



SECURITIES AND EXCHANGE COMMISSION

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Company Information

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Company Name: KEPPEL PHILIPPINES HOLDINGS, INC.

Industry Classification: J66940

Company Type: Stock Corporation

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S.E.C Registration Number

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

(Company's Full Name)

U N I T 3 B C O U N T R Y S P A C E I B L D G . 1 3 3 S E N G I L P U Y A T A V E . S A L C E D O V I L . B R G Y . B E L A I R M A K A T I C I T Y

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

Alan I. Claveria/ Felicidad V. Razon

Contact Person

8892 1816

Company Telephone Number

1 2

Month

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Day

SEC Form 17Q-March 2026

FORM TYPE

0 4

Month

2 4

Day

Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

372 as of April 2026

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE
SECURITIES REGULATION CODE AND SRC RULE 17 (2) (b) THEREUNDER**

1. For the quarterly period ended 31 March 2026
2. Commission identification number 62596
3. BIR Tax Identification No. 000-163-715-000
4. Exact name of issuer as specified in its charter
KEPPEL PHILIPPINES HOLDINGS, INC.
5. Province, country or other jurisdiction of incorporation or organization
Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office Postal Code
Unit 3B, Country Space I Bldg., Sen. Gil Puyat Avenue 1200
Salcedo Village, Barangay Bel-Air, Makati City
8. Issuer's telephone number, including area code
(632) 8892-18-16
9. Former name, former address and former fiscal year, if changed since last report
N.A.
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA:
- | | As of April 30, 2026 |
|---------------------|--|
| Title of each Class | Number of shares of common stock outstanding |
| Common 'A' | 35,756,070 |
| Common 'B' | 21,476,949 |
| Total | 57,233,019 (Net of Treasury Shares of 15,940,481) |
11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes [] No [/]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
-
12. Indicate by check mark whether the registrant:
- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the 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 []

DOCUMENTS INCORPORATED BY REFERENCE

**PART I
FINANCIAL INFORMATION**

- 1) Financial Statements (see EXHIBIT 1)**
- 2) Management's Discussion and Analysis of Financial Condition and Results of Operations (see EXHIBIT II)**

**PART II
OTHER INFORMATION**

Information not previously reported and made in this report in lieu of a report on SEC Form 17-C.

NONE

EXHIBIT I

MARCH 2026 QUARTERLY REPORT

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2026 & DECEMBER 31, 2025

(IN PHILIPPINE PESOS)

A S S E T S	Unaudited March 31 2026	Audited December 31 2025
Current assets		
Cash and cash equivalents (Note 6)	288,466,479	290,714,070
Interest receivable (Note 7)	658,896	1,172,258
Prepayments & other current assets - net (Note 8)	1,170,728	935,235
Total current assets	290,296,103	292,821,563
Non-current assets		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 9)	80,000,000	80,000,000
Investment in an associate (Note 10)	433,732,537	432,506,855
Investment properties – net (Note 11)	2,979,782	2,979,782
Property and equipment - net (Note 12)	616,480	594,052
Intangible assets, net (Note 13)	381,031	544,330
Total non-current assets	517,709,830	516,625,019
Total assets	808,005,933	809,446,582
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Accrued expenses and other current liabilities (Note 14)	6,874,788	7,615,023
Advance rentals and deposits (Note 11)	257,589	257,589
Income tax payable	32,867	14,651
Total current liabilities	7,165,244	7,887,263
Noncurrent liabilities		
Retirement benefit obligation (Note 16)	1,524,231	1,434,231
Advance rental and deposits – net of current portion (Note 11)	693,248	693,248
Deferred tax liability (Note 9)	12,006,293	12,006,293
Total noncurrent liabilities	14,223,772	14,133,772
Total liabilities	21,389,016	22,021,035
Equity		
Share capital (Note 17)	73,173,500	73,173,500
Share premium (Note 17)	73,203,734	73,203,734
Treasury shares (Note 18)	(26,004,530)	(26,004,530)
Revaluation reserve on financial asset at (FVOCI) (Note 9)	67,469,458	67,469,458
Remeasurements on retirement benefits obligation (Note 16)	599,481	599,481
Retained earnings (Note 18)	367,292,892	368,697,522
Attributable to equity holders of the Parent	555,734,535	557,139,165
Non-controlling interests (Note 2)	230,882,382	230,286,382
Total equity	786,616,917	787,425,547
Total liabilities and equity	808,005,933	809,446,582

See accompanying Notes to Consolidated Financial Statements

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2026 AND 2025
(IN PHILIPPINE PESOS)
(UNAUDITED)**

	March 31 2026	March 31 2025
Revenues and income		
Interest income (Notes 6 and 7)	3,334,163	17,966,618
Equity in net earnings of an associate (Note 10)	1,225,682	155,157
Rental income (Note 11)	620,794	604,288
Management fees (Note 15)	129,000	129,000
Others (expense) income, net	(28,818)	(21,933)
Total revenues and income	5,280,821	18,833,130
Operating expenses (Note 19)	(5,366,838)	(6,183,803)
Income (loss) before income tax	(86,017)	12,649,327
Income tax expense	(722,613)	(3,635,363)
Net income (loss) for the period	(808,630)	9,013,964
Attributable to:		
Equity holders of the parent	(1,404,630)	8,884,497
Non-controlling interests	596,000	129,467
	(808,630)	9,013,964
Earnings per share attributable to equity holders of the parent		
	(P0.025)	P0.155
<i>Equity holders of the parent divided by</i>		
<i>Number of shares outstanding as of end of the period</i>	<i>(P1,404,630)/57,233,419</i>	<i>P8,884,497/57,233,419</i>

See accompanying Notes to Consolidated Financial Statements

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF TOTAL COMPREHENSIVE INCOME
FOR THE PERIODS ENDED MARCH 31, 2026 AND 2025
(IN PHILIPPINE PESOS)
(UNAUDITED)

	March 31 2026	March 31 2025
Net income (loss) for the period	(808,630)	9,013,964
Other comprehensive income		
Item that will not be reclassified to profit and loss:		
Unrealized fair value gain on financial assets at fair value through other comprehensive income (Note 9)	-	-
Total comprehensive income (loss) for the period	(808,630)	9,013,964
Attributable to:		
Equity holders of the parent	(1,404,630)	8,884,497
Non-controlling interest	596,000	129,467
	(808,630)	9,013,964

See accompanying Notes to Consolidated Financial Statements

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED MARCH 31, 2026 AND 2025
(UNAUDITED)
IN PHILIPPINE PESOS

	Attributable to equity holders of the Parent								
	Share capital <i>(Note 17)</i>	Share premium <i>(Note 17)</i>	Treasury shares <i>(Note 18)</i>	Revaluation Reserve on financial asset at FVOCI <i>(Note 9)</i>	Remeasurements on retirement benefit obligation <i>(Note 16)</i>	Retained earnings <i>(Note 18)</i>	Total	Non- controlling interests <i>(Note 2)</i>	Total equity
Balance as of January 1, 2026	73,173,500	73,203,734	(26,004,530)	67,469,458	599,481	368,697,522	557,139,165	230,286,382	787,425,547
Comprehensive income (loss)									
Net income (loss) for the period	-	-	-	-	-	(1,404,630)	(1,404,630)	596,000	(808,630)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	-	-	(1,404,630)	(1,404,630)	596,000	(808,630)
Transaction with the owners									
Cash dividend declared	-	-	-	-	-	-	-	-	-
Balance as of March 31, 2026	73,173,500	73,203,734	(26,004,530)	67,469,458	599,481	367,292,892	555,734,535	230,882,382	786,616,917
Balance as of January 1, 2025	73,173,500	73,203,734	(26,004,530)	71,719,458	836,945	1,351,560,171	1,554,489,277	232,219,136	1,776,708,413
Comprehensive income									
Net income for the period	-	-	-	-	-	8,884,497	8,884,497	129,467	9,013,964
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	8,884,497	8,884,497	129,467	9,013,964
Transaction with the owners									
Cash dividend declared	-	-	-	-	-	-	-	-	-
Balance as of March 31, 2025	73,173,500	73,203,734	(26,004,530)	71,719,458	836,945	1,360,444,667	1,553,373,774	232,348,603	1,785,722,377

See accompanying Notes to Consolidated Financial Statements

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2026 AND 2025
(IN PHILIPPINE PESOS)
(UNAUDITED)

	March 31 2026	March 31 2025
Cash flows from operating activities		
Income (loss) before income tax expense	(86,017)	12,649,327
Adjustments for:		
Depreciation and amortization (Notes 11, 12, 13 and 19)	213,058	197,474
Provision for retirement benefit expense (Note 16)	90,000	99,000
Provision for impairment losses (Note 8)	66,051	65,469
Unrealized foreign exchange loss (Note 6)	31,068	-
Equity in net earnings of an associate (Note 10)	(1,225,682)	(155,157)
Interest income (Notes 6 and 7)	(3,334,163)	(17,966,618)
Operating loss before changes in assets and liabilities	(4,245,685)	(5,110,505)
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables	-	54,543
Other current assets	(301,544)	(363,229)
Increase (decrease) in:		
Accrued expenses and other current liabilities	(740,235)	(249,118)
Advance rentals and deposits	-	-
Net cash absorbed by operations	(5,387,464)	(5,668,309)
Interest received from cash and cash equivalent	3,847,525	20,099,000
Income tax paid	(704,397)	(3,629,888)
Net cash from (used in) operating activities	(2,144,336)	10,800,803
Cash flows from investing activities		
Purchase of property and equipment (Note 12)	(72,187)	-
Net cash from (used in) investing activities	(72,187)	-
Cash flows from financing activities		
Cash dividend declared and paid	-	-
Net cash used in financing activities	-	-
Net (decrease) increase in cash and cash equivalents	(2,216,523)	10,800,803
Cash and cash equivalents		
At beginning of the period	290,714,070	1,267,990,092
Effect of exchange rate changes on cash and cash equivalents	(31,068)	-
Cash and cash equivalents at the end of the period (Note 6)	288,466,479	1,278,790,895

See accompanying Notes to Consolidated Financial Statements

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(in Philippine Pesos)

1. General Information

Keppel Philippines Holdings, Inc. (KPHI or the Parent Company) and its subsidiaries, KPSI Property, Inc. (KPSI) and Goodwealth Realty Development Corporation (GRDC), including GRDC's subsidiary, Goodsoil Marine Realty, Inc. (GMRI) (collectively referred to as "the Group"), are incorporated in the Philippines.

The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on July 24, 1975 with registered office address is Unit 3-B Country Space 1 Building, 133 Sen. Gil Puyat Avenue, Salcedo Village, Barangay Bel-Air, Makati City. The Parent Company is involved in investment holding while the subsidiaries are in the real estate industry, particularly in the lease of its properties to affiliates which are incorporated and domiciled in the Philippines.

In 1987, the Parent Company became a publicly listed entity through initial public offering (IPO) of its shares. There was no follow on offering after the IPO.

At a special meeting held by the Parent Company's BOD on February 20, 2025, it approved the filing of an application by the Parent Company for its Voluntary Delisting in accordance with the Amended Voluntary Delisting Rules of the Philippines Stock Exchange (PSE), the Securities Regulation Code and its Implementing Rules and Regulations (as amended), and any or all applicable rules related thereto, subject to (1) the approval of the shareholders of the Parent Company of the Voluntary Delisting, (2) the completion of the Tender Offer by Kepwealth Inc. (Kepwealth), the Parent Company's majority shareholder; and (3) Kepwealth owning, upon completion of the Tender Offer, and together with its then existing shareholdings, a total of at least 95% of the issued and outstanding common shares of the Parent Company or such percentage as the PSE may allow to affect its Voluntary Delisting. At least two-thirds of the stockholders approved the voluntary delisting from PSE during its special stockholders' meeting on April 24, 2025. The tender offer commenced on April 28, 2025 and ended on June 11, 2025. During the tender offer period, Keppel Ltd. (KL) sold all its Class B shares to Kepwealth. The Parent Company's shares are publicly traded in the PSE until July 7, 2025. On June 25, 2025, the BOD of PSE approved the Petition for Voluntary Delisting and the removal of KPHI's shares from the PSE's registry effective July 8, 2025. Henceforth, KPHI is considered a non-listed public company thereafter.

As of March 31, 2026 and December 31, 2025, the shareholders are the following:

	Percentage of Ownership	
	31 March 2026	31 December 2025
Kepwealth	99.34%	99.34%
Public	0.66%	0.66%

The significant change in Kepwealth's shareholdings resulted from the tender offer to all public shareholders in connection with the voluntary delisting of the Parent Company from the PSE, at a tender offer price of P27.40, and from the acquisition of shares held by KL and other interested shareholders at the same price.

As of March 31, 2026 and December 31, 2025, Kepwealth owns 56,852,840 shares out of the 57,233,019 common shares of the Parent Company or 99.34%. Kepwealth is 60%-owned by Kepventure, Inc. and 40%-owned by KL.

As at March 31, 2026 and December 31, 2025, the Parent Company's percentage of ownership in its subsidiaries are as follows:

	Percentage of Ownership
KPSI	100%
GRDC	51%
GMRI	51%

GRDC is 44% owned by Keppel Philippines Marine, Inc. Retirement Plan (KPMI Retirement Plan) and 5% owned by Seatrium Philippines Marine, Inc. (SPMI) formerly known as Keppel Philippines Marine, Inc.

(KPMI). GRDC owns 93.8% of GMRI, thus, including the Parent Company's 3.2% separate interest in GMRI, the Parent Company has 51% effective ownership on GMRI.

GMRI has 25% shareholdings with Consort Land, Inc. (CLI), providing KPHI with 13% indirect ownership in CLI.

The ultimate parent company of the Group is KL, a company incorporated and domiciled in Singapore and listed in Singapore Exchange.

The Parent Company has six (6) regular employees as at March 31, 2026 and December 31, 2025. The administrative functions of the subsidiaries are handled by the Parent Company's management.

As of March 31, 2026 and December 31, 2025, the Parent Company has 197 shareholders owning at least 100 shares.

2. Basis of Preparation and Statement of Compliance

Basis of Preparation

The unaudited consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS Accounting Standards comprise the following authoritative literature: PFRS Accounting Standards, Philippine Accounting Standards (PAS), and interpretation issued by the International Financial Reporting Interpretations Committee (IFRC), Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

The unaudited consolidated financial statements have been prepared on a historical cost basis, except for financial assets at FVOCI and fair value of plan assets within retirement benefits.

The preparation of the unaudited consolidated financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions. 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 judgement and complexity, or areas where estimates and assumptions are significant to the consolidated financial statements are disclosed in Note 5.

Basis of Consolidation

The unaudited consolidated financial statements comprise the separate financial statements of the Parent Company and its subsidiaries. The Group uses uniform accounting policies; any difference between subsidiaries and Parent Company are adjusted properly.

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

Assessment of Control

The Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of 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 its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights assessing from other contractual arrangements
- The Group's voting rights and potential voting rights.

The Parent Company re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly, or indirectly to the Parent Company. NCI represent the portion of profit or loss and the net assets not held by the Group and are presented separately in the consolidated statements of income and consolidated statement of comprehensive income and within equity in the consolidated statement of financial position and consolidated statement of changes in equity. Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if it results in the NCI having a deficit balance.

Acquisitions of NCI are accounted for using the acquisition method, whereby the Group considers the acquisition of NCI as an equity transaction. Any premium or discount on subsequent purchases from NCI shareholders is recognized directly in equity and attributed to the owners of the parent.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an acquisition. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit and loss
- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, an appropriate as would be required if the Group had directly disposed of the related assets and liabilities

As of March 31, 2026 and December 31, 2025, NCI pertains to 44% and 5% ownership in GRDC of KPMI Retirement Plan and SPMI, respectively.

The financial information (before the intercompany eliminations) of GRDC and its wholly owned subsidiary, GMRI, and NCI (after intercompany eliminations) as at March 31, 2026 and for the year ended December 31, 2025 are as follows:

	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)		
	GRDC	GMRI	Total	GRDC	GMRI	Total
Current assets	1,001,753	30,655,167	31,656,920	937,901	30,586,677	31,521,578
Noncurrent assets	3,232,306	337,752,129	340,984,435	3,233,388	337,818,698	341,052,086
Total assets	4,234,059	368,407,296	372,641,355	4,168,289	368,405,375	372,573,664
Current liabilities	133,724	532,828	666,552	123,599	478,912	602,511
Noncurrent liabilities	-	-	-	-	-	-
Total liabilities	133,724	532,828	666,552	123,599	478,912	602,511
Revenue and income	87,970	365,583	453,553	424,217	1,876,801	2,351,018
Income before income tax	53,299	21,122	74,421	339,986	607,155	947,141
Net income and total comprehensive income	42,639	(51,995)	(9,356)	268,805	231,795	581,600
Cash flows from:						
Operating activities	47,534	103,537	151,071	216,197	445,275	661,472
Investing activities	-	-	-	74,081	-	74,081
Financing activities	-	-	-	(1,500,000)	(5,000,000)	(6,500,000)
Net increase (decrease) in cash and cash equivalents	47,534	103,537	151,071	(1,209,722)	(4,554,725)	(5,764,447)
Proportion of equity interests held by NCI	49%	49%		49%	49%	
Accumulated balance of material NCI	(7,209,839)	238,092,221	230,882,382	(7,230,733)	237,517,115	230,286,382
Net income and total comprehensive income attributable to material NCI	20,894	575,106	596,000	140,534	1,075,414	1,215,948

Accumulated balance of material NCI, and net income and total comprehensive income attributable to material NCI as at March 31, 2025 are P232.3 million and P0.1 million, respectively.

There are no significant restrictions on the Group's ability to use assets or settle liabilities within the Group. There is no difference in the voting rights of non-controlling interests as compared to the majority stockholders.

3. Summary of Changes in Significant Accounting Policies and Disclosures

There are no new standards, amendments to existing standards, and interpretations that are effective for the annual periods, at January 1, 2026, which would have a significant impact or are considered relevant to the Group's consolidated financial statements

4. Significant Accounting Policies

The Group's disclosures on significant accounting principles and policies and practices are substantially the same as the disclosures made on December 31, 2025 audited financial statements and for the period ended

March 31, 2026. Any additional disclosures on the significant changes of accounts and subsequent events are disclosed in the succeeding notes and presented in the Management Discussion and Analysis.

5. Significant Accounting Judgment, Estimates and Assumptions

The Group's unaudited consolidated financial statements prepared under PFRS require management to make judgments and estimates that affect amounts reported in the consolidated financial statements and related notes. Future events may occur which will cause the judgment and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments and estimates 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.

As of March 31, 2026 there were no judgment, seasonal or cyclical aspects that materially affect the operation of the Group, no substantial nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in the estimates of amounts reported in December 31, 2025 audited financial statements, and no unusual items that materially affect the Group's assets, liabilities, equity, net income or cash flows.

6. Cash and Cash Equivalents

This account consists of:

	Unaudited March 31 2026	Audited December 31 2025
Cash in banks	13,745,577	13,151,860
Cash equivalents	274,720,902	277,562,210
	288,466,479	290,714,070

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term investments which are placed in financial institutions for varying periods of up to six (6) months depending on the immediate cash requirements of the Group and earned interest at annual interest that ranged from 3.75% to 5.3125% during the first quarter of 2026 and 5.125% to 6.0% in 2025.

Interest income earned from cash and cash equivalents amounted to P3.3 million for the period ended March 31, 2026 compared to P18.0 million during the same period last year. Accrued interest receivable from cash and cash equivalents amounted to P0.7 million on March 31, 2026 compared to P1.2 million as of December 31, 2025.

Unrealized foreign exchange loss and gain amounted to P0.03 million in March 2026 (March 2025 – P0.02 million) and is presented as part of the "Other (expense) income, net" in the consolidated statement of income.

7. Interest Receivable

Interest receivable represents the Group's accrued interest in cash and cash equivalents amounting to P0.7 million in March 2026 (December 2025 – P1.2 million).

8. Prepayments and Other Current Assets – Net

This account consists of:

	Unaudited March 31 2026	Audited December 31 2025
Creditable withholding taxes (CWT)	4,810,055	4,767,980
Input value-added tax (VAT)	3,713,017	3,679,522
Deposits	192,340	192,340
Prepaid expenses	175,052	80,894
Advances to employees	157,500	17,287
Others	44,947	53,344
	9,092,911	8,791,367
Less allowance for impairment loss	(7,922,183)	(7,856,132)
	1,170,728	935,235

Movements in the allowance for impairment related to Input VAT and CWT as follows:

Unaudited March 31, 2026	Input VAT	CWT	Total
Balance at the beginning of the period	3,098,965	4,757,167	7,856,132
Provision for the period	23,976	42,075	66,051
Recovery of provision	-	-	-
Net provision (recovery)	23,976	42,075	66,051
Balance at the end of the period	3,122,941	4,799,242	7,922,183

Audited December 31, 2025	Input VAT	CWT	Total
Balance at the beginning of the period	2,990,046	4,588,815	7,578,861
Provision for the year	108,919	168,352	277,271
Recovery of provision	-	-	-
Net provision (recovery)	108,919	168,352	277,271
Balance at the end of the period	3,098,965	4,757,167	7,856,132

Certain portions of CWT and input VAT were applied against income tax due and VAT payable, respectively, in the related period recorded.

Advances to employees are collectible through salary deductions.

Prepaid expenses mainly pertain to business tax, utilities, subscriptions, and insurance.

9. Financial Asset at Fair Value through Other Comprehensive Income (FVOCI)

This account pertains to proprietary golf club share that provides the Group with opportunities for return of capital gains. This share does not have a fixed maturity or coupon rate, and the movement is based on executable dealer quotes for identical or similar instruments in inactive markets.

Details and movement of financial asset at FVOCI as at and for the end of the period:

	Unaudited March 31 2026	Audited December 31 2025
Original cost	316,004	316,004
Accumulated revaluation		
Beginning	79,683,996	84,683,996
Unrealized fair value gain	-	(5,000,000)
End	79,683,996	79,683,996
Balance at the end of the period	80,000,000	80,000,000

The movement of investment revaluation reserve for the period is as follows:

	Unaudited March 31 2026	Audited December 31 2025
Balance at the beginning of the period	67,469,458	71,719,458
Unrealized fair value loss (net of tax)	-	(4,250,000)
Balance at the end of the period	67,469,458	67,469,458

As of March 31, 2026 and December 31, 2025, deferred income tax liability on unearned fair value gain on investment in FVOCI amounted to P12.0 million for both periods.

10. Investment in an associate – at equity

This account represents of GMRI's 25% investment or 17,466,196 shares out of 70,000,000 shares in CLI, a company incorporated in the Philippines located at Cabangaan Point, Cawag, Subic, Zambales. CLI is involved in power distribution and real estate business, except real estate subdivision business.

This account consists of:

	Unaudited March 31 2026	Audited December 31 2025
Investment in associate - CLI	337,596,800	337,596,800
Accumulated share in net income:		
Balance at beginning of the period	94,910,055	92,873,047
Equity in net earnings of associate	1,225,682	2,037,008
Cash dividend received	-	-
Balance at end of the period	96,135,737	94,910,055
	433,732,537	432,506,855

CLI's financial information for the periods ended March 31, 2026 and December 31, 2025 follows:

	Unaudited March 31 2026	Audited December 31 2025
Current assets	160,523,412	136,444,576
Noncurrent assets	246,682,839	260,605,297
Current liabilities	41,833,798	36,589,972
Non-current liabilities	4,594,002	4,594,002
Net assets	360,778,451	355,865,899
Revenue	24,060,362	99,585,488
Income before income tax	5,619,351	10,628,930
Net income and total comprehensive income	4,912,555	8,164,360

There are no significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends or to repay loans or advances made by the Group. There are no contingent liabilities relating to the Group's investment in an associate.

The Group share in the net assets of CLI amounted to P90.0 million as at March 31, 2026 (December 31, 2025 –P88.8 million). The non-current assets of CLI mainly represent investment properties (prime lots) held for appreciation, which are carried at cost. The fair value of the property is P3.05 billion as at December 31, 2025 and 2024 based on the latest valuation report of a third-party appraiser dated December 20, 2024. The management of CLI believes that there we no significant changes in the fair values of the investment properties as at March 31, 2026 from the date of appraisal.

As at March 31, 2025 and December 31, 2025, based on management assessment, there is no resulting impairment on the Group's investment in an associate in the light that the Group's share in CLI's net assets after considering the fair value of CLI's underlying investment property as determined by a third-party appraiser, representing the recoverable amount, based on fair value less cost to sell, remains higher than the carrying value as at March 31, 2026 and December 31, 2025. Accordingly, investment in an associate is not impaired and assessed as fully recoverable.

11. Investment Properties – Net; Leases

This account consists of:

Unaudited March 31, 2026			
	Land	Condominium Units	Total
Cost	2,979,782	3,689,178	6,668,960
Accumulated depreciation	-	(3,689,178)	(3,689,178)
Net book values	2,979,782	-	2,979,782
Audited December 31, 2025			
	Land	Condominium Units	Total
Cost	2,979,782	3,689,178	6,668,960
Accumulated depreciation	-	(3,689,178)	(3,689,178)
Net book values	2,979,782	-	2,979,782

Investment properties represent the parcels of land situated in Batangas City and condominium units in Makati City, which are held for lease. The land is held by GRDC. Condominiums are held by KPSI. The remaining investment properties amounting to P2.98 million as at December 31, 2024 represent the cost of parcels of land situated in Buenafe County Villas, Barangay Balagtas, Batangas City, which are held for lease by GRDC.

Management has assessed whether impairment indicators exist on investment properties with reference to the fair value of investment properties prepared using the market data approach by third party appraisers as well as significant changes with respect to asset conditions, intended utilization and performance, industry and economic trends that may indicate impairment.

Based on an appraisal made by an accredited independent appraiser and after the sale of the investment properties have an aggregate fair value of P76.4 million as at March 31, 2026 and December 31, 2025. Management believes that there were no significant changes in the fair values of the investment properties as at March 31, 2026 from date of appraisal.

In assessing the fair value of investment properties, the independent appraiser determined that the highest and best use of the subject properties are those of industrial uses, commercial and residential properties, which are aligned with the current use. The market approach was used in determining fair value which considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. The fair value of the investment properties is categorized at Level 3 which uses adjusted inputs for valuation that are unobservable as at the date of valuation. The inputs used were price discounts applied to the asking prices of similar listings and offerings and physical adjustments (such as location, shape, size, neighborhood, and development).

The fair value of the investment properties is higher than its net book values as at March 31, 2026 and December 31, 2025. Further, based on management assessment, no changes indicating impairment with respect to asset conditions, intended utilization and performance, industry and economic trends. Accordingly, the investment properties are not considered impaired and assessed as fully recoverable as at March 31, 2026 and December 31, 2025.

Group as a lessor

GRDC and KPSI lease out its investment properties to third party and related party customers for periods ranging from one (1) month to three (3) years with the option to renew for another one (1) month to three (3) years under such terms and conditions as may be mutually agreed upon by the parties to the contracts.

Rental income attributable to the investment properties for the period ended March 31, 2026 and 2025 consists of the following:

	Unaudited March 31 2026	Unaudited March 31 2025
Third parties	545,794	529,288
Related parties	75,000	75,000
	620,794	604,288

The operating expenses directly attributable to the investment properties pertaining to real estate taxes amounted to P0.02 million as of March 31, 2026 (2025 – P0.1 million).

Advance rentals as at March 31, 2026 and December 31, 2025 are as follows:

	Unaudited March 31 2026	Audited December 31 2025
Third parties	413,014	413,014
Related parties	25,000	25,000
	438,014	438,014
Less: Current portion	91,390	91,390
Non-current portion	346,624	346,624

Refundable deposits as at March 31, 2026 and December 31, 2025 are as follows:

	Unaudited March 31 2026	Audited December 31 2025
Third parties	512,823	512,823
Less: Current portion	166,199	166,199
Non-current portion	346,624	346,624

12. Property and equipment - net

This account consists of:

Unaudited March 31, 2026				
	Commercial Building	Office machine, furniture and fixtures	Transportation Equipment	Total
Cost:				
January 1	5,397,020	1,657,327	776,186	7,830,533
Addition	-	72,187	-	72,187
March 31	5,397,020	1,729,514	776,186	7,902,720
Accumulated depreciation:				
January 1	5,397,020	1,063,275	776,186	7,236,481
Depreciation	-	49,759	-	49,759
March 31	5,397,020	1,113,034	776,186	7,286,240
Net Book Value	-	616,480	-	616,480

Audited December 31, 2025				
	Commercial Building	Office machine, furniture and fixtures	Transportation Equipment	Total
Cost:				
January 1	5,397,020	1,417,818	776,186	7,570,032
Acquisition	-	239,509	-	239,509
Disposal	-	-	-	-
December 31	5,397,020	1,657,327	776,186	7,830,533
Accumulated depreciation:				
January 1	5,397,020	910,608	776,186	6,937,932
Depreciation	-	152,667	-	123,120
Disposal	-	-	-	-
December 31	5,397,020	1,063,275	776,186	7,236,481
Net Book Value	-	594,052	-	594,052

The Group purchased computer equipment worth P0.1 million as of March 31, 2026 (December 31, 2025 – P0.2 million).

Based on the results of management assessment, the Group believes that there was no objective evidence that indicators of impairment exist as at March 31, 2026 and December 31, 2025.

13. Intangible assets – net

This account pertains to computer software programs.

	Unaudited March 31 2026	Audited December 31 2025
Cost:		
January 1 and March 31	4,572,381	4,572,381
Accumulated depreciation:		
January 1 and March 31	4,028,051	3,374,853
Depreciation	163,299	653,198
	4,191,350	4,028,051
Net Book Value	381,031	544,330

Based on the results of management assessment, the Group believes that there was no objective evidence that indicators of impairment exist as at March 31, 2026 and December 31, 2025.

14. Accrued expenses and other current liabilities

This account consists of:

	Unaudited March 31 2026	Audited December 31 2025
Accrued expenses	2,081,631	2,624,481
Dividends payable	4,579,799	4,585,804
Payable to government agencies	213,358	404,738
	6,874,788	7,615,023

Accrued expenses include professional fees, audit fees, directors' fees, fringe, membership dues, taxes and licenses, and other expenses

Payable to government agencies include output VAT, withholding taxes, Social Security System, Home Development Mutual Fund, and Philippine Health Insurance Corporation contribution payables.

15. Related party transactions

In the normal course of business, the Group transacts with companies which are considered related parties.

Significant related transactions and balances as of March 31, 2026 and December 31, 2025 are as follows:

Related Party	Notes	As of March 31, 2026		As of December 31, 2025		Terms and conditions
		Transaction (1 st quarter)	Outstanding receivable (payable)	Transactions (annual)	Outstanding receivable (payable)	
Entities under common control						
Leases (a)						
Rental Income						
Keppel IVI Investments, Inc. (KIVI)		75,000	-	300,000	-	The outstanding balance is collectible in cash at gross amount, within first five (5) days of each month, non-interest bearing, unguaranteed and unsecured.
	7,11	75,000	-	300,000	-	
Advance rentals						
KIVI		-	(25,000)	-	(25,000)	The outstanding balance is collectible in cash at gross amount, within first five (5) days of each month, non-interest bearing, unguaranteed and unsecured.
		-	(25,000)	-	(25,000)	
Various expenses & charges (b)						
KL		-	-	464,181	-	The outstanding balance is collectible in cash at gross amount on demand, non-interest bearing, unguaranteed and unsecured.
Keppel Philippine Properties, Inc.		-	-	126,194	-	
		-	-	590,375	-	

Management fees (c)					
KIVI	45,000	-	180,000	-	The outstanding balance is collectible in cash at gross amount on demand, non-interest bearing and unsecured.
Kepventure, Inc.	15,000		60,000	-	
	60,000	-	240,000	-	
Shareholders of the Parent Company					
Cash dividend declared and paid					Outstanding balance is collectible in cash at gross amount on pay-out date as approved by the Parent Company's BOD, non-interest bearing, unguaranteed, and unsecured.
Kepwealth Inc.	-	-	993,357,475		
Others	-	(4,579,799)	6,642,527	(4,585,804)	
	-	(4,579,799)	1,000,000,002	(4,585,804)	
Management fees – Kepwealth Inc. (c)	69,000		276,000	-	Outstanding balance is collectible in cash at gross amount on demand, non-interest bearing, unguaranteed and unsecured.
Various expenses and charges (b)					
Kepwealth, Inc.	-		30,000	-	
Key management personnel (d)					
Salaries and other short-term benefits	1,428,000		3,014,000	-	The outstanding balance is payable every designated period per employee contract, non-interest bearing and unsecured.

The Group always observes and adheres 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 Audit, Risk and Compliance Committee and management 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. The materiality threshold of the Group is ten percent (10%) of the Group's total consolidated assets based on the latest audited financial statements. The material-related party transactions are approved by two-thirds vote of the BOD with at least the majority of the independent directors voting to approve. In case the majority of the independent directors' vote is not secured, the material related party transactions may be ratified by the vote of the shareholders representing at least two-thirds of the outstanding share capital of the Parent Company.

Outstanding balances of transactions with related parties are unsecured and settlements are made in cash. As of this period, the Group has not made any provision for doubtful accounts relating to amounts owed by related parties because of the strong financial condition of the entities concerned. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates and the market in which the related party operates.

The following are the Group's significant transactions with related parties:

a) *Leases*

The Group leases certain investments properties to related parties with corresponding advance rentals. (Note 11).

b) *Advances for various expenses and charges*

The Group paid for various reimbursable expenses which are utilized in the normal operations of the related parties. These are recharged at cost.

c) *Management and accounting services fees*

Since 2013, the Parent Company had management agreements with related companies for monthly management fees which are subject to change depending upon the extent and volume of services provided by the Parent Company. The services cover regular consultancy, handling of financial reporting, personnel and administration services and other government documentary requirements. The agreements are considered renewed every year thereafter, unless one party gives the other a written termination at least three (3) months prior to the date of expiration.

(d) *Key management personnel*

There was no share-based compensation, other long-term and termination benefits provided to key management personnel.

(e) Elimination

The following related party transactions and balances were eliminated for the purpose of preparing the consolidated financial statements:

	Unaudited March 31 2026	Audited December 31 2025
Investment in subsidiaries	110,165,069	110,165,069
Dividend income of Parent Company from subsidiaries	-	4,777,217
Dividend income of GRDC from GMRI	-	74,081
Management fees of Parent Company from subsidiary	195,000	780,000

16. Retirement benefit obligation

The Group has a funded, non-contributory-defined benefit plan covering the retirement and disability benefits to its qualified employees and is being administered by a trustee bank. The normal retirement age is 60 years, and the optional retirement date is at age 50 and completion of at least fifteen (15) years of service. The retirement obligation is determined using the “Projected Unit Credit” (PUC) method. Under the PUC method, the annual normal cost for the portion of retirement is determined by using the amount necessary to provide for the portion of the retirement benefit accrued during the year.

The fair value of plan assets of the Group as at December 31, 2025 amounts to P4.4 million (2024 – P4.2 million). Contribution to the plan in 2024 amounted to P0.8 million and none in 2025.

The Group recognized provision for retirement benefit amounting to P0.09 million for the period ending March 31, 2026 (2025 – P0.1 million). As of March 31, 2026, the Group recognize accrued retirement liability of P1.5 million (December 2025 – P1.4 million).

Details of retirement benefit obligation, net in the consolidated statements of financial position as at March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
Fair value of plan assets	(1,434,231)	4,398,704
Provision for the period	(90,000)	-
Present value of defined benefit obligation	-	(5,832,935)
	(1,524,231)	(1,434,231)

Movements in the retirement benefits obligation, net as at March 31, 2026 and December 31, 2025 are as follows:

	2026	2025
January 1	1,434,231	803,474
Retirement benefit expense recognized in profit and loss	90,000	393,293
Contributions paid	-	-
Remeasurement gain in other comprehensive income	-	237,464
	1,524,231	1,434,231

17. Share capital / Share premium

The Class “A” and Class “B” shares of stock are identical in all respects and have ₱1 par value, except that Class “A” shares are restricted in ownership to Philippine nationals. Class “B” shares are 99.8% and 0.2% owned by Philippine nationals and foreign nationals, respectively, as of March 31, 2026 (2025 – 19.8% and 80.2%). Each share has right of one (1) vote.

Details of authorized share capital and issued shares as of March 31, 2026 and December 31, 2025 as follows:

Authorized – P1 par value	
Class “A”	90,000,000
Class “B”	200,000,000
	290,000,000
Issued	
Class “A”	39,840,970
Class “B”	33,332,530
Share capital	73,173,500
Share premium	73,203,734

Details of the Parent Company's weighted average number of shares as follows:

	Unaudited March 31 2026	Audited December 31 2025
Class "A"	35,756,070	35,756,070
Class "B"	21,476,949	21,476,949
	57,233,019	57,233,019

In accordance with SRC Rule 68, as Amended (2019), Annex 68-K, below is a summary of the Parent Company's track record of registration of securities as at March 31, 2026 and 2025:

Common Shares	Number of Shares Registered	Issue/Offer Price	Date of Approval	Number of Holders of Securities
March 2026				
Class "A"	35,756,070	1.00	June 30, 2000	339
Class "B"	21,476,949	1.00	June 30, 2000	44
	57,233,019			
Common Shares	Number of Shares Registered	Issue/Offer Price	Date of Approval	Number of Holders of Securities
March 2025				
Class "A"	35,756,070	1.00	June 30, 2000	366
Class "B"	21,476,949	1.00	June 30, 2000	53
	57,233,019			

There are 372 and 406 total shareholders per record holding both Class "A" and "B" shares for the periods ending March 31, 2026 and 2025, respectively.

18. Retained earnings; Treasury shares

Retained earnings amounted to P367.3 million as at March 31, 2026 (December 31, 2025 – P368.7 million million). The portion of retained earnings, corresponding to the undistributed equity in net earnings of the associate amounted to P96.1 million as of March 31, 2026 (December 31, 2025 – P94.9 million) (Note 10), is not available for distribution as dividends until declared by the associate.

As at March 31, 2026, total unrestricted earnings of the Parent Company amounted to P204.2 million (December 31, 2025 – P206.6 million). The amount of unrestricted retained earnings is in excess of 100% of its paid-in capital amounted to P65.4 million as of March 31, 2026 (December 31, 2025 – P67.8 million). The Parent Company declares and pays cash dividends on a regular basis to comply with the Corporation Code of the Philippines. The Parent Company declares dividend based upon the favorable result of operations and the availability of unappropriated retained earnings. The Parent Company is also pursuing programs and projects in the coming years for which the excess retained earnings will be utilized.

Retained earnings are further restricted to the extent of treasury shares with the following details as of March 31, 2026 and 2025.

	March 2026		March 2025	
	Shares	Cost	Shares	Cost
Class "A"	4,084,900	15,840,946	4,084,900	15,840,946
Class "B"	11,855,581	10,163,584	11,855,581	10,163,584
	15,940,481	26,004,530	15,940,481	26,004,530

There are no treasury shares purchased from 2025 up to March 31, 2026. There are no cash dividends declared and paid during the first quarter of 2026 and 2025.

19. Operating expenses

This account consists of:

	Unaudited March 31, 2026	Unaudited March 31, 2025
Salaries and benefits	2,933,661	2,800,623
Professional fees	1,373,887	1,666,619
Depreciation and amortization	213,058	197,474
Utilities	186,612	206,864
Membership dues and subscriptions	131,729	131,002
Transportation and travel	98,608	36,308
Taxes and licenses	93,292	484,607
Provision (recovery) for impairment losses-net	66,051	65,469
Office supplies	52,116	41,734
Repairs and maintenance	36,800	321,022
Others	181,024	232,081
	5,366,838	6,183,803

Other expenses consist of advertising expense, fringe tax expense, insurance, postage, business development expenses and various items that are individually immaterial.

20. Operating segments

For management reporting purposes, the Group's businesses are classified into the following business segments - (1) investment holding and (2) real estate. The Group's BOD reviews the performance of these reportable segments. Details of the Group's business segments are as follows:

	Unaudited March 31, 2026				
	Investment Holdings	Real Estate	Combined	Eliminations	Consolidated
Revenues and income					
External customers	-	545,794	545,794	-	545,794
Equity in net earnings of an associate	-	-	-	1,225,682	1,225,682
Other related parties	324,000	75,000	399,000	(195,000)	204,000
Interest income from banks & others	2,740,516	564,829	3,305,345	-	3,305,345
Total revenues and income	3,064,516	1,185,623	4,250,139	1,030,682	5,280,821
Income (loss) before income tax	(1,821,753)	705,054	(1,116,699)	1,030,682	(86,017)
Income tax expense	(560,392)	(162,221)	(722,613)	-	(722,613)
Net income (loss)	(2,382,145)	542,833	(1,839,312)	1,030,682	(808,630)
Other comprehensive income	-	-	-	-	-
Total comprehensive income (loss)	(2,382,145)	542,833	(1,839,312)	1,030,682	(808,630)
Segment assets	431,692,731	486,478,271	918,171,002	(110,165,069)	808,005,933
Segment liabilities	20,430,978	1,854,380	22,285,358	(896,342)	21,389,016
Depreciation & amortization	124,858	88,200	213,058	-	213,058

	Audited December 31, 2025				
	Investment Holdings	Real Estate	Combined	Eliminations	Consolidated
Revenues and income					
External customers	-	2,122,655	2,122,655	-	2,122,655
Equity in net earnings of an associate	-	-	-	2,037,008	2,037,008
Other related parties	6,073,217	300,000	6,373,217	(5,557,217)	816,000
Interest income from banks & others	49,695,470	2,865,021	52,560,491	-	52,560,491
Total revenues and income	55,768,687	5,287,676	61,056,363	(3,520,209)	57,536,154
Income before income tax	29,290,126	3,301,910	32,592,036	(3,520,209)	29,071,827
Income tax benefit (expense)	(9,963,376)	(755,149)	(10,718,525)	-	(10,718,525)
Net Income	19,326,750	2,546,761	21,873,511	(3,520,209)	18,353,302
Other comprehensive income	(4,487,464)	-	(4,487,464)	-	(4,487,464)
Total comprehensive income	14,839,286	2,546,761	17,386,047	(3,520,209)	13,865,838
Segment assets	434,790,836	484,820,215	919,611,511	(110,165,069)	809,446,582
Segment liabilities	21,146,938	1,770,440	22,917,378	(896,342)	22,021,036
Depreciation & amortization	453,062	352,803	805,865	-	805,865

Segment assets and segment liabilities are measured in the same way as in the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment. Segment revenue, segment expenses and segment results include transfers between business segments. Those transfers are eliminated in consolidation.

All the Group's revenues are derived from operation within the Luzon, an island in the Philippines, hence, the Group did not present geographical information required by PFRS 8, *Operating Segments*.

21. Other matters

The Parent Company had land rights over a 10.4-hectare property located in Bauan, Batangas which is subject to a legal case against PNOC. On June 2, 2021, the Parent Company sold such land rights to a third party for a gross price of P358.6 million and the sale was on an "as-is, where-is" basis. The Parent Company's cash deposit of P4.1 million within other non-current assets in the statement of financial position as at December 31, 2020, and related legal expense of P1.8 million and commission expense of P7.2 million incurred and paid in 2021, were applied against the gross price resulting in a net gain of P345.6 million on the sale of interest in land rights in 2021. As part of the condition of the sale, the necessary motion for substitution was made in court to replace the Parent Company with the buyer as the new plaintiff. On March 10, 2022, the court granted the Parent Company's motion for substitution resulting in the extinguishment of any probable liabilities. Thereafter, PNOC filed a Petition for Certiorari with the Court of Appeals (CA) with the latter rendering judgement in favor of PNOC on October 25, 2023. Motions for reconsideration were filed on November 24, 2023 by the Parent Company. In an Amended Decision dated July 18, 2024, the Court of Appeals granted the respondents' Motion for Reconsideration, vacated the October 25, 2023 Decision, and dismissed the Petition for Certiorari. The Petitioners assailed the CA Amended Decision before the Supreme Court through a Petition for Review on Certiorari under Rule 45 dated September 20, 2024, and prayed for the Court to reinstate the Court of Appeals' October 24, 2023 Decision.

On January 15, 2026, the SC issued its resolution denying with finality the Motion for Reconsideration dated August 26, 2025 filed by PNOC. In its final ruling, SC affirmed CA's earlier rulings that the Parent Company was properly substituted by the buyer in the civil case before the Batangas RTC. PNOC's other appeal before the CA seeking reversal of the Batangas RTC ruling (i) affirming the validity of the sale between KPHI and the buyer, (ii) declaring the buyer a Philippine national qualified to acquire full title of the Bauan property, (iii) ordering PNOC to accept the consigned amount of P4.1 million and (iv) directing PNOC to convey the full and absolute ownership and title of the Buan property to the buyer through a deed of sale is still pending as of this period.

22. Financial risk management objectives and capital management

Financial Risk Management

The Group's activities expose it to a variety of financial risks: credit risk, interest rate risk, equity price risk, and liquidity risk that could affect its financial position and results of operations. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The BOD reviews and approves the policies for managing each of these risks.

(a) Credit risk

Credit risk pertains to the risk that a party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Group transacts mostly with related parties, thus, there is no requirement for collateral. There are no significant concentrations of credit risk within the Group.

Receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Significant concentration of credit risk mainly pertains to interest receivable. The group has low credit risk exposure relating to interest receivable as the amounts are fully collectible from the bank. This balance arises 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 March 31, 2026 and December 31, 2025.

The table below shows the maximum exposure to credit risk of the financial assets of the Group:

	Unaudited March 31 2026	Audited December 31 2025
<i>Cash and receivables</i>		
Cash and cash equivalents	288,466,479	290,714,070
Interest receivable	658,896	1,172,258
Advances to employees	157,500	17,287
	289,282,875	291,903,615

The Group's financial assets are categorized based on the Group's collection experience with the counterparties as follows:

- a. High performing – settlements are obtained from counterparty following the terms of the contracts without history of default.
- b. Underperforming – some reminder follow-ups are performed to collect accounts from counterparty.
- c. Credit impaired – evidence that a financial asset is credit-impaired includes the following observable data: significant financial difficulty of the counterparty, a breach of contract such as a default or being more than 120 days past due; or it is probable that the borrower will enter bankruptcy or other financial reorganization.

The credit quality of financial assets is discussed below:

(i) *Cash and cash equivalents*

There is low credit risk exposure and immaterial expected credit losses (ECL) as these are deposited/placed in accredited universal banks as defined by the Philippine Banking System that have high credit standing in the financial services industry.

(ii) *Receivables; advances to employees*

There is low credit exposure and immaterial ECL on receivable as this represents accrued interest from cash and cash equivalents placed on accredited universal banks. since this account is considered high performing with no history of defaults. Additionally, credit risk is minimized since the related parties are paying on normal credit terms based on contracts. The Group does not hold any collateral as security for these receivables.

(b) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the 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 short-term. Accordingly, the Group is not significantly exposed to cash flow and fair value interest rate risk on these financial instruments.

(ii) Equity Price Risk

Equity price risk is the risk that the fair values of the equities will decrease resulting from changes in the levels of equity indices and the value of the individual stocks. The Group's price risk exposure relates to its quoted equity investments where values will fluctuate due to changes in market prices. Such quoted equity investments are subject to price risk due to changes in market values arising from factors specific to the instrument or its issuer or factors specific to the instruments traded in the market.

(c) Liquidity Risk

Liquidity 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 using cash and cash equivalents. The Group also monitors its risk of shortage of funds through monthly evaluation of the projected and actual cash flow information. There are no material liquidity risks given minimal liabilities relative to available liquid assets.

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 to support its business and maximize shareholder value. The Group manages its capital structure and adjusts it, considering the changes in economic conditions.

The Group monitors capital using a debt-to-equity ratio, which is the total liabilities divided by total equity. Total liabilities include current and noncurrent liabilities. Equity comprises all components of equity.

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 that will require increased capitalization.

The debt-to-equity ratios as of March 31, 2026 and December 31, 2025 are as follows:

	Unaudited March 31 2026	Audited December 31 2025
Total liabilities	21,389,016	22,021,035
Total equity	786,616,917	787,425,547
Debt to equity ratio	0.03:1	0.03:1

There were no changes in the Group's approach to capital management during the period.

Fair Value hierarchy

Due to the short-term nature of cash and cash equivalents, receivables, advances to employees, accrued expenses and other current liabilities carrying values approximate fair values as at March 31, 2026 and December 31, 2025. The carrying value of long-term advance rental and deposits approximate their fair values as the impact of discounting is immaterial.

The fair value of quoted equity instruments is determined by reference to the quoted market bid price at the close of business at the end of the reporting dates since this is actively traded in organized financial markets. As at March 31, 2026 and December 31, 2025, the Group classifies its financial asset as FVOCI under Level 2 of the fair value hierarchy and 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.

The fair value of the plan assets, which are mainly composed of government securities and UITFs are classified under Level 1 fair value hierarchy. The fair value of investment properties is classified under Level 3 of the fair value hierarchy and is determined using the market approach. The Group does not have assets and liabilities measured at fair value on a non-recurring basis during these periods.

23. Financial soundness - key performance indicators

	Unaudited March 31 2026	Audited December 31 2025
A. Current and liquidity ratios		
1. Current ratio - (Current assets/Current liabilities)	40.51	37.13
2. Acid-test ratio or Quick ratio - (Monetary current assets/Current liabilities)	40.35	37.01
B. Solvency ratio		
1. Net income + depreciation/Total liabilities (annualized)	0.11	0.87
2. Total assets/Total liabilities	37.78	0.03
C. Debt to equity ratio – (Total liabilities/Total equity)	0.03	0.01
D. Asset to equity ratio (Total assets/Total equity)	1.03	1.03
E. Debt ratio (Total liabilities/Total assets)	0.03	0.03
F. Interest rate coverage ratio (EBIT/Interest expense)	Nil	Nil
G. Profitability % (annualized)		
1. Return on assets (Net income/Total assets)	(0.40)	2.27
2. Return on equity (Net income/Total equity)	(0.41)	2.33
3. Net profit margin (Net income/revenue)	(15.31)	31.90
H. Earnings per share attributable to equity holders of the Parent (Annualized) - (₱)	(0.10)	0.30
I. Book value per share attributable to equity holders of the Parent (₱)	9.71	9.73

24. Aging of current receivable as at March 31, 2026 in Philippine pesos

	Total	Current	2-3 Mos	4 - 6 Mos	7 -12 Mos	More than 1 year
Interest receivable	658,896	658,896	-	-	-	-
Lease receivables - current	-	-	-	-	-	-
Nontrade - receivables	-	-	-	-	-	-
Total	658,896	658,896	-	-	-	-
Less Allowance for doubtful account	-	-	-	-	-	-
Net Receivables	658,896	658,896	-	-	-	-

EXHIBIT II

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS
OF OPERATIONS AND FINANCIAL CONDITION**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

The Group recorded a net loss of P0.8 million for the quarter ending March 31, 2026, a complete reversal from P9.0 million net income recorded in the same quarter of the previous year. The reasons for the changes are outlined below:

As of March 31, 2026, the Group generated interest income from short-term time deposits amounting to P3.3 million, which is P14.6 million or 81% less than the P18.0 million interest earned in the corresponding period last year. The reduction in interest income from fixed deposits was attributed to a lower deposit amount of P274.7 million for the first quarter of 2026 compared to P1.3 billion in the same quarter of 2025. Additionally, interest rates dropped from a range of 4.25% to 6% per annum during the first quarter of 2025 to a range of 3.75% to 5.3125% in this period.

The Group reported net earnings from its equity share in an associate of P1.2 million, as compared to only P0.2 million for the same period last year. This rise in equity share can be attributed to a higher CLI's net income of P4.9 million, compared to P0.6 million recognized by the associate in the previous year, which was brought by a land sale in Subic that generated a gain of P3.1 million.

This quarter, operating expenses amounted to P5.4 million, showing a decrease of P0.8 million from last year's figure of P6.2 million for the same period. The decline can be attributed to reductions in taxes and licenses by P0.4 million, professional fees and legal services by P0.3 million, and repairs and maintenance by P0.3 million. These reductions were partially offset by the increase in salaries of P0.1 million and other miscellaneous expenses by P0.1 million.

Financial Condition

The cash position of the Group as of March 31, 2026 amounted to P288.5 million, P2.2 million lower than the P290.7 million recorded as of December 31, 2025. The decrease was due to cash used by operations of P5.3 million and payment of income tax of P0.7 million, which were partially offset by interest received of P3.8 million.

Interest receivables from fixed deposits as of March 31, 2026 amounted to P0.7 million as against last December 31, 2025 of P1.7 million.

Other current assets as of March 31, 2026 amounted to P1.2 million as against last December 31, 2025 of P1.0 million. This account consists of prepaid expenses, creditable withholding tax, VAT input, deposits and advances.

Financial assets at fair value through other comprehensive income (FVOCI) was valued at P80.0 million both for the periods ending March 31, 2026 and December 31, 2025.

Investments in associates as of March 31, 2026 and December 31, 2025 amounted to P433.7 million and P432.5 million, respectively. The P1.2 million increase was due mainly to the recognition of equity in net earnings of associate for the period.

Total fixed and intangible assets as of March 31, 2026 are almost the same value of P4.0 million as of December 31, 2025.

Total liabilities as of March 31, 2026 and December 31, 2025 amounted to P21.4 million and P22.0 million, respectively. The decrease in the liabilities is due to the net effect of payment of accruals made in December 2025 and lower accruals during the period.

The equity attributable to equity holders of the Parent Company as of March 31, 2026 amounted to P555.7 million as against last December 31, 2025 of P557.1 million. The decrease of P1.4 million was due to net loss incurred during this period. There is no movement on the fair value gain on financial assets at FVOCI and retirement benefits.

Non-controlling interests as of March 31, 2026 amounted to P230.9 million as against last December 31, 2025 of P230.3 million. The increase was due to net income attributable to the noncontrolling interests of P0.6 million.

The book value per share attributable to equity holders of the parent (equity attributable to equity holders of the parent divided by common shares outstanding) is at P9.71 as of March 31, 2026 as against December 31, 2025 of P9.73 per share.

Earnings per share attributable to the equity holders of the Parent (net earnings for the quarter divided by common shares outstanding) as shown in the consolidated statement of income is P0.02 and P0.12 as of the quarters ended March 31, 2026 and 2025.


Material Events and Uncertainties

There are no known trends, commitments, events, or uncertainties that will have a material impact, whether favorable or unfavorable, on the revenues or income from continuing operations of the Parent Company, except for the significant event described below. There are also no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Parent Company with unconsolidated entities or other persons created during the year.


SIGNATURES

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

Issuer : **KEPPEL PHILIPPINES HOLDINGS, INC.**

Signature and Title : 

ALAN I. CLAVERIA
President



FELICIDAD V. RAZON
VP/Treasurer

Date : 15 May 2026