, the Parent Company lost control over BHI. Accordingly, the following assets and liabilities of BHI as at January 31, 2025, were deconsolidated from the Group's consolidated financial statements.

Assets:	
Cash	11,256,521
Input VAT	276,705
	11,533,226
Liabilities:	
Accrued expenses	90,731
Net assets	11,442,495

On March 31, 2025, BHI declared and paid liquidating dividends in cash to the Parent Company amounting to P11.2 million that resulted in a loss from its deconsolidation of P0.3 million (Note 14).

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

Assets	
Cash	7,958,681
Input VAT, net	120,390
	8,079,071
Liabilities	
Accrued expenses and other current liabilities	86,180
Due to a Parent Company	13,749
	99,929
Net assets	7,979,142

On April 26, 2024, CSRI declared and paid liquidating dividends in cash to the Parent Company amounting to P7.8 million that resulted in the Group recognizing a loss from deconsolidation of subsidiary of P0.2 million (Note 14).

The Group shall, at all times, observe and adhere with the related party transactions policy and all other relevant laws, rules and regulations, as may be applicable, in the review, approval and disclosure of related party transactions. The members of the BOD, substantial shareholders and management shall disclose to the BOD all material facts related to the material related party transactions, whether potential or actual conflict of interest, including their direct and indirect interest in any transaction or matter that may affect or is affecting the Group. Materiality threshold of the Group is 10% of the Group's total consolidated assets based on the latest audited financial statements.

The material related party transactions shall be approved by two-thirds vote of the BOD with at least majority of the independent directors voting to approve. In the case that the majority of the independent directors' vote is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding share capital of the Parent Company.

For each of the three years in the period ended December 31, 2025, the Group has not made any provisions for doubtful accounts relating to amounts owed by related parties because of strong financial condition of concerned related parties. This assessment is undertaken each financial year through examination of the financial position of each related party and the market in which each operates.

13 General and administrative expenses

The account for the years ended December 31 consists of:

	Notes	2025	2024	2023
Salaries, wages and employee benefits		6,449,021	5,101,238	31,635,177
Professional fees		4,387,740	13,064,265	6,834,650
Rentals		1,542,921	1,467,734	1,389,711
Transportation and travel		734,736	1,596,627	756,954
Repairs and maintenance		376,470	808,923	2,001,125
Membership dues		256,200	250,000	950,123
Staff recreation and others		243,451	186,753	145,816
Postage, printing and advertising		208,442	263,622	254,143
Taxes and licenses		117,742	13,114,321	11,927,871
Insurance		116,391	128,272	643,496
Utilities		64,714	85,351	1,445,575
Depreciation and amortization	8,9	58,521	103,082	2,877,742
Bank and other charges		20,288	88,635	89,333
Supplies		9,120	14,459	30,354
Retirement benefit expense	17	-	-	876,871
Others		146,174	1,392,678	2,313,131
		14,731,931	37,665,960	64,172,072

Taxes and licenses include tax assessments paid in 2024 amounting to P9.6 million representing basic tax and surcharges. The related interest of P3.1 million on the tax assessment for year 2024 was presented as part of the provision for income tax.

Other expenses consist of storage costs, photocopy charges and notarial fees, among others.

14 Other income, net

The account for the years ended December 31 consist of:

	Notes	2025	2024	2023
Foreign exchange gains (losses), net	19.1a	2,412,479	119,599,674	(460,217)
Gain on investments in associates	6	403,156	-	-
Intercompany charges	12	129,434	288,312	4,147,948
Gain on reversal of accrued expenses	10	77,104	86,799	1,154,752
Loss on deconsolidation of a subsidiary	12	(319,169)	(182,673)	-
Write-off of creditable withholding taxes	4	(888,297)	-	-
Impairment loss on investments in associates	6	-	(8,306,329)	-
Gain from termination of lease	8	-	-	416,294
Gain on sale of property and equipment	9	-	-	281,117
Interest income from staff loan		-	-	8,532
Interest expense on lease liabilities	8	-	-	(290,370)
Others, net		-	-	748
		1,814,707	111,485,783	5,258,804

15 Income taxes

The details of the income tax expense for the years ended December 31 are as follows:

	2025	2024	2023
Current	5,519,920	29,717,901	5,201,382
Deferred	168,161	2,119,705	(913,044)
	5,688,081	31,837,606	4,288,338

The reconciliation between the statutory income tax expense and the effective income tax expense for the year ended December 31 is as follows:

	2025	2024	2023
Statutory income tax expense (benefit)	3,346,502	57,737,260	(293,354)
Add (deduct) tax effects of:			
Final tax on interest income and franchise fee	4,840,436	27,222,765	4,633,218
Change in unrecognized deferred income tax assets on net operating loss carryover (NOLCO) and excess MCIT	(15,637,808)	(3,851,868)	4,192,249
Non-deductible expenses	283,937	4,404,478	2,150,578
Share in results of associates and joint venture	(364,007)	(1,350,467)	(515,560)
Impact of impairment loss at group-level	-	(14,392,725)	-
Impact of gain on investment at group-level	19,430,822	-	-
Income subjected to final tax	(6,211,801)	(37,931,837)	(5,789,389)
Non-taxable income	-	-	(89,404)
Effective income tax expense	5,688,081	31,837,606	4,288,338

(a) *Current income tax*

The details of the current income tax expense for the years ended December 31 are as follows:

	2025	2024	2023
Final tax	4,840,436	27,222,765	4,633,218
MCIT	679,484	2,495,136	568,164
	5,519,920	29,717,901	5,201,382

(b) *Deferred income tax*

The components of deferred income tax liability as at December 31 are as follows:

	2025	2024
Unrealized foreign exchange gain	609,159	440,998

Movements in net deferred income taxes for the years ended December 31 are as follows:

	2025	2024
At January 1	440,998	(1,678,707)
Charged to profit or loss	168,161	2,119,705
At December 31	609,159	440,998

Deferred income tax assets (DTA) for NOLCO and excess MCIT over the normal income tax were not recognized since Management believes that future taxable profit will not be available within the NOLCO and MCIT period against which these carry-forward benefits can be applied.

Each entity in the Group is entitled to NOLCO benefit which can be applied to an entity's taxable income for three succeeding years from the year the loss was incurred. Pursuant to RR No. 25-2020, Section 4 of Republic Act No. 11494 (Bayanihan to Recover as One Act), the Group is allowed to carry over the net operating loss incurred for taxable years 2020 and 2021 as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of NOLCO as at December 31, which could be carried over as deduction from taxable income for three or five consecutive years following the year of incurrence, follow:

Year incurred	Year of expiry	2025	2024
2024	2027	-	209,202
2023	2026	12,742,286	13,380,452
2022	2025	23,262,192	23,626,371
2021	2026	35,417,732	35,587,267
2020	2025	14,417,440	39,309,346
		85,839,650	112,112,638
Utilized		(19,465,579)	(24,638,753)
Expired		(18,214,053)	-
Total		48,160,018	87,473,885
Unrecognized DTA		12,040,005	27,975,859

In compliance with the Tax Reform Act of 1997, the Group is required to pay the MCIT or the normal income tax, whichever is higher. The MCIT can be carried forward on an annual basis and credited against normal income tax payable within three (3) immediately succeeding years from the period when the MCIT was paid.

The details of the Parent Company's excess MCIT over the normal income tax are as follows:

Year incurred	Year of expiry	2025	2024
2025	2028	679,484	-
2024	2027	2,495,136	2,495,136
2023	2026	568,164	568,164
2022	2025	381,438	381,438
2021	2024	-	239,616
		4,124,222	3,684,354
Expired		(381,438)	(239,616)
Unrecognized MCIT		3,742,784	3,444,738

16 Earnings per share

Earnings (loss) per share from continuing operations for the years ended December 31 was determined as follows:

	2025	2024	2023
Net income (loss) from continuing operations	7,697,928	199,111,433	(5,461,755)
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900	293,828,900
Basic earnings (loss) per share	0.03	0.68	(0.02)

Earnings per share from discontinued operation for the years ended December 31 was determined as follows:

	2025	2024	2023
Net income from discontinued operation	-	-	3,293,559,514
Divided by: Weighted average number of common shares issued and outstanding	-	-	293,828,900
Basic earnings per share	-	-	11.21

Earnings per share from operations for the years ended December 31 was determined as follows:

	2025	2024	2023
Net income from operations	7,697,928	199,111,433	3,288,097,759
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900	293,828,900
Basic earnings per share	0.03	0.68	11.19

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 December 31, 2025, 2024, and 2023 is computed as follows:

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

17 Retirement benefits

The Parent Company has a funded, non-contributory defined benefit retirement plan, administered by BDO Unibank, Inc.-Trust and Investment Group (Trustee), covering its regular employees. The Parent Company is under the KPPI Multi-employer Retirement Plan. The Parent Company, together with the companies under the plan, contributes to the trust fund amounts as may be required as estimated by an independent actuary, on the basic accepted actuarial principles, to maintain the plan in a sound condition. The companies also reserve the right, whenever economic conditions may warrant, to discontinue or suspend its contributions to the trust fund. Further, the Parent Company is not liable to the plan for other companies' obligations under the terms and conditions of the multi-employer plan. In case of termination of the plan, the liability of the Parent Company to make contributions shall cease and the trust fund shall be allocated pro-rata to the employees.

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.

On November 14, 2023, the Parent Company terminated its participation in KPPI Multi-employer Retirement Plan to which the employee shares were already paid out.

The components of retirement benefit expense recognized in profit or loss for the year ended December 31, 2023 are as follows:

	Note	Amount
Current service cost		847,116
Net interest cost		29,755
	13	876,871

The remeasurements recognized in other comprehensive income for the year ended December 31, 2023 are determined as follows:

	Amount
Remeasurements on retirement benefit obligation	-
Remeasurements on plan assets	-
Remeasurement gain	-
Deferred income tax expense	352,534
Remeasurement gain, net of tax	352,534

The cumulative remeasurements recognized in other comprehensive income (loss) for the years ended December 31, 2023 are determined as follows:

	Amount
At January 1, net of tax	1,057,601
Remeasurement gain from defined benefits	-
Deferred income tax benefit	352,534
Reclassification to retained earnings	(1,410,135)
	(1,057,601)
At December 31, net of tax	-

18 Segment information

The Group has only one segment.

Significant information on the reportable segment as at and for the years ended December 31 is as follows:

	2025	2024
Operating assets	612,619,815	613,710,085
Operating liabilities	117,171,314	125,959,512
Income from continuing operations	26,303,233	157,129,216
Other income, net	1,814,707	111,485,783
General and administrative expenses	14,731,931	37,665,960
Segment net income	7,697,928	199,111,433

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

The Parent Company earned income of more than 10% of the total gross income from a single customer, SMK, amounting to P45.5 million in 2023. The Parent Company billed and recognized management and consultancy and franchise fee from SMK until the completion of its divestment (Note 5).

There is no need to present reconciliation since the Group's operating assets, operating liabilities, income from continuing operations, other income, net, general and administrative expenses, segment net income (loss) from continuing operations, segment net income from discontinued operation and segment net income pertains to a single operating segment.

19 Financial risk and capital management

19.1 Financial risk management

The Group's principal financial assets and financial liabilities comprise of cash and cash equivalents, receivables, financial assets at FVOCI, amounts due to and from related parties, refundable deposits, accounts payable and other liabilities (other than taxes payable). The Group has various other financial assets and financial liabilities, which arise from its operations.

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

(a) Foreign currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.

The Group's exposure to foreign currency arises from its monetary short-term deposits denominated in US Dollars as at December 31.

	2025	2024
Cash equivalent	3,070,858	2,964,886
Year-end USD exchange rate	58.77	58.80
PHP equivalent	180,474,325	174,335,297

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

Net foreign exchange gains (losses), net, for the years ended December 31 are as follows:

	Note	2025	2024	2023
Unrealized gains		2,436,637	1,763,992	-
Realized (losses) gains		(24,158)	117,835,682	(460,217)
	14	2,412,479	119,599,674	(460,217)

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 sensitivity to a reasonable possible change of 0.05% in 2025 (2024 - 2.12%) in the Philippine Peso against US Dollars exchange rate, with all other variables held constant, of the Group's income before tax is +/- P90.2 thousand (2024 - +/- P3.7 million). The Company determined the reasonable possible change using the 12-month historical volatility of US Dollar to Philippine Peso spot changes to December 31, 2025 and 2024.

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

In 2025 and 2024, the Group used the average change in closing rates for the year in determining the reasonable possible change in foreign exchange rates.

(b) Price risk

The Group has no exposure to price risk related to financial assets and liabilities whose values will fluctuate as a result of changes in market prices, other than its financial assets at FVOCI valued at Level 3 fair value hierarchy. There is a minimal price risk to the Group's financial assets at FVOCI as it is valued at cost representing the best estimate of fair value as the instruments are unquoted securities. The Group is not exposed to commodity price risk.

(c) Interest rate risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no significant exposure to interest rate risk on cash and cash equivalents as these are subject to fixed interest rates and lease liabilities are measured at amortized cost. As such, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

(d) 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, amounts due from related parties, financial asset at FVOCI and refundable deposits. As at December 31, 2025 and 2024, the carrying values of the Group's financial instruments represent maximum exposure to credit risk at reporting date.

There are no financial assets and liabilities that are offset and reported as net amount in the consolidated statement of financial position. There were no amounts subject to an enforceable master netting arrangement or similar agreement as at December 31, 2025 and 2024.

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

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

Below is the Group's financial assets classified under three categories which reflect their credit risk as at December 31:

		Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
2025					
Cash and cash equivalents	(i)	556,800,797	-	-	556,800,797
Receivables	(ii)	2,729,954	-	-	2,729,954
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits	(iv)	238,656	-	-	238,656
		559,994,407	-	-	559,994,407
2024					
Cash and cash equivalents	(i)	480,627,147	-	-	480,627,147
Receivables	(ii)	1,787,194	-	-	1,787,194
Due from related parties	(ii)	174,309	-	-	174,309
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits	(iv)	238,656	-	-	238,656
		483,052,306	-	-	483,052,306

Cash and cash equivalents exclude cash on hand. Receivables exclude receivable from a government agency amounting to P70.0 thousand in 2025 (2024 - P0.1 million).

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 to Stage 3.

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

The loss allowance as at December 31 was determined as follows:

	Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
<i>2025</i>				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	2,729,954	-	-	2,729,954
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-
<i>2024</i>				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	1,787,194	-	-	1,787,194
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	174,309	-	-	174,309
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-

(i) Cash and cash equivalents and accrued interest

The Group 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 December 31, 2025 and 2024. Cash and cash equivalents and related accrued interest have minimal exposure to credit risk as the Group only transacts with reputable banks and financial institutions and is considered performing.

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

(ii) Receivables

Accrued interest

The Group has low credit risk exposure relating to accrued interest as the amounts are fully collectible from the bank. These balances arise from interest earned on deposits with reputable financial institutions that have strong credit ratings and a history of meeting their contractual obligations. Accordingly, the risk of default is assessed to be negligible as at December 31, 2025 and 2024.

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.

As at December 31, 2025, there is no credit risk exposure as the balance is nil. The maximum credit risk exposure is equal to the carrying amount as at December 31, 2024.

Other receivables

There is no balance as at December 31, 2025. As at December 31, 2024, other receivables are classified as fully performing and no history of default.

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

(iii) Financial asset at FVOCI

Financial asset at FVOCI consist primarily of redeemable preferred shares. Financial asset at FVOCI is reported at carrying amounts which are assumed to approximate their fair values (Note 19.3). There is no significant credit exposure on financial asset at FVOCI as the redeemable preferred shares are with related parties and were redeemed at cost in 2024.

(iv) Refundable deposits

Refundable deposits consist primarily of amounts related to the Group's lease agreements. Refundable deposits are reported at their carrying amounts which are assumed to approximate their fair values. There is no significant credit exposure on refundable deposits since these are recoverable at the end of the lease term (Note 8).

(e) 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 one year	Total
<i>December 31, 2025</i>					
Accounts payable and accrued expenses	75,005,271	3,684,676	-	-	78,689,947
Due to related parties	20,973,943	-	-	-	20,973,943
	95,979,214	3,684,676	-	-	99,663,890
<i>December 31, 2024</i>					
Accounts payable and accrued expenses	81,208,807	2,828,232	-	-	84,037,039
Due to related parties	20,973,943	-	-	-	20,973,943
	102,182,750	2,828,232	-	-	105,010,982

Accrued expenses include dividends payable amounting to P75.0 million and P81.2 million unclaimed as at December 31, 2025 and 2024 (Note 10).

19.2 Capital management

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

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

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

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

The percentages of debt to equity as at December 31:

	2025	2024
Liabilities	117,171,314	125,959,512
Equity	495,448,501	487,750,573
Percentage of debt-to-equity	23.65%	25.82%

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, the PSE requires listed entities to maintain a minimum of 10% of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Company's shares held by public is in total percentage of 13.17% with a total of 38.7 million shares in 2025 and 2024 and has fully complied with this requirement (Note 1).

19.3 Fair value estimation

Due to the short-term nature of the Group's financial assets and liabilities, their fair values approximate their carrying amounts as at December 31, 2025 and 2024, except for financial assets at FVOCI.

The financial assets pertaining to investment in preferred equity shares and unquoted club shares are valued at FVOCI. Based on the Group's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities (Note 20.e).

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 consolidated financial statements.

Fair value hierarchy

The valuation of the financial assets at FVOCI is categorized as Level 3 measurement using cost which represents the best estimate of the fair value as the instruments are unquoted securities.

During the reporting period ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

20 Critical accounting estimates, assumptions and judgments

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

20.1 Critical accounting estimates and assumptions

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

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

(a) Assessment of impairment of investments in associates (Note 6)

The Group assesses impairment on its investments in associates and joint venture annually or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined by the higher between value-in-use and fair value less cost to sell in accordance with PAS 36 Impairment of Assets. This requires the Group to make estimates and assumptions that can materially affect the consolidated financial statements. Future events could cause the Group to conclude that these assets are impaired. Any resulting additional impairment loss could have a material adverse impact on the Group's consolidated financial position and results of operations.

In September 2024, the SEC approved the associates' cessation of business operations through shortening of their corporate terms until September 30, 2025 (Note 1). Consequently, the Group assessed its investments in associates for impairment due to associates' planned cessation of business operations (Note 6). The recoverable amount was determined using the value-in-use as there was no active market for the investment and the fair value could not be reliably measured. The value-in-use was calculated based on projected future cash flows which significantly comprised the cash balance at the beginning of the year, the group's share in net income or loss and the expected liquidating dividend based on the associates' net asset value and cash balance upon cessation of business operations. Discount rate was not applied in the value-in-use as the estimated cash flows are predictable and expected to be realized in less than one year. Since the associates will cease operations, no terminal value was considered and no future cash flows were assumed beyond the closure date. The value-in-use calculation are not materially sensitive to changes in light of predictability and short time horizon of cash flows.

In October 2025, the associates declared and paid the liquidating dividends to the Parent Company resulting to the derecognition of the investment and recognition of investment gain (Note 6).

In 2023, OKEP disposed of its ownership from the joint venture with SMKL (Note 5) and accordingly, management performed an impairment assessment on its investments in associates. The recoverable amount of the investments in associates is determined based on the fair value less cost of disposal representing the combined individual assets and liabilities of the investee companies' consistent with how management manages and reports their operations (Note 6). Management assessed the fair value approximation of the combined individual assets and liabilities of the associates based on their substantially short-term nature. As at December 31, 2023, the Group did not recognize any impairment loss on its investments in associates as the recoverable amount, based on fair value less cost to sell, is higher than the carrying amount of the investments.

(b) Useful lives of property and equipment, and right-of-use asset (Notes 8 and 9)

The useful lives of each item of the Group's property and equipment, and right-of-use asset are estimated based on the period over which the asset is expected to be available for use. For right-of-use asset, the estimated useful life is based on lower of the useful life or the lease-term. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of any property and equipment, and right-of-use asset would increase the recorded operating expenses and decrease non-current assets.

There were no changes in the estimated useful lives of property and equipment. In 2023, the Group derecognized its right-of-use asset due to lease termination.

If the actual useful lives of the property and equipment differ by +/-10% (assessment threshold used by management), the carrying amount of property and equipment would have been higher or lower by P25.2 thousand in 2023. For 2024 and 2025, the effect of a similar 10% change in estimated useful lives is not considered material given the immaterial balance of the Group's property and equipment.

20.2 Critical judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(c) Impairment of receivables and due from related parties (Notes 3 and 12)

The Group applies the PFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for receivables and due from related parties.

The allowance for doubtful accounts related to its trade receivables presented under receivables and due from related parties is based on assumptions about risk of default and expected loss rates. The Group uses estimates in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. To measure the expected credit losses, financial assets have been grouped based on shared credit risk characteristics and the days past due.

For receivables and due from related parties, the expected loss rates are based on the payment profiles of revenue over a period of 36 months before December 31, 2025 and 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified that the Philippine annual inflation and gross domestic product rates to be the most relevant factor and accordingly adjusts the historical loss rates based on expected changes in these factors.

The amount and timing of recorded expenses for any period would differ if the Group made different judgments or utilized different estimates. An increase in the Group's allowance for doubtful accounts on receivables and due from related parties would increase the Group's recorded expenses and decrease current assets. No allowance for impairment loss has been provided for by the Group on the receivables and due from related parties as at December 31, 2025 and 2024 as these are fully recoverable.

(d) Assessment of control, joint control and significant influence (Note 6)

The Group has determined that it has no control over its investments in associates as it has no power over these investees or it is not exposed or does not have rights to variable returns from its involvement with these investees and it does not have the ability to control the amount of these variable returns. However, the Group determined that it has significant influence over these investments, thus these investments are classified as associates and is continuously accounted for by the Group using the equity method in its consolidated financial statements. Moreover, the Group is a part owner of an investment in joint venture where the Group has determined that it does not have sole control over the investee and the ownership is shared with the other owner. The Group and the other owner have joint control and rights over the net assets of the investment. The Group has (after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangement and the Group's rights and obligations arising from the arrangement) classified its interest as joint ventures. As a result, the Group account for its investments in associates and joint venture using the equity method.

(e) Classification and fair value measurement of financial assets not quoted in an active market (Note 7)

The Group has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under PFRS 9, Financial Instruments.

The investments in preferred shares within the Group are not held for trading, thus, the Group elected to classify these investments under “Financial assets at fair value through other comprehensive income” with gains and losses remaining in the other comprehensive income, i.e. without recycling to profit or loss upon derecognition (Note 7). However, dividends from investments are recognized in profit or loss when the right to receive payment is probable and can be measured reliably.

These investments are carried at fair value. Based on the Group's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities.

The Group has assessed below indicators, at investees point of view, are not existent, thus, concluded that cost less impairment, if any, is the best estimate of fair value.

- a significant change in the performance of the investee compared with budgets, plans or milestones;
- changes in expectation that the investee's technical product milestones will be achieved;
- a significant change in the market for the investee's equity or its products or potential products; and,
- a significant change in the global economy or the economic environment in which the investee operates.

The valuation of the financial assets at fair value through other comprehensive income is categorized as Level 3 measurement as it utilized adjusted inputs for valuation that were, for the major part, unobservable as at the date of valuation. The main inputs used by the Group are net asset values of the investees.

(f) Recognition of deferred income tax assets (Note 15)

Deferred income tax assets are recognized for unused tax losses and credits to the extent that it is probable that taxable profit will be available against which the tax losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred income tax assets for NOLCO and excess MCIT were not recognized since management believes that future taxable profit will not be available within the NOLCO and MCIT period against which these carry-forward benefits can be applied.

The amount of unrecognized deferred tax asset amounted to P15.8 million as at December 31, 2025 (2024 - P21.7 million) (Note 15).

(g) Lease commitments - the Group as lessee

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

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 Group considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Extension options in leases have not been included in the lease liabilities because the Group could replace the assets without significant cost or business disruption. Potential future cash outflows have not been included in the lease liabilities because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

During the current financial year, there is no revision of lease terms to reflect the effect of exercising extension and termination of contracts (Note 8).

(h) Recoverability of prepaid taxes and input VAT (Note 4)

The Group assesses impairment on prepaid taxes (creditable withholding taxes and tax credit) and input VAT annually or whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable. The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. Based on management's assessment as at December 31, 2025 and 2024, the prepaid taxes and input VAT remain fully recoverable, as these are expected to be utilized against applicable tax liabilities or refunded through applying for a tax refund with the BIR, except for the creditable withholding taxes amounting to P0.9 million that was written-off in 2025.

21 Summary of material accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

21.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards,
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at FVOCI measured at fair value.

The preparation of the consolidated financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 20.

Changes in accounting policies and disclosures

(a) Amendments to existing standards adopted by the Group effective January 1, 2025

The following amendments to existing standards have been adopted by the Group effective January 1, 2025:

- Lack of Exchangeability - Amendments to PAS 21;

On August 15, 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The adoption of the above amendment did not result in a material impact to the consolidated financial statements of the Group.

There are no new standards, other interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or expected to have a material impact on the Group's consolidated financial statements.

(b) *New standards, amendments and interpretations to existing standards issued but not yet effective as at December 31, 2025*

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2025 reporting period and have not been early adopted by the Group. None of these are expected to be relevant and have a significant effect on the financial reporting of the Group, while the most relevant ones are set out as follows:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (*Effective beginning on or after January 1, 2026*)

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Group does not expect the amendment to have a significant impact to the Group's consolidated financial statements.

- PFRS 18 Presentation and Disclosure in Financial Statements (*Effective beginning on or after January 1, 2027*)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements.

Although the adoption of PFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss - this break-down is only required for certain nature expenses; and
- for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

The Group will apply the new standard from its mandatory effective date of January 1, 2027.

Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

The new standards and amendments are effective for annual reporting periods beginning on or after January 1, 2026, and must be applied retrospectively. The Group does not expect the amendment to have a significant impact to the Group's consolidated financial statements.

21.2 Consolidation

The consolidated financial statements include the accounts of the Parent Company and its subsidiaries as at December 31, 2025 and 2024, and for each of the three years in the period ended December 31, 2025. 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 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.

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.

21.3 Financial instruments

Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Group did not hold financial assets under the category financial assets at FVTPL as at December 31, 2025 and 2024.

(i) Amortized cost

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

Term deposits are presented as cash equivalents if these have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

Trade receivables presented under receivables and due from related parties arising from rendering of services with average credit term of 30 to 60 days are measured at the original invoice amount which approximates their fair value (as the effect of discounting is immaterial), less any provision for impairment.

Refundable deposit arises from the Company's lease agreements and is fully recoverable at the end of the lease terms.

(ii) FVOCI

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. The Group's financial assets measured at FVOCI represent unquoted preferred shares of related parties and unquoted investments in club shares. These are classified as "Financial assets at fair value through other comprehensive income" in the consolidated statement of financial position consistent with the Group's election at the time of initial recognition (Note 7).

(b) Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition, measurement depends on the Group's business model for managing the asset and cash flow characteristic of the asset.

(i) Amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently 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 or losses. Impairment losses are presented as part of "Other income, net" in the consolidated statement of total comprehensive income.

(ii) Equity investments

The Group subsequently measures all equity investments at FVTPL, except where the Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. 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. The investment cost approximates its fair value at reporting date.

(c) Impairment

Receivables and due from related parties

The Group applies the PFRS 9 simplified approach to measuring 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, receivables and due from related parties have been grouped based on shared credit risk characteristics and the days past due. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized as a separate line item in the consolidated statement of total comprehensive income. When a receivable remains uncollectible after the Group has exerted all legal remedies, it is written-off against the allowance account for receivables and due from related parties. Subsequent recoveries of amounts previously written-off are credited against the same line item presented as part of "Other income, net" in the consolidated statement of total comprehensive income.

The expected loss rates are based on the profiles of revenue over a period of 36 months before December 31, 2025 and 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and due from related parties. The Group has identified that the Philippine annual inflation and growth domestic product rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

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 (more than 10%) or prolonged (more than 12 months) decline in the fair value of investment 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.

Financial liabilities

(a) Classification

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

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

The Group's accounts payable and other current liabilities (excluding taxes payable), due to related parties and lease liabilities are classified under other financial liabilities at amortized cost.

(b) Recognition and measurement

Financial liabilities not carried at FVTPL are initially recognized at fair value less transaction costs.

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

21.4 Determination of fair value of financial and non-financial assets

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

(a) Financial assets and liabilities

The fair value for financial instruments traded in active markets at the end of the reporting period is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction (Note 19.3).

(b) Non-financial assets

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

The Group uses fair value hierarchy level 3 for determining and disclosing the fair value of financial asset at FVOCI. The cost of investment in FVOCI approximates its fair value of unquoted securities.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as financial assets at FVOCI, and for non-recurring fair value measurement. At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

21.5 Prepayments and other current assets

(a) Prepayments

Prepayments are subsequently charged to profit or loss as these are consumed in the operations or expire with the passage of time.

Prepayments are classified as current assets when realized as part of the normal operating cycle and are expected to be realized within 12 months after the reporting period, otherwise, prepayments are classified as non-current assets.

(b) Creditable withholding taxes

Creditable withholding taxes represent amounts withheld by the Group's counterparties in relation to revenue earned. These amounts are derecognized when applied against the income tax payable.

Creditable withholding taxes are included in current assets, except when these are expected to be utilized more than twelve months after the end of the reporting period, in which case these are classified as non-current assets. Creditable withholding taxes are derecognized when utilized or applied against income tax due.

(c) Tax credit

Tax credit represent excess tax payments that can be applied against future applicable income tax payable or can be applied for cash refund from BIR.

Tax credit are included in current assets, except when these are expected to be utilized more than twelve months after the end of the reporting period, in which case these are classified as non-current assets.

Tax credit are derecognized when utilized or applied against income tax due.

(d) Input VAT

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

This is derecognized when applied against output tax, when written off or when actual refund is received. When input VAT is derecognized, its cost and accumulated impairment losses, if any, are eliminated from the account.

Input VAT are included in current assets, except when these are expected to be utilized more than twelve months after the end of the reporting period, in which case these are classified as non-current assets. Input VAT are derecognized when utilized or applied output tax.

21.6 Non-current asset held-for-sale; Discontinued operation

Non-current assets are classified by the Group as held-for-sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The Group measures the asset at the lower of carrying amount and fair value less costs to sell.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the consolidated statement of financial position. The Group derecognize non-current asset held-for-sale upon the completion of sale based on the carrying amount of the asset held for sale.

The Group performs re-assessment of the lower of the carrying amount and its fair value less costs to sell upon completion of the sale. Gain or loss from sale is determined as the excess of purchase consideration from lower of carrying value and fair value less cost to sell.

The Group disclosed in the consolidated statement of comprehensive income comprising of the: the post-tax profit or loss of discontinued operation, and the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation.

The Group re-presented the disclosures for discontinued operation for prior periods presented in the financial statements, including the disclosures related to the operations that have been discontinued by the end of the reporting period for the latest period presented. The discontinued operation presented in the consolidated statement of comprehensive income and consolidated statement of cash flows in the comparative period should therefore include all operations that have been discontinued by the end of the most recent reporting period.

21.7 Investments in associates and 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 and joint venture, the Group discontinues recognizing its share of further losses. The interest in an associate and joint venture is the carrying amount of the investments 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 investments 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 and joint venture. This is included in the "Share in net income of associates and 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 and joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the investments in 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.

Upon cessation of business operation of an associate or joint venture, the Group loses significant influence and derecognizes the carrying amount of the investment in associate. Any difference between the liquidating dividends received and the carrying amount of the investments in associates or joint venture upon the cessation of business operation is recognized in profit or loss.

21.8 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of such property and equipment when such cost is incurred if the recognition criteria are met.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Office equipment	1-4
Furniture and fixtures	1-4
Leasehold improvements	3 or over the lease term, whichever is shorter

The useful lives, residual value and depreciation method are reviewed periodically to ensure that the period, residual value and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

21.9 Impairment of non-financial assets

Property and equipment, net, and right of use asset

Assets that have definite useful life are subject to amortization, such as property and equipment, net, and right-of-use assets, net, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Investments in associates and joint venture

After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in the investee companies. The Group determines at each reporting date whether there is any objective evidence that the investments in associates or jointly controlled entities are impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the Group's share in the fair value and the carrying value of the combined net assets of all investee companies and recognizes the difference in profit or loss.

21.10 Provisions and contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed or derecognized.

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statement.

21.11 Revenue recognition

(a) Revenue from contracts with customers

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Group's activities.

Management consultancy fees and franchise fees

The Parent Company has entered into an agreement with its related party to provide management and advisory, and franchise services. Management consultancy fees and franchise fees related to this agreement are recognized over time by reference to the monthly completion of the services. Under this method, revenue is recognized in the accounting periods in which the services are rendered. The related party, as the customer, simultaneously receives and consumes the benefits provided by the Parent Company as the latter performs the service. Therefore, the Parent Company transfers control of service and recognizes revenue over time. The Parent Company submits invoice on a monthly basis to its customer. Management consultancy and franchise fees are charged at 2.5% and 1.0%, respectively, of SMKL's annual net revenues. The Parent Company determined that there's no disaggregation of revenue from this single contract with customer into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. There are no financing components in the revenue contracts.

Other income

Other income from recovery of rentals from SMKL is recognized when earned overtime.

Other income from sale of investment in joint venture represents consideration received in excess of carrying value of the asset held-for-sale and directly attributable costs incurred.

(b) Other income not covered by PFRS 15, Revenue from contracts with customers

Interest income

For all financial instruments measured at amortized cost and interest-bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Dividend income

Dividend income is recognized at point in time when the shareholders' right to receive the payment is established.

Other income

Other income from gain on reversal of liabilities, interest income from staff loan, gain on sale of property and equipment, foreign exchange gains, gains on investments in associates, and intercompany charges is recognized when earned.

21.12 Equity

(a) Share capital

Share capital is recognized at the par value of shares issued. Proceeds received from the issuance of shares, net of directly attributable transaction costs, are credited to share capital to the extent of par value, with any excess recognized as share premium. Incremental costs directly attributable to the issuance of new shares are deducted from equity, net of any related tax benefits.

(b) Share premium

Share premium pertains to the amount paid in excess of par.

(c) Redeemable preference shares

Redeemable preference shares are classified as equity when the Company has no contractual obligation to deliver cash or another financial asset, and redemption is at the sole discretion of the issuer.

Equity-classified redeemable preference shares are recognized at the proceeds received, net of directly attributable transaction costs. Dividends declared on these instruments are recognized as a deduction from equity in the period in which they are approved by the Board of Directors.

Premiums attributable to redeemable preference shares are recorded under "Accumulated premium" and represent the annual premium component as determined in consultation with an independent financial advisor.

(d) Accumulated premium

Accumulated premium pertains to the annual premium attributable to redeemable preference share and is determined in consultation with an independent financial advisor.

(e) Other reserves

Reserves pertaining to other comprehensive income comprises items of income and expense (including items previously presented under the consolidated statement of changes in equity) that are not recognized in the consolidated statement of income for the year in accordance with PFRS. Other comprehensive income (loss) includes remeasurement gains or losses on the Group's retirement benefits, the share of the Group on actuarial gain of its associates and joint venture and FVOCI fair value adjustments.

(f) Treasury shares

Treasury shares are recorded at cost and presented as a deduction from equity. When the shares are retired, the share capital account is reduced by its par value and the excess of cost over par value upon retirement is deducted from share premium to the extent of the specific or average share premium when the shares were issued and from retained earnings for the remaining balance.

(g) Dividend distribution

Dividend distribution to the Parent Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the BOD.

(h) Earnings per share

Basic EPS is calculated by dividing income applicable to common shares by the weighted average number of common shares outstanding during the year with retroactive adjustments for stock dividends. In case of a rights issue, an adjustment factor is being considered for the weighted average number of shares outstanding for all periods before the rights issue. Diluted EPS is computed in the same manner as basic EPS, however, net income attributable to common shares and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

21.13 Leases

(a) 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).

(b) Measurement of right-of-use assets

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, which is the lease term of three (3) years. 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.

(c) 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.

(d) 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 liabilities.

(e) 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.

21.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits include items such as salaries and wages, social security contributions and nonmonetary benefits, if expected to be settled wholly within 12 months after the end of the reporting period in which the employees rendered the related services. Short-term employee benefits are recognized as expense as incurred. When an employee has rendered service to the Group during the reporting period, the Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid.

(b) Retirement benefits

The Group has a funded, non-contributory retirement plan, administered by a trustee, covering its regular employees. The net retirement liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. Retirement cost is actuarially determined using the projected unit credit method. This method reflects service rendered by employees to the date of valuation and incorporates assumptions concerning employees' projected salaries.

Defined retirement benefit costs comprise the following:

- (1) Service costs
- (2) Net interest on the net defined benefit liability or asset
- (3) Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on the risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related net defined benefit liability.

Remeasurements comprising actuarial gains and losses and return on plan assets (excluding net interest on defined benefit liability) are recognized immediately in OCI under "Actuarial gain on defined benefit plan" in the period in which they arise. Remeasurements are not recycled to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting net retirement benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

21.15 Current and deferred income tax

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the reporting date.

Current income tax relating to items directly in equity is recognized in equity and not in the consolidated statement of income.

(b) Deferred income tax

Deferred income tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred income tax assets are recognized for all deductible temporary differences, carry forward benefits of excess MCIT and unused NOLCO, to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities, and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and liabilities are derecognized when the related bases are realized/settled or when these are no longer realizable.

(c) VAT

Expenses and assets are recognized net of the amount of VAT except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of other current assets or payables in the consolidated statement of financial position.

21.16 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel and partners. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are offset, and the net amount reported in the 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.

21.17 Operating segments

The Group's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets. Financial information on business segments is presented in Note 18.

21.18 Events after the reporting period

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



KEMENTERIAN HUKUM
REPUBLIK INDONESIA

Ministry of Law
Republic of Indonesia



APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Negara Republik Indonesia
Republic Of Indonesia

Dokumen publik ini
This public document

2. telah di tandatangani oleh Amelia Jocelyn Situngkir, SH., M.Kn
has been signed by Amelia Jocelyn Situngkir, SH., M. Kn

3. bertindak dalam kewenangan sebagai Notaris Kabupaten Tangerang
acting in the capacity of Notaris Kabupaten Tangerang

4. dibubuhi segel/cap Notaris Amelia Jocelyn Situngkir, S.H., M. Kn.
bears the seal/stamp of Notaris Amelia Jocelyn Situngkir, S.H., M. Kn.

Disahkan
Certified

5. di Jakarta
at Jakarta

6. tanggal 02 April 2026
the 2nd day of April 2026

7. oleh Direktur Jenderal Administrasi Hukum Umum
by Director General of Legal Administrative Affairs

8. Nomor AHU.AH.12.05.01-36856 Tahun 2026
No. AHU.AH.12.05.01-36856 Tahun 2026

9. Segel/Cap
Seal/stamp

10. Tanda Tangan
Signature



Widodo
Direktur Jenderal Administrasi Hukum Umum

SERTIFIKAT APOSTILLE INI HANYA MENYATAKAN KEASLIAN TANDA TANGAN, KEWENANGAN PENANDA TANGAN DOKUMEN, DAN JIKA ADA, IDENTITAS SEGEL ATAU CAP YANG DILEKATKAN DI ATASNYA.

THIS APOSTILLE CERTIFICATE ONLY CERTIFIES THE AUTHENTICITY OF THE SIGNATURE AND THE CAPACITY OF THE PERSON WHO HAS SIGNED THE PUBLIC DOCUMENT, AND WHERE APPROPRIATE, THE IDENTITY OF THE SEAL OR STAMP WHICH THE PUBLIC DOCUMENTS BEARS.



Keppel Philippines Properties, Inc.
26th Floor The Podium West Tower ADB Avenue,
Wack-Wack Greenhills Mandaluyong City 1555, Philippines
T +63 (02) 8539 0460 keppel.com
SEC No. PW - 305



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Keppel Philippines Properties, Inc. ("the Company") is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, as at and for the years ended December 31, 2025 and 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

TAN KUANG LIANG
Chairman of the Board and President

LEGALIZATION

Number: 886/L/2026 (two copies)

Seen for legalization the signature of:

-Mr. TAN KUANG LIANG,

On this day, Friday, 13th March, 2026 by me,
AMELIA JOCELYN SITUNGKIR, Sarjana Hukum,
Magister Kenotariatan, Notary in Kabupaten
Tangerang.

JONA ARROL V. CABRERA
Treasurer

Notary in Kabupaten Tangerang

AMELIA JOCELYN SITUNGKIR, S.H., M.Kn.

Signed this 13th day of February 2026



Keppel Philippines Properties, Inc.
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T +63 (02) 8539 0460 keppel.com
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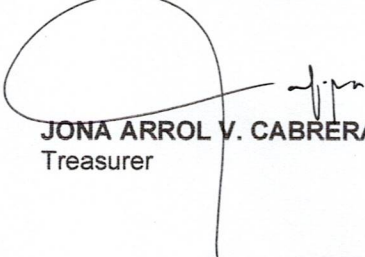
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

TAN KUANG LIANG
Chairman of the Board and President



JONA ARROL V. CABRERA
Treasurer

Signed this 13th day of February 2026

SUBSCRIBED AND SWORN TO BEFORE ME, this MAR 12 2026 of 2026, affiants exhibited to me their Tax Identification Numbers:

1. Jona Arrol V. Cabrera 310-005-752-00000

Doc. No. 22;
Page No. u;
Book No. 1u;
Series of 2026.

PASIG CITY

NOTARY PUBLIC
FERDINAND D. AYAHAO

Notary Public
For and in Pasig City and the Municipality of Pateros
Commission No. 122 (2026-2027) valid until 12/31/2027
MCLE Exemption No. VII-BEP003234, until 04/14/28
Roll No. 46377; IBP LRN 02459; OR 535886; (06/21/2001)
TLN 123-011-785; PTR 4018763AA; 01/09/26; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City, NCR, 1605 Philippines



Keppel Philippines Properties, Inc.
26th Floor The Podium West Tower ADB Avenue,
Wack-Wack Greenhills Mandaluyong City 1555, Philippines
T +63 (02) 8539 0460 keppel.com
SEC No. PW - 305

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

The Management of Keppel Philippines Properties, Inc. (the "Company") is responsible for all the information and representations contained in the Annual Income Tax Return for the year ended December 31, 2025. Management is likewise responsible for all information and representations contained in the financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all the information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, to the value added tax and/or percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, Management affirms that the attached audited financial statements as at and for the years ended December 31, 2025 and 2024 and the accompanying Annual Income Tax Return for the year ended December 31, 2025 are in accordance with the books and records of the Company, complete and correct in all material respects. Management likewise affirms that:

- (a) the Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, as amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue
- (b) any disparity of figures in the submitted reports arising from the preparation of financial statements pursuant to financial accounting standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances; and
- (c) the Company has filed all applicable tax returns, reports and statements required to be filed under the Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

TAN KUANG LIANG
Chairman of the Board and President

JONA ARROL V. CABRERA
Treasurer

Signed this 13th day of February 2026

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

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COMPANY NAME

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PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

ph.corpsec.realestate@keppel.com

Company's Telephone Number

8539-0460

Mobile Number

0917-8570633

No. of Stockholders

1,202

Annual Meeting (Month / Day)

06/11

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Jona Arrol Cabrera

Email Address

Jona.Cabrera@keppel.com

Telephone Number/s

8539-0460

Mobile Number

0943-2569089

CONTACT PERSON'S ADDRESS

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

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



Isla Lipana & Co.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Keppel Philippines Properties, Inc.
26th Floor, The Podium West Tower, ADB Avenue
Wack-wack Greenhills East, Mandaluyong City

Report on the Audits of the Separate Financial Statements

Our Opinion

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of Keppel Philippines Properties, Inc. (the "Parent Company") as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standard (PFRS) Accounting Standards.

What we have audited

The separate financial statements of the Parent Company comprise:

- the separate statements of financial position as at December 31, 2025 and 2024;
- the separate statements of total comprehensive income for the years ended December 31, 2025 and 2024;
- the separate statements of changes in equity for the years ended December 31, 2025 and 2024;
- the separate statements of cash flows for the years ended December 31, 2025 and 2024; and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines ("Code of Ethics"), together with the ethical requirements that are relevant to our audit of the separate financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Responsibilities of Management and Those Charged with Governance for the separate financial statements

Management is responsible for the preparation of the separate financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, management is responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

Auditor's Responsibilities for the Audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 21 to the separate financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Imelda-Dela Vega-Mangundaya.

Isla Lipana & Co.



Imelda Dela Vega Mangundaya
Partner

CPA Cert No. 0090670

PTR No. 0024586, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 90670-SEC, Category A;
valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 152-015-124

BIR A.N. 08-000745-047-2024, issued on October 30, 2024; effective until October 29, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 13, 2026



Isla Lipana & Co.

Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Keppel Philippines Properties, Inc.
26th Floor, The Podium West Tower, ADB Avenue
Wack-wack Greenhills East, Mandaluyong City

We have audited the separate financial statements of Keppel Philippines Properties, Inc. as at and for the years ended December 31, 2025 and 2024, on which we have rendered the attached report dated February 13, 2026. The Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2025, as an additional component required by Revised SRC Rule 68, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Revised SRC Rule 68.

Isla Lipana & Co.

Imelda dela Vega - Mangundaya
Partner

CPA Cert No. 0090670

PTR No. 0024586, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 90670-SEC, Category A;
valid to audit 2019 to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements

T.I.N. 152-015-124

BIR A.N. 08-000745-047-2024, issued on October 30, 2024; effective until October 29, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 13, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

Keppel Philippines Properties, Inc.

Statements of Financial Position
December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	556,840,797	469,424,511
Receivables	3	2,799,954	1,913,613
Due from related parties	12	-	174,309
Other current assets	4	5,905,786	25,198,378
Total current assets		565,546,537	496,710,811
Non-current assets			
Financial assets at fair value through other comprehensive income	7	225,000	225,000
Property and equipment, net	9	35,619	94,140
Investments in subsidiaries and associates	6	-	55,900,984
Other non-current assets	4	46,812,659	28,460,756
Total non-current assets		47,073,278	84,680,880
Total assets		612,619,815	581,391,691
Liabilities and Equity			
Current liabilities			
Accounts payable and other current liabilities	10	79,428,287	84,642,531
Due to related parties	12	20,973,943	20,973,943
Provision for transaction cost	5	16,159,925	19,811,308
Total current liabilities		116,562,155	125,427,782
Non-current liabilities			
Deferred income tax liability	15	609,159	440,998
Total liabilities		117,171,314	125,868,780
Equity			
	11		
Share capital		356,104,000	356,104,000
Share premium		67,618,617	67,618,617
Treasury shares		(62,141,745)	(62,141,745)
Retained earnings		133,867,629	93,942,039
Total equity		495,448,501	455,522,911
Total liabilities and equity		612,619,815	581,391,691

(The notes on pages 1 to 37 are integral part of these separate financial statements)

Keppel Philippines Properties, Inc.

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Interest income	2	24,847,205	151,319,476
General and administrative expenses	13	(14,731,931)	(37,456,758)
Other income, net	14	35,498,397	1,006,726,789
Income before income tax		45,613,671	1,120,589,507
Income tax expense	15	(5,688,081)	(31,756,032)
Net income for the year		39,925,590	1,088,833,475
Other comprehensive income		-	-
Total comprehensive income for the year		39,925,590	1,088,833,475
Basic earnings per share	16	0.14	3.71

(The notes on pages 1 to 37 are integral part of these separate financial statements)

Keppel Philippines Properties, Inc.

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Share capital			Share premium (Note 11)	Treasury shares (Notes 11)	Retained earnings			Total equity
	Common shares (Note 11)	Preferred shares (Note 11)	Total			Appropriated (Note 11)	Unappropriated (Note 11)	Total retained earnings	
Balances at January 1, 2024	296,629,900	59,474,100	356,104,000	602,885,517	(2,667,645)	1,430,046,045	3,451,010,465	4,881,056,510	5,837,378,382
Comprehensive income									
Net income for the year	-	-	-	-	-	-	1,088,833,475	1,088,833,475	1,088,833,475
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	1,088,833,475	1,088,833,475	1,088,833,475
Transactions with owners									
Declaration of cash dividends	-	-	-	-	-	-	(4,448,569,546)	(4,448,569,546)	(4,448,569,546)
Reversal of appropriation	-	-	-	-	-	(1,427,378,400)	1,427,378,400	-	-
Redemption of preferred shares	-	-	-	(535,266,900)	(59,474,100)	-	(1,427,378,400)	(1,427,378,400)	(2,022,119,400)
Total transactions with owners for the year	-	-	-	(535,266,900)	(59,474,100)	(1,427,378,400)	(4,448,569,546)	(5,875,947,946)	(6,470,688,946)
Balances at December 31, 2024	296,629,900	59,474,100	356,104,000	67,618,617	(62,141,745)	2,667,645	91,274,394	93,942,039	455,522,911
Comprehensive income									
Net income for the year	-	-	-	-	-	-	39,925,590	39,925,590	39,925,590
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	39,925,590	39,925,590	39,925,590
Balances at December 31, 2025	296,629,900	59,474,100	356,104,000	67,618,617	(62,141,745)	2,667,645	131,199,984	133,867,629	495,448,501

(The notes on pages 1 to 37 are integral part of these separate financial statements)

Keppel Philippines Properties, Inc.

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before income tax		45,613,671	1,120,589,507
Adjustments from continuing operations:			
Impairment loss on other current assets	4, 14	888,297	-
Depreciation	9, 13	58,521	103,082
Gain on reversal of liabilities	10, 14	(77,104)	(86,799)
Unrealized foreign exchange gain	14, 18	(2,436,637)	(1,763,992)
Interest income	2	(24,847,205)	(151,319,476)
Impairment loss on investments in subsidiary and associate	6, 14	-	65,877,221
Dividend income	6	-	(946,083,200)
Adjustment from discontinued operations:			
Gain on investment in subsidiaries and associates	1	(33,767,677)	(6,546,025)
Operating (loss) income before working capital changes		(14,568,134)	80,770,318
Decrease (increase) in:			
Due from related parties		174,309	2,796,321
Receivables		152,300	12,720,318
Other current assets		(627,092)	(2,152,261)
Increase (decrease) in:			
Accounts payable and other current liabilities		(4,065,780)	3,343,304
Net cash (used in) from operations		(18,934,397)	97,478,000
Interest received		23,808,564	157,454,182
Income tax paid		(5,911,798)	(42,318,189)
Net cash (used in) from operating activities		(1,037,631)	212,613,993
Cash flows from investing activities			
Liquidating dividends received	6, 12	89,668,663	7,796,025
Cash dividends received	6	-	946,083,200
Decrease in financial assets at fair value through other comprehensive income		-	79,287,230
Discontinued operation:			
Payment of transaction costs related to sale of investment in joint venture	5	(3,651,383)	(13,948,692)
Proceeds from sale of investment in joint venture	5	-	6,994,777
Payment of capital gains tax payable related to the sale of an investment in joint venture	5	-	(909,280,125)
		(3,651,383)	(916,234,040)
Net cash from investing activities		86,017,280	116,932,415
Cash flows from financing activities			
Payments for the redemption of preferred shares	11	-	(2,022,119,400)
Dividends paid to shareholders	11	-	(4,367,360,739)
Net cash used in financing activities		-	(6,389,480,139)
Net increase (decrease) in cash and cash equivalents		84,979,649	(6,059,933,731)
Cash and cash equivalents			
At January 1		469,424,511	6,527,594,250
Effect of changes in foreign exchange rates in cash and cash equivalents		2,436,637	1,763,992
At December 31	2	556,840,797	469,424,511

(The notes on pages 1 to 37 are integral part of these separate financial statements)

Keppel Philippines Properties, Inc.

Notes to the Separate Financial Statements

As at and for the years ended December 31, 2025 and 2024

(All amounts are in Philippine Peso, unless otherwise indicated)

1 General information

Keppel Philippines Properties, Inc. (KPPI or the “Parent Company”) was incorporated in the Philippines and registered with the 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 subsequent offering after the IPO. Its immediate parent company is Keppel Management Ltd. (KML; previously known as Keppel Land Limited) and the ultimate Parent Company is Keppel Ltd. (KL, previously known as Keppel Corporation Limited), both incorporated and domiciled in Singapore. KL is listed in the Singapore Exchange Securities Trading Limited.

As at December 31, 2025 and 2024, the shareholders of the Parent Company are the following:

Shareholders	Percentage of ownership
KML	50.49%
Kepwealth, Inc.	17.37%
KL	12.18%
Molten Pte Ltd	6.79%
Public	13.17%

The 86.83% total shareholdings of KML, Kepwealth, Inc., KL and Molten Pte. Ltd. were lodged with the Philippine Depository and Trust Corporation in March 2025.

The public ownership represents 7.17% direct ownership and 6.00% through PCD Nominee Corporation as at December 31, 2025 and 2024.

As at December 31, 2024, the Parent Company’s subsidiaries and associates which were all incorporated and domiciled in the Philippines are as follows:

	Percentage of ownership	Effective ownership interest	Nature of business
Subsidiary			
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

In 2025, the subsidiary and associates ceased operations until January 31, 2025 and September 30, 2025, respectively.

In 2024, Keppel embarked on a multi-dimensional transformation to pivot into a global asset-light asset manager and operator. The Parent Company conducted strategic reviews to synchronize with the transformation and will continue to explore possible avenues to maximize shareholders’ value.

Aligned with this transformation strategy, dormant subsidiaries and associates of the Parent Company applied for dissolution through the shortening of their respective corporate terms and have ceased operations as at December 31, 2025. These entities have sufficient cash to settle all its third-party creditors before its dissolution. Further, the Parent Company's shareholders, KL, KML, Molten Pte. Ltd. and Kepwealth, Inc., entered into a share purchase agreement with a third-party buyer subsequent to December 31, 2025.

BHI was incorporated in the Philippines on May 25, 2000. BHI, a wholly-owned subsidiary of KPPI, was previously engaged in property holding and development. On November 14, 2023, BHI's Board of Directors (BOD) approved BHI's dissolution through shortening of its corporate term until January 31, 2025 which was approved by the SEC on January 31, 2024. On April 4, 2025 and April 15, 2025, BHI completed the processing of its business closure with the Municipality of Mandaluyong City and the Bureau of Internal Revenue (BIR), respectively. On March 31, 2025, BHI declared liquidating dividends to the Parent Company amounting to P11.2 million that resulted in a loss on investment in 2025 amounting to P0.2 million (Note 6 and 14) and the derecognition of the corresponding Parent Company's investment in BHI.

CSRI was incorporated in the Philippines on October 25, 1990. CSRI, a wholly-owned subsidiary of KPPI, is a holding company with investments in marketable equity securities and other investments. On December 2, 2022, CSRI's BOD approved CSRI's dissolution through shortening of its corporate term until January 31, 2024 which was approved by the SEC on February 3, 2023. On March 25, 2024 and July 18, 2024, CSRI completed the processing of its business closure with the Municipality of Mandaluyong City and the BIR, respectively. On April 26, 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7.8 million that resulted in a gain on investment amounting to P6.5 million (Notes 6 and 14) and the derecognition of the Parent Company's investment in CSRI.

ORDC, OVI and OKEP were incorporated to acquire by purchase, lease, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds. On July 26, 2024, the BOD of these associates approved the dissolution through shortening of their corporate term until September 30, 2025 which was approved by the SEC on September 11, 2024 for ORDC and on September 16, 2024 for OVI and OKEP. On October 1, 2025, these associates declared liquidating dividends to the Parent Company totaling to P78.6 million (Note 6) that resulted in a net gain on investment amounting to P34.1 million (Notes 6 and 14) and the derecognition of the Parent Company's investment in these associates. The processing of the business closure of these associates with the Municipality of Mandaluyong City was completed on October 23, 2025. OVI completed its business closure with BIR on January 16, 2026 while OKEP and ORDC's processing is still in progress.

The Parent Company has 1,002 shareholders, owning 100 or more shares each as at December 31, 2025 (2024 - 1,008).

The Parent Company's principal and registered office address, which is also its registered address, is at 26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills, Mandaluyong City. As at December 31, 2025, the Parent Company has three (3) employees (2024 - 3).

Subsequent event

On February 12, 2026, the Parent Company's shareholders, KL, KML, Molten Pte Ltd. and Kepwealth, Inc. (collectively the "Sellers") entered into a share purchase agreement with Forward Synergy Group, Inc. (the "Buyer") on February 12, 2026 for the sale and purchase of the Sellers' 86.83% ("Sale Shares") ownership of the total outstanding capital stock of the Parent Company (the "Transaction"), which represents all of the shares owned by the Sellers in the Parent Company.

The Sellers have agreed to sell the Sale Shares to the Buyer for an aggregate cash consideration of approximately P472.7 million (P1.8526 per share).

The Transaction is subject to the fulfillment of certain conditions precedent, including the conduct of a mandatory tender offer by the Buyer pursuant to the Securities Regulation Code of the Philippines and its 2015 implementing regulations.

The separate financial statements of the Parent Company have been approved and authorized for issuance by the BOD on February 13, 2026.

2 Cash and cash equivalents

The account at December 31 consists of:

	2025	2024
Cash equivalents	551,007,222	447,045,625
Cash in bank	5,793,575	22,338,886
Cash on hand	40,000	40,000
	556,840,797	469,424,511

Cash in bank earns interest at the prevailing bank deposit rates. Cash equivalents are short-term deposits made for varying periods of up to three (3) months from maturity and earns interest at the short-term deposit rate ranging from 4.10% to 6.00% per annum in 2025 (2024 - 4.00% to 6.13% per annum).

Interest income earned from cash and cash equivalents amounted to P24.8 million in 2025 (2024 – P151.3 million). Accrued interest receivable on short-term deposits amounting to P2.7 million in 2025 (2024 – P1.7 million) is presented as part of “Receivables” (Note 3).

3 Receivables

The account as at December 31, 2025 consists of:

	Note	2025	2024
Accrued interest	2	2,729,954	1,691,313
Receivable from a government agency		70,000	130,000
Others		-	92,300
		2,799,954	1,913,613

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

Receivable from a government agency represents outstanding maternity benefit claims from the Social Security System.

4 Other current assets; Other non-current assets

Other current assets as at December 31 consists of:

	Note	2025	2024
Creditable withholding taxes	a.1	3,998,031	2,495,136
Input VAT	b	1,520,821	921,506
Tax credit	c	-	21,420,000
Others	d	386,934	361,736
		5,905,786	25,198,378

Other non-current assets at December 31 consists of:

	Note	2025	2024
Creditable withholding taxes	a.2	25,392,659	28,460,756
Tax credit	c	21,420,000	-
		46,812,659	28,460,756

(a) Creditable withholding taxes pertain to the amounts withheld by the Parent Company’s counterparties in relation to management fees which management has determined that these are recoverable and can be applied against future income taxes.

(3)

(a.1) The Parent Company expects to utilize P4.0 million (2024 – P2.5 million) of the creditable withholding taxes within 12 months from reporting date.

(a.2) The Parent Company expects to utilize P25.4 million (2024 – P28.5 million) of the creditable withholding taxes beyond 12 months from reporting date which was classified and presented as part of “Other non-current assets.”

In 2025, the BIR approved a tax refund amounting to P3.9 million out of the unutilized creditable withholding tax applied for refund of P4.8 million. The disallowed refund amounting to P0.9 million was directly written-off (Note 14).

(b) Input VAT pertains to the excess of input VAT over output as at December 31, 2025 and 2024.

(c) Tax credit includes tax credit received from the Bureau of Internal Revenue (BIR) amounting to P21.4 million for the withholding and remittance of final withholding taxes in relation to the Parent Company’s redemption of preferred shares in year 2010 (Note 12). 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. In 2024, the Parent Company has applied for the cash conversion of the tax credit and is awaiting approval from BIR. In 2025, The Parent Company, through its correspondence with BIR and its tax advisors, assessed to fully recover and receive the refund beyond 12 months from reporting date resulting in the reclassification from “Other current assets” to “Other non-current assets.”

(d) Others mainly consists of current portion of security and utility deposits from existing lease term agreement (Note 8).

5 Sale of investment in joint venture

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

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

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

	Amount
Purchase price	6,528,677,503
Cost to sell	(35,164,170)
Net purchase price	6,493,513,333
Carrying amount of investment in joint venture held-for-sale	(602,645,772)
Gain on sale of investment in joint venture before taxes	5,890,867,561
Capital gains tax	(909,280,125)
Gain on sale of investment in joint venture after taxes	4,981,587,436

The purchase price consists of share in the net asset value of SMKL after adjustments as approved and agreed between the Sellers and BDO on closing date. On the same date, the Parent Company has collected P6,521.7 million of the purchase price, while the remaining P7.0 million is collectible within 30 days. The remaining receivable was collected in January 2024.

The cost to sell include actual incurred transaction costs amounting to P1.4 million and provisions amounting to P33.8 million for the Parent Company's share in any unrecorded liabilities and condominiumization expense of SMKL to be determined no later than one year from its sale, which are agreed between the Sellers and BDO in the Share-Purchase Agreement. The provision also covers tax indemnity to BDO on SMKL's open tax period as of the closing date, claimable until the third year anniversary of the closing date. Out of the provision for transaction cost, P17.6 million was paid to BDO as of December 31, 2025 (2024 - P14.0 million). There were no subsequent reversals of this provision.

Capital gains tax refers to accrued tax payable as a result of the gain on sale of investment in joint venture, payable within 30 days from completion of the sale. The related capital gains tax was paid in January 2024.

6 Investments in subsidiaries and associates

The account as at December 31, 2024 are as follows:

	Percentage of ownership	Carrying amount
Cost:		
Subsidiary		
BHI	100%	10,950,000
Associates:		
OKEP	40%	48,248,800
OVI	40%	2,000,000
ORDC	40%	1,094,871
		62,293,671
Contributed Surplus – BHI		59,484,534
		121,778,205
Impairment:		
Subsidiary – BHI		59,025,899
Associate – OKEP		6,851,322
		65,877,221
		55,900,984

Contributed surplus pertains to the difference between the present value and the loan amount at inception of the advances provided to BHI in prior years.

As at and for the years ended December 31, 2024, there were no quoted prices for these investments.

(a) Subsidiary and associates

BHI was previously 100% owned by the Parent Company with the Parent Company having control over the operating and financing policies and capital decisions of the subsidiary. On November 14, 2023, BHI's Board of Directors (BOD) approved BHI's dissolution through shortening of its corporate term until January 31, 2025 (Note 1).

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

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

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

On July 26, 2024, the BOD of these associates approved the dissolution through shortening of their corporate term effective on September 30, 2025 (Note 1).

Significant financial information of the associates as at and for the nine-month period ended September 30, 2025 and audited financial information as at and for the year ended December 31, 2024 as at year-end:

<i>(In millions)</i>	OKEP	OVI	ORDC
<i>September 30, 2025</i>			
Current assets	103.9	0.4	0.9
Non-current assets	-	62.1	10.0
Total assets	103.9	62.5	10.9
Current liabilities	0.2	0.2	0.4
Net assets	103.7	62.3	10.5
Gross income	4.4	-	-
Net income for the year	3.3	(0.2)	(0.3)
Other comprehensive income	-	-	-
Total comprehensive income for the year	3.3	(0.2)	(0.3)

<i>(In millions)</i>	BHI	OKEP	OVI	ORDC
<i>December 31, 2024</i>				
Current assets	11.5	100.5	0.5	1.0
Non-current assets	-	-	62.1	10.0
Total assets	11.5	100.5	62.6	11.0
Current liabilities	0.1	0.1	0.1	0.2
Net assets	11.4	100.4	62.5	10.8
Gross income	0.4	18.1	761.1	410.9
Net income for the year	0.1	15.1	750.0	410.3
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	0.1	15.1	750.0	410.3

On April 26, 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7.8 million that resulted in a gain on investment amounting to P6.5 million and derecognition of the Parent Company's investment in CSRI (Note 1).

On March 31, 2025, BHI declared liquidating dividends to the Parent Company amounting to P11.2 million that resulted in a loss on investment in 2025 amounting to P0.2 million and the derecognition of the corresponding Parent Company's investment in BHI (Note 1).

On July 26, 2024, the BOD of the associates approved the dissolution through shortening of their corporate term until September 30, 2025 (Note 1). Accordingly, on October 1, 2025 and February 2, 2024, the associates of the Parent Company declared the following liquidating and cash dividends, respectively.

	2025 Liquidating dividends	2024 Cash dividends
OKEP	41,276,000	507,383,200
OVI	24,664,000	273,760,000
ORDC	12,616,000	164,940,000
	78,556,000	946,083,200

In view of the subsidiary and the associates' end of corporate term (Note 1), the Parent Company performed an impairment assessment exercise and recognized impairment loss on its investments in its subsidiary and associates amounting to P59 million and P6.9 million, respectively, and is presented as part of "Other income, net" (Note 14) in 2024. The impairment loss on investment in subsidiary is determined by comparing the carrying value of the investment before impairment amounting to P70.4 million versus the recoverable amount, based on value-in-use, amounting to P11.4 million as at December 31, 2024. The impairment loss of investment in associate, OKEP, is determined by comparing the carrying value of investments before impairment amounting to P48.2 million versus the recoverable amount, based on value-in-use, amounting to P41.3 million as at December 31, 2024 (Note 19.1 (a)). No impairment loss was recognized for OVI and ORDC as the recoverable amount of the investments in associates remains higher than the carrying value.

7 Financial assets at fair value through other comprehensive income (FVOCI)

The account at December 31, 2025 and 2024 consists of:

	Amount
Club shares	225,000

(a) Club shares

The original cost of investment in the Club Filipino Inc. de Cebu shares amounted to P0.2 million as at December 31, 2025 and 2024. There is no significant change in the fair value gains of the financial assets at FVOCI for the years ended December 31, 2025 and 2024.

(b) Preferred equity securities

Preferred equity investments pertain to investments in redeemable preferred shares of OVI and OKEP which were acquired in 2012 at P10 per share. These investments are classified as FVOCI as the characteristics of the investment do not give the Parent Company significant influence over OVI and OKEP (Note 6). These investments are carried at fair value. Based on the Parent Company's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities (Note 18.2).

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 10 years from date of issuance, at a price to be determined by the BOD of the issuer.
- If not redeemed within the period of 10 years, the holder shall have the option to:
 - (a) Convert the preferred shares to participating preferred shares; or
 - (b) Hold the redeemable preferred shares for another five (5) years, after which the holder can choose to convert to either common shares or participating preferred shares.

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

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

As at December 31, 2025 and 2024, the Parent Company determined that there is no indication that an impairment loss has occurred on its financial assets at FVOCI.

8 Leases

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 guaranteed service term renewal unless terminated. Total rent expense charged to operations amounted to P1.5 million in 2025 (2024 – P1.5 million) and is presented as part of "Rentals" in the "General and administrative expenses" (Note 13).

This lease agreement was considered as short-term and low value lease under PFRS 16, Leases, as the lease term is less than 12 months.

Refundable deposit for this lease is presented under "Others" as part of "Other current assets" in the statement of financial position as at December 31, 2025 and 2024 amounting to P0.2 million.

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

Extension and termination options

The Parent Company may pre-terminate the operating lease agreement for its office space after completing the guaranteed service term of 12 months from the rental commencement date, subject to 90 day prior written notice to the lessor without penalties.

9 Property and equipment, net

Details of and movements in the account as at and for the years ended December 31 are as follows:

	Note	Office Equipment	Furniture and fixtures	Total
Cost				
At January 1 and December 31, 2024		2,188,134	14,827	2,202,961
At December 31, 2025		2,188,134	14,827	2,202,961
Accumulated Depreciation				
At January 1, 2024		1,990,912	14,827	2,005,739
Depreciation	13	103,082	-	103,082
At December 31, 2024		2,093,994	14,827	2,108,821
Depreciation	13	58,521	-	58,521
At December 31, 2025		2,152,515	14,827	2,167,342
Net carrying amount				
At December 31, 2024		94,140	-	94,140
At December 31, 2025		35,619	-	35,619

There were no unpaid additions as at December 31, 2025 and 2024.

As at December 31, 2025, the cost of fully depreciated assets that are still in use in the Parent Company's operations amounts to P2.0 million (2024 - P1.8 million).

As at December 31, 2025 and 2024, the Parent Company's management has assessed that there is no objective evidence that indicators of impairment exist.

10 Accounts payable and other current liabilities

The account as at December 31 consists of:

	Note	2025	2024
Dividends payable	12	75,005,271	81,208,807
Accrued expenses		3,564,269	2,737,500
Taxes payable		738,340	696,224
Accounts payable		120,407	-
		79,428,287	84,642,531

On April 12, 2024, the Parent Company declared cash dividends amounting to P15.14 per common share or P4,448.6 million for shareholders of record as at April 29, 2024, due on May 22, 2024. The remaining dividends payable pertain to unclaimed cash dividends amounting to P74.5 million as at December 31, 2025 (2024 - P80.7 million), related to the April 12, 2024 declaration, and P0.5 million unclaimed cash dividends declared when the Parent Company's name was still Cebu Shipyard and Engineering Works, Inc.

Accrued expenses mainly pertain to accruals of salaries and other employee benefits and other operating expenses which are to be settled within 30 to 60 days. In 2025 and 2024, a portion of the bonus and other employee benefits accrued and other accruals in prior years amounting to P77.1 thousand and P86.8 thousand, respectively, was reversed (Note 14). This amount pertains to the outstanding accrual made over the actual amount paid to settle the liabilities and no longer a valid obligation. Government contributions payables are included as part of Accrued expenses, such as Social Security System (SSS), Home Development Mutual Fund (HDMF) and Philippine Health Insurance Corporation (PHIC).

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

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

11 Equity

(a) Share capital and treasury shares

Share capital as at December 31, 2025 and 2024 consist of:

	Number of shares	Amount
Common shares – P1 par value		
Authorized	375,000,000	375,000,000
Issued	296,629,900	296,629,900
Preferred shares – P1 par value		
Authorized	135,700,000	135,700,000
Issued	59,474,100	59,474,100
Total issued shares	356,104,000	356,104,000
Treasury shares		
Common shares	(2,801,000)	(2,667,645)
Preferred shares	(59,474,100)	(59,474,100)
	(62,275,100)	(62,141,745)
		293,962,255

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

The redeemable preferred shares have the following terms and conditions:

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

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

On May 22, 2024, the Parent Company redeemed KML's 59,474,100 redeemable preferred shares and paid in cash for a redemption price of P2,022.1 million. The difference between the par value and the redemption price reduced the related share premium by P535.3 million. As the shares certificate are yet to be cancelled, the preferred shares formed part of the treasury shares as at December 31, 2025 and 2024.

(b) Share premium

The details of share premium presented in the statements of financial position and statement of changes in equity as at December 31, 2025 and 2024 are as follows:

	Amount
Common shares	67,618,617

(c) Retained earnings

As at December 31, 2023, the Parent Company's unappropriated retained earnings exceed its paid-up capital by P2,492.0 million which were planned to be declared as dividends to shareholders in the subsequent year. On April 12, 2024, the BOD of the Parent Company approved the declaration of cash dividends of P15.14 per common share to shareholders of record as at April 29, 2024 due on May 22, 2024 amounting to P4,448.6 million. The Parent Company has remaining unpaid cash dividend amounting to P75 million as at December 31, 2025 (2024 – P81.2 million) (Note 10).

Retained earnings are further restricted to the extent of P2.7 million representing the cost of shares held in treasury as at December 31, 2025 (2024 – P2.7 million). These treasury shares were reacquired below P1 issue price.

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

(d) Track record of registration of securities

In accordance with SRC Rule 68, as amended in 2019, Annex 68-K, below is a summary of the Parent Company's track record of registration of securities.

	Issue/ offer price	Date of approval	Number of holders of securities as at December 31		Number of shares registered	
			2025	2024	2025	2024
Common	P1	September 11, 1989	1,202	1,208	293,828,900	293,828,900

12 Related party disclosures

In the normal course of business, the Parent Company transacts with companies which are considered related parties under PAS 24, Related Party Disclosures. The significant related party transactions and outstanding balances as at and for the years ended December 31 are as follows:

Related party	2025		2024		Terms and conditions
	Transactions	Outstanding receivable (payable)	Transactions	Outstanding receivable (payable)	
Due from related parties					
Subsidiaries					
Operating advances (a)					
BHI (until January 31, 2025)	-	-	90,793	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
CSRI (until January 31, 2024)	-	-	9,446	-	
Associates					
OKEP					
Operating advances (a)					
Cash dividend (b)	-	-	507,383,200	-	Non-interest-bearing, unsecured, collectible in cash upon demand at gross amount.
Redemption of preferred shares (c)	-	-	31,287,200	-	
Liquidating dividend (d)	41,276,000	-	-	-	
OVI					
Operating advances (a)					
Cash dividend (b)	-	-	273,760,000	-	Non-interest-bearing, unsecured, collectible in cash upon demand at gross amount.
Redemption of preferred shares (c)	-	-	48,000,000	-	
Liquidating dividend (d)	24,664,000	-	-	-	
ORDC					
Operating advances (a)					
Cash dividend (b)	-	-	164,940,000	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
Liquidating dividend (d)	12,616,000	-	-	-	
Entities under common control					
Operating advances (a)					
Keppel Philippine Holdings, Inc. (KPHI)	128,044	-	108,098	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
Kepventures, Inc. (KVI)	20,111	-	18,130	-	
KL(RI)	600	-	(660,163)	174,309	
Shareholders					
Kepwealth, Inc. (KWI)	20,111	-	18,130	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
				174,309	
Due to related parties					
Entities under common control					
KML					
Tax credit (e)					
Operating advances (a)	-	(21,420,000)	446,057	(21,420,000)	Non-interest-bearing, unsecured, unguaranteed and payable in cash upon demand at gross amount.
Redemption of preferred shares (f)	-	446,057	2,022,119,400	446,057	
		(20,973,943)		(20,973,943)	
Shareholders					
Cash dividends (g)					
	-	(75,005,271)	(4,448,569,564)	(81,208,807)	Outstanding balance is payable in cash on pay-out date as approved by the Company's BOD, non-interest-bearing, unsecured, and unguaranteed.

Related party	2025		2024		Terms and conditions
	Transactions	Outstanding receivable (payable)	Transactions	Outstanding receivable (payable)	
Key management personnel (h) Salaries and other short-term employee benefits	(2,855,251)	-	(2,264,809)	-	Outstanding balance is payable every designated period per employee contracts, non-interest-bearing, unsecured, and unguaranteed.
Bonuses and allowances	(2,054,000)	(1,464,679)	(1,586,513)	(689,569)	

- (a) The Parent Company provided operating advances for expenses to subsidiaries, associates, joint venture, shareholders and entities under common control in 2025 and 2024. These operating advances represent expenses incurred in the normal operations. These are recharged at cost.
- (b) OKEP, OVI and ORDC declared and paid cash dividends to the Parent Company on February 2 and February 12, 2024, respectively (Note 6).
- (c) On February 2, 2024, the Parent Company's BOD approved of the acceptance of OKEP and OVI's redemption of 3,128,722 and 4,800,000 preferred shares, respectively, held by the Parent Company at a redemption price equivalent to the issue price of P10.00 per share. The Parent Company collected redemption price from OKEP and OVI amounting to P31.3 million and P48.0 million, respectively, on February 12, 2024.
- (d) OKEP, OVI and ORDC declared liquidating dividends of P78.6 million to the Parent Company on October 1, 2025 (Note 6). The liquidating dividends were paid on October 3, 2025.
- (e) In 2010, the Parent Company redeemed its preferred shares from KML in which final withholding tax was withheld and remitted to the BIR. In May 2022, the BIR issued a tax credit certificate under the name of the Parent Company and as a result, the Parent Company recognized the amount as tax credit (Note 4) with a corresponding due to KML as agreed by the parties.
- (f) On May 22, 2024, the Parent Company redeemed KML's 59,474,100 redeemable preferred shares and paid in cash a redemption price of P10.00 per share plus an annual premium of 12% or P2,022.1 million.
- (g) On April 12, 2024, the Parent Company declared cash dividends amounting to P15.14 per common share or P4,448.6 million for shareholders of record as at April 29, 2024, due on May 22, 2024. The remaining dividends payable pertain to unclaimed cash dividends amounting to P74.5 million as at December 31, 2025 (2024 - P80.7 million), related to the April 12, 2024 declaration, and P0.5 million unclaimed cash dividends declared when the Parent Company's name was still Cebu Shipyard and Engineering Works, Inc., which are presented as part of "Accounts payable and other current liabilities".
- (h) There were neither share-based compensation, termination benefits nor other long-term benefits given to key management personnel as at and for the years ended December 31, 2025 and 2024. Bonuses and allowances are included in salaries, wages, and employee benefits presented under general and administrative expenses (Note 13). The related payable is included as part of Accrued expenses under Accounts and other payables (Note 10)

The Parent Company shall at all times observe and adhere with the related party transactions policy and all other relevant laws, rules and regulations, as may be applicable, in the review, approval and disclosure of related party transactions. The members of the BOD, substantial stockholders and management shall disclose to the BOD all material facts related to the material related party transactions, whether potential or actual conflict of interest, including their direct and indirect interest in any transaction or matter that may affect or is affecting the Parent Company. Materiality threshold of the Parent Company is 10% of the Parent Company's total assets based on the latest audited financial statements.

The material related party transactions shall be approved by two-thirds vote of the BOD with at least majority of the independent directors voting to approve. In the case that the majority of the independent directors' vote is not secured, the material related party transactions may be ratified by the vote of the stockholders representing at least two-thirds of the outstanding capital stock of the Parent Company.

For the years ended December 31, 2025, the Parent Company has not made any provisions for doubtful accounts relating to amounts owed by related parties because of strong financial condition of concerned related parties. This assessment is undertaken each financial year through examination of the financial position of each related party and the market in which each operates.

13 General and administrative expenses

The account for the years ended December 31 are as follows:

	Note	2025	2024
Salaries, wages, and employee benefits		6,449,021	5,101,238
Professional fees		4,387,740	12,903,237
Rentals		1,542,921	1,467,734
Transportation and travel		734,736	1,596,627
Repairs and maintenance		376,470	806,073
Membership dues		256,200	250,000
Staff creation and others		243,451	186,753
Postage, printing and advertising		208,442	263,622
Taxes and licenses		117,742	13,098,670
Insurance		116,391	102,697
Utilities		64,714	85,351
Depreciation	9	58,521	103,082
Bank and other charges		20,288	88,635
Supplies		9,120	14,459
Others		146,174	1,388,580
		14,731,931	37,456,758

Taxes and licenses in 2024 include tax assessment paid amounting to P9.6 million representing basic tax and surcharges. The related interest of P3.1 million on the tax assessment was presented as part of the provision for income tax.

Other expenses consist of storage costs, photocopy charges and notarial fees, among others.

14 Other income, net

The account for the years ended December 31 consist of:

	Notes	2025	2024
Foreign exchange gain	18.1a	2,412,479	119,599,674
Intercompany charges	12	129,434	288,312
Gain on reversal of liabilities	10	77,104	86,799
Write-off of creditable withholding taxes	4	(888,297)	-
Dividend income	6	-	946,083,200
Gain on investment in subsidiary and associates		33,767,677	6,546,025
Impairment loss on investments in subsidiary and associate	19	-	(65,877,221)
		35,498,397	1,006,726,789

15 Income taxes

The account for the years ended December 31 are as follows:

	2025	2024
Current	5,519,920	29,636,327
Deferred	168,161	2,119,705
	5,688,081	31,756,032

The reconciliation between the statutory income tax benefit and the effective income tax expense for the years ended December 31 is as follows:

	2025	2024
Statutory income tax expense	11,403,418	280,147,377
Add (deduct) tax effects of:		
Final tax on interest income and franchise fee	4,840,436	27,141,191
Non-deductible expenses	283,937	2,435,001
Change in unrecognized deferred income tax assets on net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT)	(4,627,909)	(3,616,868)
Income subjected to final tax	(6,211,801)	(37,829,869)
Non-taxable income	-	(236,520,800)
Effective income tax expense	5,688,081	31,756,032

(a) *Current income tax*

The details of the current income tax expense for the years ended December 31 are as follows:

	2025	2024
Final tax	4,840,436	27,141,191
MCIT	679,484	2,495,136
	5,519,920	29,636,327

(b) *Deferred income tax*

The components of deferred income tax liabilities as at December 31 are as follows:

	2025	2024
Deferred income tax liabilities		
Unrealized foreign exchange gain	609,159	440,998

Movements in net deferred income tax liability (asset), net, for the years ended December 31 are as follows:

	2025	2024
At January 1	440,998	(1,678,707)
Charged to profit or loss	168,161	2,119,705
Credited to other comprehensive income	-	-
At December 31	609,159	440,998

Deferred income tax assets (DTA) for NOLCO and excess MCIT over the normal income tax were not recognized since Management believes that future taxable profit will not be available within the NOLCO and MCIT period against which these carry-forward benefits can be applied.

The Parent Company is entitled to NOLCO benefit which can be applied to an entity's taxable income for three succeeding years from the year the loss was incurred. Pursuant to RR No. 25-2020, Section 4 of Republic Act No. 11494 (Bayanihan to Recover as One Act), the Parent Company is allowed to carry over the net operating loss incurred for taxable years 2020 and 2021 as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The details of unrecognized NOLCO as at December 31, which could be carried over as deduction from taxable income for three or five consecutive years following the year of incurrence, follow:

Year incurred	Year of expiry	2025	2024
2020	2025	14,417,440	38,865,455
2021	2026	35,417,732	35,417,732
2022	2025	23,262,192	23,262,192
2023	2026	12,742,286	12,742,286
		85,839,650	110,287,665
Utilized		(19,465,579)	(24,448,015)
Expired		(18,214,053)	-
		48,160,018	85,839,650
Tax rate		25%	25%
Unrecognized DTA		12,040,005	21,459,913

In compliance with the Tax Reform Act of 1997, the Company is required to pay the MCIT or the normal income tax, whichever is higher. The MCIT can be carried forward on an annual basis and credited against normal income tax payable within three (3) immediately succeeding years from the period when the MCIT was paid.

The details of the unrecognized MCIT over the normal income tax are as follows:

Year incurred	Year of expiry	2025	2024
2021	2024	-	239,616
2022	2025	381,438	381,438
2023	2026	568,164	568,164
2024	2027	2,495,136	2,495,136
2025	2028	679,484	-
		4,124,222	3,684,354
Expired		(381,438)	(239,616)
Unrecognized DTA		3,742,784	3,444,738

16 Earnings per share

Earnings per share for the years ended December 31 was determined as follows:

	2025	2024
Net income from operation	39,925,590	1,088,833,475
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings per share	0.14	3.71

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

The weighted average number of shares outstanding as at December 31, 2025 and 2024 is computed as follows:

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

17 Segment Information

The Parent Company has only one segment.

Significant information on the reportable segment is as follows:

	2025	2024
Operating assets	612,619,815	581,391,691
Operating liabilities	117,171,314	125,868,780
Income from continuing operations	24,847,205	151,319,476
Other income, net	35,498,397	1,006,726,789
General and administrative expenses	(14,731,931)	(37,456,758)
Gain on investments in subsidiaries and associates	33,767,677	6,546,025
Segment net income	39,925,590	1,088,833,475

All income are from domestic entities incorporated in the Philippines, hence, the Parent Company did not present geographical information required by PFRS 8, Operating Segments.

There is no need to present reconciliation since the Parent Company's operating assets, operating liabilities, income from continuing operations, other income, cost and expenses and segment net loss pertains to a single operating segment.

18 Financial risk and capital management

18.1 Financial risk management

The Parent Company's principal financial assets and liabilities comprise of cash and cash equivalents, receivables, financial assets at FVOCI, amounts due to and from related parties, refundable deposits, accounts payable and other liabilities. The Parent Company has various other financial liabilities which arise from its operations.

The main risks arising from the Parent Company's financial instruments are market risk (mainly foreign currency risk), credit risk, and liquidity risk. The Parent Company'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 Parent Company's exposure to foreign currency arises from its short-term deposits in US dollars.

The Parent Company's foreign currency-denominated monetary assets as at December 31 are as follows:

	2025	2024
Cash equivalent	3,070,858	2,964,886
Year-end USD exchange rate	58.77	58.80
PHP equivalent	180,474,325	174,335,297

The Parent Company did not have foreign currency-denominated monetary assets and liabilities other than the short-term deposits.

Net foreign exchange gains (losses) for the years ended December 31 are as follows:

	Note	2025	2024
Realized		(24,158)	117,835,682
Unrealized		2,436,637	1,763,992
	14	2,412,479	119,599,674

The Parent Company 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 management deems necessary.

The sensitivity to a reasonably possible change of 0.05% in 2025 (2024 – 2.12%) in the Philippine Peso against US Dollars exchange rate, with all other variables held constant, of the Parent Company's income before tax is +/- P90.2 thousand (2024 - +/- P3.8 million). The Company determined the reasonable possible change using the 12-month historical volatility of US Dollar to Philippine Peso spot changes to December 31, 2025 and 2024. There is no impact on the Parent Company's equity other than those already affecting the net income

(b) Price risk

The Parent Company has no exposure to price risk related to financial assets and liabilities whose values will fluctuate as a result of changes in market prices, other than its financial assets at FVOCI valued at Level 3 fair value hierarchy. There is a minimal price risk to the Parent Company's financial assets at FVOCI as it is valued at cost representing the best estimate of fair value as the instruments are unquoted securities. The Parent Company is not exposed to commodity price risk.

(c) Interest rate risk

Interest rate risk is the risk that the value/future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Parent Company has no significant exposure to interest rate risk on cash and cash equivalents as these are subject to fixed interest rates. As such, the Parent Company's income and operating cash flows are substantially independent of changes in market interest rates.

(d) Credit risk

Credit risk arises when the counterparty to a financial asset of the Parent Company is unable to fulfill its obligation at the time the obligation becomes due. Credit risk arises from the Parent Company's financial assets, which comprise of cash and cash equivalents, receivables, amounts due from related parties, financial assets at FVOCI and refundable deposits. As at December 31, 2025 and 2024 the carrying values of the Parent Company's financial instruments represent maximum exposure to credit risk at reporting date due to their short-term nature.

There are no financial assets and liabilities that are offset and reported as net amount in the statements of financial position. There were no amounts subject to an enforceable master netting arrangement or similar agreement as at December 31, 2025 and 2024.

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

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

Below are the Parent Company's financial assets classified under three categories which reflect their credit risk as at December 31:

		Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
2025					
Cash and cash equivalents	(i)	556,800,797	-	-	556,800,797
Receivables	(ii)	2,729,954	-	-	2,729,954
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits	(iv)	238,656	-	-	238,656
		559,994,407	-	-	559,994,407
2024					
Cash and cash equivalents	(i)	469,384,511	-	-	469,384,511
Receivables	(ii)	1,783,613	-	-	1,783,613
Due from related parties	(ii)	174,309	-	-	174,309
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits	(iv)	238,656	-	-	238,656
		471,806,089	-	-	471,806,089

Cash and cash equivalents exclude cash on hand. Receivables exclude receivable from a government agency amounting to P70.0 thousand in 2025 (2024 – P0.1 million).

The above assets were classified by the Parent Company based on changes in credit quality under the three-stage model for impairment. Stage 1 pertains to assets of the Parent Company that is not credit-impaired on initial recognition. Stage 2 pertains to assets of the Parent Company 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 Parent Company 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, receivables have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance for receivables and due from related parties as at December 31 was determined as follows:

	Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
2025				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	2,729,954	-	-	2,729,954
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-

	Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
<i>2024</i>				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	1,783,613	-	-	1,783,613
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	174,309	-	-	174,309
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-

(i) Cash and cash equivalents and accrued interest

The Parent Company 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. Cash in bank of the Parent Company is with a universal bank as at December 31, 2025 and 2024. Cash and cash equivalents and related accrued interest have minimal exposure to credit risk as the Parent Company only transacts with reputable banks and financial institutions and is considered performing.

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

(ii) Receivables and due from related parties

Accrued interest

The Parent Company has low credit risk exposure relating to accrued interest as the amounts are fully collectible from the bank. These balances arise from interest earned on deposits with reputable financial institutions that have strong credit ratings and a history of meeting their contractual obligations. Accordingly, the risk of default is assessed to be negligible as at December 31, 2025 and 2024.

Receivables from related parties

Credit exposure of the Parent Company on due 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 December 31, 2025 and 2024.

Other receivables

As at December 31, 2025 and 2024, other receivables are classified as fully performing and no history of default. None of the financial assets that are fully performing has been renegotiated in the last year.

(iii) Financial asset as FVOCI

Financial asset at FVOCI consist primarily of redeemable preference shares. Financial asset at FVOCI is reported at their carrying amounts which are assumed to approximate their fair values (Note 18.2).

There is no significant credit exposure on financial asset at FVOCI as the redeemable preferred shares were redeemed at cost in 2024.

(iv) Refundable deposits

Refundable deposits consist primarily of amounts related to the Parent Company'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.

(e) 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 Parent Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and short-term deposits. The Parent Company 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 Parent Company'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 one year	Total
<i>December 31, 2025</i>					
Accrued expenses and other current liabilities	75,005,271	3,684,674	-	-	78,689,945
Due to related parties	20,973,943	-	-	-	20,973,943
	95,979,214	3,684,674	-	-	99,663,888
<i>December 31, 2024</i>					
Accrued expenses and other current liabilities	81,208,807	2,737,500	-	-	83,946,307
Due to related parties	20,973,943	-	-	-	20,973,943
	102,182,750	2,737,500	-	-	104,920,250

Accounts payable and other current liabilities exclude taxes payable.

18.2 Fair value estimation

Due to the short-term nature of the Parent Company's financial assets and liabilities, their fair values approximate their carrying amounts as at December 31, 2025 and 2024, except for financial assets at FVOCI.

The financial assets pertaining to investments in preferred equity shares and unquoted club shares are valued at FVOCI. Based on the Parent Company's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities (Note 19.2).

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

Fair value hierarchy

The valuation of the financial assets at FVOCI is categorized as Level 3 measurement using cost which represents the best estimate of the fair value as the instruments are unquoted securities.

For the years ended December 31, 2025 and 2024, there are no financial assets categorized as Level 1 and Level 2 and no transfers in and out of Level 3 fair value measurement.

18.3 Capital management

The primary objective of the Parent Company'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 Parent Company manages its capital structure and makes adjustments to it in light of changes in economic conditions.

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

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

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

The percentages of debt to equity as of December 31:

	2025	2024
Liabilities	117,171,314	125,868,780
Equity	495,448,501	455,522,911
Percentage of debt-to-equity	23.65%	27.63%

As part of the reforms of the PSE to expand the capital market and improve transparency among listed firms, the PSE requires listed entities to maintain a minimum of 10% of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Company's shares held by public is in total percentage of 13.17% or a total of 38.7 million shares in 2025 and 2024 and has fully complied with this requirement (Note 1).

19 Critical accounting estimates, assumptions and judgments

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

19.1 Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follow:

(a) *Assessment of impairment of investments in subsidiaries and associates (Note 6)*

The Parent Company assesses impairment in subsidiaries and associates whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Parent Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined as the higher between value-in-use and fair value less cost to sell in accordance with PAS 36 Impairment of Assets. This requires the Parent Company to make estimates and assumptions that can materially affect the separate financial statements. Future events could cause the Parent Company to conclude that these assets are impaired. Any resulting additional impairment loss could have a material adverse impact on the Parent Company's financial condition and results of operations.

SEC approved the subsidiary and associates' cessation of business operations through shortening of corporate term until January 31, 2025 and September 30, 2025, respectively (Note 1). Consequently, the Parent Company assessed its investments in a subsidiary and associates for impairment due to the planned cessation of business operations (Note 6). The recoverable amount was determined using the value-in-use as there was no active market for the investment and the fair value could not be reliably measured. The value-in-use was calculated based on projected future cash flows which significantly comprised the cash balance at the beginning of the year, the group's share in net income or loss and expected liquidating dividend based on the subsidiary and associates' net asset value and cash balance upon cessation of business operations. Discount rate was not applied in the value-in-use as the estimated cash flows are predictable and expected to be realized in less than one year. Since the associates will cease operations, no terminal value was considered and no future cash flows were assumed beyond the closure date. The value-in-use calculation are not materially sensitive to changes in light of predictability and short time horizon of cash flows.

In October 2025, the subsidiary and associates declared and paid the liquidating dividends to the Parent Company resulting to the derecognition of the investments and recognition of investment gain (Note 6).

(b) Useful lives of property and equipment and right-of-use asset (Note 9)

The useful lives of each item of the Parent Company's property and equipment, and right-of-use asset are estimated based on the period over which the asset is expected to be available for use. For right-of-use asset, the estimated useful life is based on lower of the useful life or the lease term. Such estimate is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. The estimated useful life of each asset is reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the asset. It is possible, however, that future results of operations could be materially affected by changes in the amounts and timing of recorded expenses brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of any property and equipment, and right-of-use asset would increase the recorded operating expenses and decrease non-current assets.

There were no changes in the estimated useful lives of the Parent Company's property and equipment.

19.2 Critical accounting estimates, assumptions and judgments

In the process of applying the Parent Company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Impairment of receivables and due from related parties (Notes 3 and 12)

The Parent Company applies the PFRS 9 simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables presented under receivables and due from related parties.

For receivables and due from related parties, the expected loss rates are based on the payment profiles of revenue over a period of 36 months before December 31, 2025 and 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Parent Company has identified that the Philippine annual inflation and gross domestic product rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The amount and timing of recorded expenses for any period would differ if the Parent Company made different judgments or utilized different estimates. An increase in the Parent Company's allowance for doubtful accounts on receivables would increase the Parent Company's recorded expenses and decrease current assets.

No allowance for impairment loss has been provided for by the Parent Company's receivables and due from related parties as at December 31, 2025 and 2024 as these receivables and due from related parties are fully recoverable.

(b) Assessment of significant influence and joint control

The Parent Company has determined that it has no control over its investments in associates as it has no power over these investees or it is not exposed or does not have rights to variable returns from its involvement with these investees and it does not have the ability to effect the amount of these variable returns. However, the Parent Company determined that it has significant influence over these investments, thus these investments are classified as associates and is continuously accounted for by the Parent Company using the cost method in its separate financial statements.

(c) Classification and fair value measurement of financial assets not quoted in an active market

The Parent Company has assessed the business models for managing the financial assets and the contractual cash flow characteristics of the financial assets to determine the appropriate classification for each financial asset under PFRS 9, Financial Instruments.

The investments in preferred shares within the Parent Company are not held for trading, thus, the Parent Company elected to classify these investments under "FVOCI" with gains and losses remaining in the other comprehensive income, i.e. without recycling to profit or loss upon derecognition (Note 7). However, dividends from investments is recognized in profit or loss when the right to receive payment is probable and can be measured reliably.

These investments are carried at fair value. Based on the Parent Company's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities.

The Parent Company has assessed below indicators, at investees point of view, are not existent, thus, concluded that cost less impairment, if any, is the best estimate of fair value.

- a significant change in the performance of the investee compared with budgets, plans or milestones;
- changes in expectation that the investee's technical product milestones will be achieved;
- a significant change in the market for the investee's equity or its products or potential products; and,
- a significant change in the global economy or the economic environment in which the investee operates.

The valuation of the financial assets at fair value through other comprehensive income is categorized as Level 3 measurement as it utilized adjusted inputs for valuation that were, for the major part, unobservable as at the date of valuation. The main inputs used by the Parent Company are net asset values of the investees.

(d) Recognition of deferred income tax assets (Note 15)

Deferred income tax assets are recognized for unused tax losses and credits to the extent that it is probable that taxable profit will be available against which the tax losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred income tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The amount of unrecognized deferred income tax assets amounted to P15.7 million as at December 31, 2025 (2024 - P24.9 million).

(e) Lease commitments - the Parent Company as lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

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 Parent Company considers the factors below as the most relevant in assessing the options:

- If there are significant penalties to terminate (or not extend), the Parent Company is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Parent Company is typically reasonably certain to extend (or not terminate).
- Otherwise, the Parent Company considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

During the current financial year, there is no revision of lease terms to reflect the effect of exercising extension and termination of contracts (Note 8).

(f) Recoverability of tax credit, creditable withholding taxes and input VAT

The Parent Company assesses impairment on tax credit, creditable withholding taxes and input VAT whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable. The Parent Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. Based on management's assessment as at December 31, 2025 and 2024, the tax credit, creditable withholding taxes and input VAT remain fully recoverable, as these are expected to be utilized against applicable tax liabilities or refunded through applying for a tax refund with the BIR, except for the creditable withholding taxes amounting to P0.9 million that was written off in 2025.

20 Summary of material accounting policies

The principal accounting policies applied in the preparation of the separate financial statements are set out below. These policies have been consistently applied to both years presented, unless otherwise stated.

20.1 Basis of preparation

The separate financial statements of the Company have been prepared in accordance with PFRS Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the Securities and Exchange Commission (SEC).

The financial statements of the Company have been prepared on historical cost basis, except for financial assets at FVOCI.

The preparation of separate financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Parent Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 19.

The Parent Company has also prepared consolidated financial statements in accordance with PFRS for the Parent Company and its subsidiaries (the "Group"). In the consolidated financial statements, subsidiary undertakings - which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations - have been fully consolidated, while associates and joint venture are accounted for using the equity method.

Users of these separate financial statements should read them together with the Group's consolidated financial statements as at and for the years ended December 31, 2025 and 2024 in order to obtain full information on the financial position, results of operations and changes in equity of the Parent Company and its subsidiaries as a whole. The consolidated financial statements of the Group can be obtained from SEC or from the Parent Company's website: www.keppelland.com.ph.

Changes in accounting policy and disclosures

(a) Amendments to existing standards adopted by the Parent Company effective January 1, 2025

The following amendments to existing standards have been adopted by the Parent Company effective January 1, 2025:

- Lack of Exchangeability - Amendments to PAS 21;

On August 15, 2023, the IASB amended IAS 21 to add requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, IAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

The adoption of the above amendment did not result in a material impact to the separate financial statements of the Parent Company.

There are no new standards, other interpretations and amendments to existing standards effective January 1, 2025 that are considered to be relevant or expected to have a material impact on the Parent Company's separate financial statements.

(b) New standards, amendments and interpretations to existing standards issued but not yet effective as at December 31, 2025

Certain new standards, and amendments and interpretations to existing standards have been published that are not mandatory for December 31, 2025 reporting period and have not been early adopted by the Parent Company. None of these are expected to be relevant and have a significant effect on the financial reporting of the Parent Company, while the most relevant ones are set out as follows:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to PFRS 9 and PFRS 7 (*Effective beginning on or after January 1, 2026*)

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 and PFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cashflows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The Parent Company does not expect the amendment to have a significant impact to the Parent Company's separate financial statements.

- PFRS 18 Presentation and Disclosure in Financial Statements (*Effective beginning on or after January 1, 2027*)

PFRS 18 will replace PAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though PFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Parent Company's separate financial statements.

Although the adoption of PFRS 18 will have no impact on the Parent Company's net profit, the Parent Company expects that grouping items of income and expenses in the statement of profit or loss into the new categories will impact how operating profit is calculated and reported.

The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

The Parent Company does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles.

In addition, there will be significant new disclosures required for:

- management-defined performance measures;
- a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss - this break-down is only required for certain nature expenses; and
- for the first annual period of application of PFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying PFRS 18 and the amounts previously presented applying PAS 1.

The Parent Company will apply the new standard from its mandatory effective date of January 1, 2027.

Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with PFRS 18.

The new standards and amendments are effective for annual reporting periods beginning on or after January 1, 2026, and must be applied retrospectively. The Parent Company does not expect the amendment to have a significant impact to the Parent Company's separate financial statements, except for PFRS 18.

20.2 Financial instruments

Financial assets

(a) Classification

The Parent Company classifies its financial assets in the following measurement categories: fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI) and amortized cost. The Parent Company did not hold financial assets under the category financial assets at FVTPL as at December 31, 2025 and 2024.

(i) Amortized cost

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

Term deposits are presented as cash equivalents if these have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

Trade receivables presented under receivables and due from related parties arising from rendering of services with average credit term of 30 to 60 days are measured at the original invoice amount which approximates their fair value (as the effect of discounting is immaterial), less any provision for impairment.

Refundable deposit arises from the Company's lease agreements and are fully recoverable at the end of the lease terms.

(ii) FVOCI

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Parent Company 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 Parent Company'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 statement of financial position consistent with the Parent Company's escalation at the time of initial recognition (Note 7).

(b) Recognition and measurement

At initial recognition, the Parent Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition, measurement depends on the Parent Company's business model for managing the asset and cash flow characteristic of the asset.

(i) Amortized cost

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

(ii) Equity investments

The Parent Company subsequently measures all equity investments at FVTPL, except where the Parent Company's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Parent Company'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, are continued to be recognized in profit or loss as other income when the Parent Company's right to receive payments is established. The investment cost approximates its fair value at reporting date.

(c) Impairment

Receivables and due from related parties

The Parent Company applies the PFRS 9 simplified approach to measuring 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, receivables and due from related parties have been grouped based on shared credit risk characteristics and the days past due. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized as a separate line item in the statement of total comprehensive income. When a receivable remains uncollectible after the Parent Company has exerted all legal remedies, it is written-off against the allowance account for receivables and due from related parties. Subsequent recoveries of amounts previously written-off are credited against the same line item in the statement of total comprehensive income.

The expected loss rates are based on the profiles of revenue over a period of 36 months before December 31, 2025 and 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables and due from related parties. The Parent Company has identified that the Philippine annual inflation and growth domestic product rates to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in this factor.

Equity investments

The Parent Company 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 (more than 10%) or prolonged (more than 12 months) decline in the fair value of investment below its cost is also evidence that the assets are impaired.

Financial liabilities

(a) Classification

The Parent Company classifies its financial liabilities in the following categories: financial liabilities at FVTPL (including financial liabilities held for trading and those that designated at fair value); and other financial liabilities. As at December 31, 2025 and 2024, the Parent Company'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 at FVTPL and contain contract obligations to deliver cash or another financial asset to the holder or to settle the obligation other than the exchange of a fixed amount of cash. These are included in current liabilities, except for maturities greater than 12 months after the reporting period which are classified as non-current liabilities.

The Parent Company's accounts payable and other current liabilities (excluding payable to government agencies), and due to related parties are classified under other financial liabilities at amortized cost.

(b) Recognition and measurement

Financial liabilities not carried at FVTPL are initially recognized at fair value less transaction costs.

Financial liabilities are subsequently carried at amortized cost using the effective interest method.

20.3 Determination of fair value of financial and non-financial assets

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Parent Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

(a) Financial assets and liabilities

The fair value for financial instruments traded in active markets at the end of the reporting period is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

(b) Non-financial assets

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value hierarchy

The Parent Company uses fair value hierarchy level 3 for determining and disclosing the fair value of financial asset at FVOCI. The cost of investment in FVOCI approximates the fair value of unquoted securities.

The Parent Company's management determines the policies and procedures for both recurring fair value measurement, such as investment in financial assets at FVOCI and for non-recurring fair value measurement. At each reporting date, management analyze the movements in the values of assets and liabilities which are required to be re-measured or re-assessed per the Parent Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Parent Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

20.4 Other current assets

(a) Creditable withholding taxes

Creditable withholding taxes represent amounts withheld by the Parent Company's counterparties in relation to revenue earned. These amounts are derecognized when applied against the income tax payable.

Creditable withholding taxes are included in current assets, except when these are expected to be utilized more than twelve months after the end of the reporting period, in which case these are classified as non-current assets. Creditable withholding taxes are derecognized when utilized or applied against income tax due.

(b) Tax credit

Tax credit represent excess tax payments that can be applied against future applicable income tax payable or applied for tax refund from BIR.

Tax credit are included in current assets, except when these are expected to be utilized more than twelve months after the end of the reporting period, in which case these are classified as non-current assets. Tax credit are derecognized when utilized or applied against income tax due.

(c) Input VAT

Input VAT represents the amount of VAT that the Parent Company paid on the goods and services it purchased for its business operations.

This is derecognized when applied against output tax, when written off or when actual refund is received. When input VAT is derecognized, its cost and accumulated impairment losses, if any, are eliminated from the account.

Input VAT are included in current assets, except when these are expected to be utilized more than twelve months after the end of the reporting period, in which case these are classified as non-current assets. Input VAT are derecognized when utilized or applied output tax.

20.5 Non-current asset held-for-sale; Discontinued operation

Non-current assets are classified by the Parent Company as held-for-sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The Parent Company measures the asset at the lower of carrying amount and fair value less costs to sell.

Non-current assets classified as held-for-sale and the assets of a disposal group classified as held-for-sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held-for-sale are presented separately from other liabilities in the statement of financial position. The Parent Company derecognize non-current asset held-for-sale upon the completion of the sale based on the carrying amount of the asset held for sale.

The Parent Company performs re-assessment of the lower of the carrying amount and its fair value less costs to sell upon completion of the sale. Gain or loss from sale if determined as the excess of purchase consideration from the lower of carrying value and fair value less cost to sell.

The Parent Company disclosed in the statement of comprehensive income comprising of the: the post-tax profit or loss of discontinued operation, and the post-tax gain or loss recognized on the measurement to fair value less costs to sell or on the disposal of the assets constituting the discontinued operation.

The Parent Company re-presented the disclosures for discontinued operation for prior periods presented in the financial statements, including the disclosures related to the operations that have been discontinued by the end of the reporting period for the latest period presented. The discontinued operation presented in the statement of comprehensive income and consolidated statement of cash flows in the comparative period should therefore include all operations that have been discontinued by the end of the most recent reporting period.

20.6 Investments in subsidiaries and associates

A subsidiary is an entity in which the Parent Company exercises control over the operations and management of the subsidiary. The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An investor controls an investee if and only if the investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

The Parent Company's investments in subsidiaries and associates are accounted for under the cost method of accounting, and are carried in the statement of financial position at cost less any impairment in value.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distribution from accumulated profits of the subsidiaries and associates arising after the date of acquisition. Distributions received in excess of such profits are recognized as recovery of investment and are recognized as reduction of the cost of the investment.

The reporting dates of the subsidiaries and associates are identical and the accounting policies of the subsidiaries and associates conform to those used by the Parent Company for like transactions and events in similar circumstances.

Upon cessation of business operation of a subsidiary or an associate, the Parent Company loses control or significant influence and derecognizes the carrying amount of the investments in subsidiaries or associates. Any difference between the liquidating dividends received and the carrying amount of the investments in subsidiaries or associates upon the cessation of business operation is recognized in profit or loss.

20.7 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any accumulated impairment in value. Such cost includes the cost of replacing part of such property and equipment when such cost is incurred if the recognition criteria are met.

Depreciation is computed using the straight-line method over the following estimated useful lives:

	Years
Office equipment	1-4
Furniture and fixtures	1-4
Leasehold improvements	3 or over the lease term, whichever is shorter

The useful lives, residual value and depreciation method are reviewed periodically to ensure that the period, residual value and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and any impairment in value, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

20.8 Impairment of non-financial assets

Property and equipment, net and right of use asset

Assets that have definite useful life are subject to amortization such as property and equipment, net and right-of-use asset, net, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable, but not in excess of the amount that would have been determined had no group loss been recognized for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Investments in associates and joint venture

The Parent Company determines whether it is necessary to recognize any additional impairment loss with respect to the Parent Company's net investment in the investee companies. The Parent Company determines at each reporting date whether there is any objective evidence that the investments in associates or jointly controlled entities are impaired. If this is the case, the Parent Company calculates the amount of impairment as being the difference between the Parent Company's share in the fair value and the carrying value of the net assets of the investee Parent Company and recognizes the difference in profit or loss.

20.9 Provisions and contingencies

Provisions are recognized when the Parent Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are not recognized for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision shall be reversed or derecognized.

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable. If it becomes virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statement.

20.10 Revenue recognition

(a) Other income not covered by PFRS 15, Revenue from contracts with customers

Interest income

For all financial instruments measured at amortized cost and interest-bearing financial assets at FVOCI, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Other income

Other income from gain on reversal of liabilities, interest income from staff loan, gain on sale of property and equipment, foreign exchange gains, gains on investments in subsidiaries and associates, and intercompany charges is recognized when earned.

Dividend income

Dividend income is recognized at point in time when the shareholders' right to receive the payment is established.

20.11 Equity

(a) Share capital

Share capital is recognized at the par value of shares issued. Proceeds received from the issuance of shares, net of directly attributable transaction costs, are credited to share capital to the extent of par value, with any excess recognized as share premium. Incremental costs directly attributable to the issuance of new shares are deducted from equity, net of any related tax benefits.

(b) Share premium

Share premium represents capital contribution in excess of par value of the share capital.

(c) Redeemable preference shares

Redeemable preference shares are classified as equity when the Company has no contractual obligation to deliver cash or another financial asset, and redemption is at the sole discretion of the issuer.

Equity-classified redeemable preference shares are recognized at the proceeds received, net of directly attributable transaction costs. Dividends declared on these instruments are recognized as a deduction from equity in the period in which they are approved by the Board of Directors.

Premiums attributable to redeemable preference shares are recorded under "Accumulated premium" and represent the annual premium component as determined in consultation with an independent financial advisor.

(d) Accumulated premium

Accumulated premium pertains to the annual premium attributable to redeemable preference share and is determined in consultation with an independent financial advisor.

(e) Remeasurement

Reserves pertaining to other comprehensive income comprises items of income and expense (including items previously presented under the statement of changes in equity) that are not recognized in the statement of comprehensive income for the year in accordance with PFRS. Other comprehensive income includes remeasurement gains or losses on retirement benefits.

(f) Treasury shares

Treasury shares are recorded at cost and presented as a deduction from equity. When the shares are retired, the share capital account is reduced by its par value and the excess of cost over par value upon retirement is deducted from share premium to the extent of the specific or average share premium when the shares were issued and from retained earnings for the remaining balance.

(g) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements in the period in which the dividends are approved by the BOD.

(h) Earnings per share

Basic EPS is calculated by dividing income applicable to common shares by the weighted average number of common shares outstanding during the year with retroactive adjustments for stock dividends. In case of a rights issue, an adjustment factor is being considered for the weighted average number of shares outstanding for all periods before the rights issue. Diluted EPS is computed in the same manner as basic EPS, however, net income attributable to common shares and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

20.12 Leases

(a) 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.

20.13 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits include items such as salaries and wages, social security contributions and non-monetary benefits, if expected to be settled wholly within 12 months after the end of the reporting period in which the employees rendered the related services. Short-term employee benefits are recognized as expense as incurred. When an employee has rendered service to the Parent Company during the reporting period, the Parent Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability (accrued expense), after deducting any amount already paid.

20.14 Current and deferred income tax

(a) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as at the reporting date.

Current income tax relating to items directly in equity is recognized in equity and not in the statement of comprehensive income.

(b) Deferred income tax

Deferred income tax is provided, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred income tax assets are recognized for all deductible temporary differences, carry forward benefits of excess MCIT and unused NOLCO, to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred income tax assets to be utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow all or part of the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at reporting date.

Deferred income tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred income tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current tax liabilities, and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Deferred income tax assets and liabilities are derecognized when the related bases are realized/settled or when these are no longer realizable.

(c) VAT

Revenue, expenses and assets are recognized net of the amount of VAT except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of other current assets or payables in the statement of financial position.

20.15 Related party relationships and transactions

Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel and partners. In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

Related party transactions are offset, and the net amount reported in the 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.

20.16 Basic earnings per share (EPS)

EPS is computed by dividing net income for the year attributable to common shareholders by the weighted average number of common shares issued and outstanding during the year, with retroactive adjustments for any stock dividends declared.

20.17 Operating segments

The Parent Company's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

20.18 Events after the reporting date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements.

21 Supplementary information required by the Bureau of Internal Revenue

The following information are presented for the purpose of filing with the BIR pursuant to Revenue Regulation No. 15-2010 and are not required part of the basic financial statements.

(a) Output value-added tax (VAT)

Net Sales/Receipts and Output VAT declared in the VAT returns for 2025:

	Net sales/ receipts	Output VAT
Taxable sales:		
Sales of services (intercompany charges)	128,934	15,472

Taxable sales subject to 12% VAT shown above are based on gross receipts of the Parent Company for VAT purposes while gross revenues in the statement of total comprehensive income.

(b) Input VAT

Movements in input VAT for the year ended December 31, 2025 follow:

At January 1	652,706
Current year's domestic purchases/payments for:	
Domestic purchases of service	643,587
Goods other than capital goods	-
	1,296,293
Input VAT applied to Output VAT	(15,472)
At December 31	1,280,821

(c) Importations

The Parent Company had no import transactions for the year ended December 31, 2025.

(d) Excise tax

The Parent Company had no transactions during the year that is subject to excise tax.

(e) All other local and national taxes

All other local and national taxes paid and accrued for the period December 31, 2025 and recorded under taxes and licenses in the statement of total comprehensive income are as follows:

Local	
Mayor's permit	108,624
Community tax	5,118
	<u>113,742</u>
National	
Surcharge	4,000
Total	<u>117,742</u>

(f) Withholding taxes

Withholding taxes accrued and paid as at December 31, 2025 are as follows:

	Accrued	Paid	Total
Final withholding taxes	60,000	60,000	120,000
Withholding tax on compensation	614,612	678,803	1,293,415
Expanded withholding tax	63,728	332,558	396,286
Final withholding VAT	28,800	268,800	297,600
	<u>767,140</u>	<u>1,340,161</u>	<u>2,107,301</u>

The Company recorded creditable withholding tax amounting to P29.4 million for the year ended December 31, 2025 presented under "Other current assets" and "Other non-current assets" (Note 4).

(g) Tax assessments

The Parent Company's tax audit and its status are summarized as follows:

Taxable year	Status
2023	Letter of Authority was received from BIR on July 7, 2025 covering the tax audit on all internal revenue taxes. The audit is still in progress as at reporting date.

(h) Tax cases

There are no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at December 31, 2025.

Keppel Philippines Properties, Inc.
(The "Parent Company")
26th Floor, The Podium West Tower, ADB Avenue, Wack-Wack Greenhills
Mandaluyong City

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2025
(All amounts in Philippine Peso)

Unappropriated Retained Earnings, beginning of the year/period		90,777,303
Add:	Category A: Items that are directly credited to Unappropriated retained earnings	
	Reversal of Retained earnings appropriation/s	-
	Effect of restatements or prior-period adjustments	-
	Others (describe nature)	-
Less:	Category B: Items that are directly debited to Unappropriated retained earnings	
	Dividend declaration during the reporting period	-
	Retained earnings appropriated during the reporting period	-
	Effect of restatements or prior-period adjustments	-
	Treasury shares	-
Unappropriated Retained Earnings, as adjusted		90,777,303
Add/Less:	Net Income (loss) for the current year/period	39,925,590
Less:	Category C.1: Unrealized income recognized in the profit or loss during the year/period (net of tax)	
	Equity in net income of associate/joint venture, net of dividends declared	-
	Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-
	Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
	Unrealized fair value gain of investment property	
	Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-
Add:	Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	
	Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-
	Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
	Realized fair value gain of Investment property	-
	Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-

Cont.

Add:	Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	
	Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-
	Reversal of previously recorded fair value adjustment (mark-to market gains) of financial instruments at fair value through profit or loss (FVTPL)	-
	Reversal of previously recorded fair value gain of investment property	-
	Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-
	Adjusted net income/loss	39,925,590
Add:	Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
	Depreciation on revaluation increment (after tax)	-
	Amortization of the effect of reporting relief	-
	Total amount of reporting relief granted during the year	-
	Others (describe nature)	-
Add/Less:	Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
	Net movement of treasury shares (except for reacquisition of redeemable shares)	-
	Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
	Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and setup of service concession asset and concession payable	-
	Adjustment due to deviation from PFRS/GAAP - gain (loss)	-
	Others (describe nature)	-
	Total Retained Earnings, end of the year/period available for dividend declaration	130,702,893