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S.E.C Registration Number

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

Alan I. Claveria/ Felicidad V. Razon

Contact Person

8892 1816

Company Telephone Number

1	2
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Month

3	1
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Day

SEC Form 17Q-March 2025

FORM TYPE

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Secondary License Type, if Applicable

0	4
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Month

2	4
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Day

Annual Meeting

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Dept. Requiring this Doc.

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Amended Articles Number/Section

405 as of April 2025

Total No. of Stockholders

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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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 2025
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, 2025
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:

<u>Philippine Stock Exchange</u>	<u>Common Shares</u>
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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 2025 QUARTERLY REPORT

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2025 & DECEMBER 31, 2024

(IN PHILIPPINE PESOS)

	Unaudited March 31 2025	Audited December 31 2024
A S S E T S		
Current assets		
Cash and cash equivalents (Notes 6 and 22)	1,278,790,895	1,267,990,092
Receivables – net (Notes 7, 15 and 22)	2,462,703	4,649,630
Other current assets - net (Note 8)	1,850,567	1,552,807
Total current assets	1,283,104,165	1,274,192,529
Non-current assets		
Financial assets at fair value through other comprehensive income (FVOCI) (Note 9)	85,000,000	85,000,000
Investment in an associate (Note 10)	430,625,004	430,469,847
Investment properties – net (Note 11)	2,979,782	2,979,782
Property and equipment - net (Note 12)	473,035	507,210
Intangible assets, net (Note 13)	1,034,230	1,197,528
Total non-current assets	520,112,051	520,154,367
Total assets	1,803,216,216	1,794,346,896
<u>LIABILITIES AND EQUITY</u>		
Current liabilities		
Accrued expenses and other current liabilities (Note 14)	2,900,188	3,149,306
Income tax payable	7,059	1,585
Advance rentals and deposits (Note 11)	267,589	267,589
Total current liabilities	3,174,836	3,418,480
Noncurrent liabilities		
Retirement liability (Note 16)	902,474	803,474
Advance rental and deposits – net of current portion (Note 11)	660,236	660,236
Deferred tax liability	12,756,293	12,756,293
Total noncurrent liabilities	14,319,003	14,220,003
Total liabilities	17,493,839	17,638,483
Equity		
Share capital (Note 17)	73,173,500	73,173,500
Share premium	73,203,734	73,203,734
Treasury shares (Note 18)	(26,004,530)	(26,004,530)
Investment revaluation reserve (Note 9)	71,719,458	71,719,458
Remeasurements on retirement benefits (Note 16)	836,945	836,945
Retained earnings (Note 18)	1,360,444,667	1,351,560,170
Attributable to equity holders of the Parent	1,553,373,774	1,544,489,277
Non-controlling interests	232,348,603	232,219,136
Total equity	1,785,722,377	1,776,708,413
Total liabilities and equity	1,803,216,216	1,794,346,896

See accompanying Notes to Consolidated Financial Statements

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024
(IN PHILIPPINE PESOS)
(UNAUDITED)**

	March 31 2025	March 31 2024
Revenues and income		
Interest income (Notes 6 and 7)	17,966,618	14,555,832
Rental income (Notes 11,15 and 20)	604,288	2,750,505
Equity in net earnings of an associate (Note 10)	155,157	860,407
Management & accounting service fees (Note 15)	129,000	354,000
Gain on sale of investment properties-net	-	1,272,083,759
Others	(21,933)	200,914
Total revenues and income	18,833,130	1,290,805,417
Operating expenses (Note 19)	(6,183,803)	(4,654,193)
Income before income tax	12,649,327	1,286,151,224
Income tax expense	(3,635,363)	(320,233,663)
Net income for the period	9,013,964	965,917,561
Attributable to:		
Equity holders of the parent	8,884,497	498,402,413
Non-controlling interests	129,467	467,515,148
	9,013,964	965,917,561
Earnings per share attributable to equity holders of the parent	P0.155	P8.708
<i>Equity holders of the parent divided by</i>		
<i>Number of shares outstanding as of end of the period</i>	<i>P8,884,497/57,233,419</i>	<i>P498,402,413/57,233,419</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, 2025 AND 2024

(IN PHILIPPINE PESOS)

(UNAUDITED)

	March 31 2025	March 31 2024
Net income for the period	9,013,964	965,917,561
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)	-	10,000,000
Total comprehensive income for the period	9,013,964	975,917,561
Attributable to:		
Equity holders of the parent	8,884,497	521,003,904
Non-controlling interest	129,467	454,913,657
	9,013,964	975,917,561

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, 2025 AND 2024
(UNAUDITED)
IN PHILIPPINE PESOS**

	Attributable to equity holders of the Parent							Non-	
	Share capital <i>(Note 17)</i>	Share premium	Treasury shares <i>(Note 18)</i>	Investment revaluation reserve <i>(Note 9)</i>	Remeasurements on retirement benefit asset <i>(Note 16)</i>	Retained earnings <i>(Note 18)</i>	Total	controlling interests <i>(Note 2)</i>	Total equity
Balance as of January 1, 2025	73,173,500	73,203,734	(26,004,530)	71,719,458	836,945	1,351,560,171	1,544,489,277	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
Effect of change in accounting for leases	-	-	-	-	-	-	-	-	-
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
Balance as of January 1, 2024	73,173,500	73,203,734	(26,004,530)	69,422,057	-	773,457,128	964,600,919	330,401,637	1,295,002,556
Comprehensive income									
Net income for the period	-	-	-	-	-	498,402,413	498,402,413	467,515,148	965,917,561
Effect of change in accounting for leases	-	-	-	-	-	(13,115,837)	(13,115,837)	(12,601,491)	(25,717,328)
Other comprehensive income	-	-	-	10,000,000	-	-	-	-	-
Total comprehensive income	-	-	-	10,000,000	-	485,286,576	495,286,576	454,913,657	950,200,233
Transaction with the owners									
Cash dividend declared	-	-	-	-	-	-	-	(490,000)	(490,000)
Balance as of March 31, 2024	73,173,500	73,203,734	(26,004,530)	79,422,057	1,349,030	1,258,743,704	1,459,887,495	784,825,294	2,244,712,789

See accompanying Notes to Consolidated Financial Statements

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED MARCH 31, 2025 AND 2024
(IN PHILIPPINE PESOS)
(UNAUDITED)

	March 31 2025	March 31 2024
Cash flows from operating activities		
Income before income tax expense	12,649,327	1,286,151,224
Adjustments for:		
Depreciation and amortization (Notes 11, 12, 13 and 19)	197,474	191,088
Retirement benefit expense	99,000	105,000
Provision for (reversal of) impairment losses – net (Note 8)	65,469	(1,220,344)
Equity in net earnings of associates (Note 10)	(155,157)	(860,407)
Interest income (Notes 6, 7 and 15)	(17,966,618)	(14,555,832)
Gain on sale of investment property (Note 11)	-	(1,272,083,759)
Operating loss before changes in assets and liabilities	(5,110,505)	(2,273,030)
Changes in operating assets and liabilities		
Decrease (increase) in:		
Receivables (Notes 7, 15, and 21)	54,543	(462,868)
Other current assets (Note 8)	(363,229)	1,182,021
Increase (decrease) in		
Accrued expenses and other current liabilities	(249,118)	203,653,716
Advance rentals and deposits	-	(138,000)
Net cash provided (absorbed) by operations	(5,668,309)	201,961,839
Interest received from cash and cash equivalent	20,099,000	11,185,206
Income tax paid	(3,629,888)	(79,605,158)
Net cash from operating activities	10,800,803	133,541,887
Cash flows from investing activities		
Proceeds from sale of investment property	-	1,474,392,416
Purchased of property and equipment	-	(62,053)
Net cash provided by investing activities	-	1,474,330,363
Cash flows from financing activities		
Cash dividend declared and paid	-	(490,000)
Net cash used in financing activities	-	(490,000)
Net increase in cash and cash equivalents	10,800,803	1,607,382,250
Cash and cash equivalents at the beginning of the period	1,267,990,092	575,523,245
Cash and cash equivalents at the end of the period (Note 6)	1,278,790,895	2,182,905,495

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. The Parent Company's shares are publicly traded in the Philippine Stock Exchange (PSE).

As of March 31, 2025 and December 31, 2024, the shareholders are the following:

	Percentage of Ownership	
	31 March 2025	31 December 2024
Kepwealth, Inc.	60.34%	53.35%
Keppel Ltd. (KL)	29.52%	29.52%
Public	10.14%	17.13%

The significant change in the shareholdings of Kepwealth Inc. came after it has notified the Company of its intention to make a tender offer to all public shareholders in support of the voluntary delisting of the Company from the Philippine Stock Exchange, Inc. (PSE) at a tender offer price of P27.40 per share and of its intention to acquire the shareholdings of Keppel Ltd and other interested shareholders prior to the tender offer period at the same tender offer price.

As of March 31, 2025, Kepwealth owns 34,532,930 shares out of the 53,233,019 common shares of KPHI or 60.34% as compared to December 31 2024 or 30,532,930 shares or 53.35%

As at March 31, 2025 and December 31, 2024, the following are the Parent Company's subsidiaries are as follows:

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

GRDC is 44% owned by Keppel Philippines Marine, Inc. Retirement Plan (KPMIRP) and 5% by Seatrium Philippines Marine, Inc. (SPMI) formerly known as Keppel Philippines Marine, Inc. (KPMI). GRDC owns 93.8% of GMRI, thus, including the 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 in Singapore and listed in Singapore Exchange.

The Parent Company has six (6) and five (5) regular employees as at March 31, 2025 and December 31, 2024. The administrative functions of the subsidiaries are handled by the Parent Company's management.

As of March 31, 2025, the Parent Company has 225 shareholders owning at least 100 shares (Dec. 2024 – 233)

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). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), and interpretation of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the SEC.

The 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 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, 2025 and December 31, 2024, NCI pertains to 44% and 5% ownership in GRDC of KPMIRP 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, 2025 and for the year ended December 31, 2024 are as follows:

	March 31, 2025 (Unaudited)			December 31, 2024 (Audited)		
	GRDC	GMRI	Total	GRDC	GMRI	Total
Current assets	2,225,962	35,259,087	37,485,049	2,147,091	35,116,242	37,263,333
Noncurrent assets	3,236,634	338,018,406	341,255,040	3,237,716	338,084,976	341,322,692
Total assets	5,462,596	373,277,493	378,740,089	5,384,807	373,201,218	378,586,025
Current liabilities	133,724	544,750	678,474	126,922	506,550	633,472
Noncurrent liabilities	-	-	-	-	-	-
Total liabilities	133,724	544,750	678,474	126,922	506,550	633,472
Revenue and income	100,173	457,306	557,479	19,790,506	1,294,078,542	1,313,869,048
Income before income tax	84,797	129,536	214,433	19,634,304	1,261,143,366	1,280,777,670
Net income and total comprehensive income	70,987	38,075	109,062	19,500,684	1,065,770,033	1,085,270,717
Cash flows from:						
Operating activities	59,808	182,364	242,172	539,057	(172,781,731)	(172,242,674)
Investing activities	-	-	-	18,964,802	1,466,892,416	1,485,857,218
Financing activities	-	-	-	(18,500,000)	(1,280,000,000)	(1,298,500,000)
Net increase (decrease) in cash and cash equivalents	59,808	182,364	242,172	1,003,859	14,110,685	15,114,544
Accumulated balance of material NCI	(7,262,403)	239,611,006	232,348,603	(7,297,186)	239,516,322	232,219,136
Net income and total comprehensive income attributable to material NCI	34,783	94,684	129,467	262,582	528,527,647	528,790,229

Accumulated balance of material NCI, and net income and total comprehensive income attributable to material NCI as at March 31, 2024 are P784.8 million and P454.9 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, 2025, 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, 2024 audited financial statements and for the period ended March 31, 2025. 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, 2025, 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, 2024 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 2025	Audited December 31 2024
Cash in banks	9,613,709	8,330,073
Cash equivalents	1,269,177,186	1,259,660,019
	1,278,790,895	1,267,990,092

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 5.625% to 6.0% during the first quarter of 2025 and 5.75% to 6.0% in 2024.

Interest income earned from cash and cash equivalents amounted to P18.0 million for the period ended March 31, 2025 compared to P14.6 million during the same period last year. Accrued interest receivable from cash and cash equivalents amounted to P2.4 million on March 31, 2025 compared to P4.6 million as of December 31, 2024.

7. Receivables - Net

This account consists of:

	Unaudited March 31 2025	Audited December 31 2024
Interest receivable (Note 6)	2,417,466	4,649,630
Lease receivables (Note 15)	45,237	-
	2,462,703	4,649,630
Less non-current portion of lease receivables (Note 11)	-	-
	2,462,703	4,649,630

Interest receivable represents the Group's accrued interest in cash and cash equivalents.

The current portion of lease receivables and due from related parties are non-interest bearing and are generally 30 to 60-day terms. The noncurrent portion of lease receivables pertains to the difference between straight line method and contractual annual rents. These amounts are expected to reverse more than one (1) year from the financial reporting date. As of March 31, 2024, the non-current lease receivables were terminated due to the sale of the land area which is subject to the long-term lease last March 7, 2024. (Note 11)

There is no allowance for impairment related to lease receivables from third parties, non-trade and other receivables as of March 31, 2025 and December 31, 2024.

8. Other Current Assets – Net

This account consists of:

	Unaudited March 31 2025	Audited December 31 2024
Creditable withholding taxes (CWT)	4,669,484	4,630,406
Input value-added tax (VAT)	3,022,892	2,990,046
Prepaid expenses	1,466,582	1,136,498
Deposits	192,340	192,340
Advances to employees	82,402	122,684
Others	61,197	59,694
	9,494,897	9,131,668
Less allowance for impairment loss	(7,644,330)	(7,578,861)
	1,850,567	1,552,807

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

Unaudited March 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 period	23,400	42,069	65,469
Recovery of provision	-	-	-
Net provision (recovery)	23,400	42,069	65,469
Balance at the end of the period	3,013,446	4,630,884	7,644,330

Audited December 31, 2024	Input VAT	CWT	Total
Balance at the beginning of the period	-	3,195,092	3,195,092
Provision for the year	2,990,046	1,393,723	4,383,769
Recovery of provision	-	-	-
Net provision (recovery)	2,990,046	1,393,723	4,383,769
Balance at the end of the period	2,990,046	4,588,815	7,578,861

9. Financial Assets through Other Comprehensive Income

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

	Unaudited March 31 2025	Audited December 31 2024
Original cost	316,004	316,004
Accumulated revaluation		
Beginning	84,683,996	69,683,996
Unrealized fair value gain	-	15,000,000
End	84,683,996	84,683,996
Balance at the end of the period	85,000,000	85,000,000

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

	Unaudited March 31 2025	Audited December 31 2024
Balance at the beginning of the period	71,719,458	69,422,057
Unrealized fair value gain	-	2,297,401
Balance at the end of the period	71,719,458	71,719,458

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 quoted market prices or executable dealer quotes for identical or similar instruments in inactive markets.

10. Investment in Associates – at Equity

This account consists of:

	Unaudited March 31 2025	Audited December 31 2024
Investment in associate - CLI	337,596,800	337,596,800
Accumulated share in net income:		
Balance at beginning of the period	92,873,047	80,015,230
Equity in net earnings of associate	155,157	12,857,817
Cash dividend received	-	-
Balance at end of the period	93,028,204	92,873,047
	430,625,004	430,469,847

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

CLI's financial information for the periods ended March 31, 2025 and December 31, 2024 follows:

	Unaudited March 31 2025	Audited December 31 2024
Current assets	122,571,603	137,052,906
Noncurrent assets	248,746,344	249,392,902
Current liabilities	20,984,173	36,732,659
Non-current liabilities	2,011,610	2,011,610
Net assets	348,322,164	347,701,539
Revenue	23,753,490	139,321,688
Income before income tax	986,675	52,726,235
Net income and total comprehensive income	620,627	51,534,338

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 P87.1 million as at March 31, 2025 (December 31, 2024 –P86.9 million). The non-current assets of CLI 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, 2024 (2023 – P2.7 billion) based on the latest valuation report of a third-party appraiser.

In March 2024, CLI sold to a non-related third party its 600 sqm residential land situated at Subic, Zambales for P6.6 million with book value of P2.3 million. In June 2024, CLI also sold 20,000 sqm vacant land at Subic, Zambales for P62.0 million with book value of P7.0 million.

As at March 31, 2025 and December 31, 2024, 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 assts 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, 2025 and December 31, 2024.

11. Investment Properties - Net

This account consists of:

Unaudited March 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
Audited December 31, 2025			
	Land	Condominium Units	Total
Cost	205,288,439	3,689,178	208,977,617
Disposal	(202,308,657)	-	(202,308,657)
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 GMRI and 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.

GMRI's BOD, in its meeting held on March 7, 2024, approved the sale of its land with a total area of approximately 24.9 hectares located in Barangay San Miguel and San Roque, Bauan, Batangas to a third party with a carrying amount of P202.3 million. The sale comes after a strategic review of investments and the opportunity to sell the land at current market valuation. The sale transaction was negotiated between a willing buyer and a willing seller and on an "as-is where-is" basis. Total sale proceeds amounted to P1.5 billion and resulting gain on sale amounted to P1.27 billion, net of commissions to a third-party P22.50

million and real property taxes amounting to P3.11 million. GMRI also paid income tax due as a result of the sale amounting to P189.7 million.

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 December 31, 2024 (2023 – P1.4 billion).

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, neighborhood, size and development

The fair value of the investment properties is higher than its net book values as at March 31, 2025 and December 31, 2024. Further, based on management assessment, no changes indicating impairment with respect to asset conditions, intended utilization and performance, industry and economic trends. The management believes that the fair value as at March 31, 2025 has not significantly changed from the last valuation date.

Group as a lessor

The Group leases out a parcel of land used as a shipyard site in San Miguel, Bauan, Batangas to SPMI. The agreement is for a period of 50 years beginning in 1993. The annual rental on the leased property is originally subject to 5% escalation after every five (5) years. In May 2007, the agreement was amended revising the annual lease rate and escalation rate to 1.50% escalation after every five (5) years. With the sale of the land which is the subject of the long-term lease in March 2024, the lease rental ceased immediately, and no more lease rental recognized, thereafter.

In addition, GMRI, 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, 2025 and 2024 consists of the following:

	Unaudited March 31 2025	Unaudited March 31 2024
Third parties	529,288	2,645,505
Related parties	75,000	105,000
	604,288	2,750,505

Rental income from SPMI is no longer considered as a related party transaction of the Group effective March 1, 2023 and reported under third parties.

The operating expenses directly attributable to the investment properties pertaining to real estate taxes amounted to P0.02 million as of March 31, 2025 (2024 – P0.7 million).

Advance rentals as at March 31, 2025 and December 31, 2024 are as follows:

	Unaudited March 31 2025	Audited December 31 2024
Third parties	396,508	396,508
Related parties	35,000	35,000
	431,508	431,508
Less: Current portion	101,390	101,390
Non-current portion	330,118	330,118

Refundable deposits as at March 31, 2025 and December 31, 2024 are as follows:

	Unaudited March 31 2025	Audited December 31 2024
Third parties	496,317	496,317
Less: Current portion	168,199	168,199
Non-current portion	330,118	330,118

12. Property and Equipment - Net

This account consists of:

Unaudited March 31, 2025				
	Commercial Building	Office machine, furniture and fixtures	Transportation Equipment	Total
Cost:				
January 1	5,397,020	1,417,818	776,186	7,591,024
Addition	-	-	-	-
March 31	5,397,020	1,417,818	776,186	7,591,024
Accumulated depreciation:				
January 1	5,397,020	910,608	776,186	7,083,814
Depreciation	-	34,175	-	34,175
March 31	5,397,020	944,783	776,186	7,117,989
Net Book Value	-	473,035	-	473,035

Audited December 31, 2024				
	Commercial Building	Office machine, furniture and fixtures	Transportation Equipment	Total
Cost:				
January 1	5,397,020	1,396,826	776,186	7,570,032
Acquisition	-	128,992	-	128,992
Disposal	-	(108,000)	-	(108,000)
December 31	5,397,020	1,417,818	776,186	7,591,024
Accumulated depreciation:				
January 1	5,397,020	895,488	776,186	6,937,932
Depreciation	-	123,120	-	123,120
Disposal	-	(108,000)	-	(108,000)
December 31	5,397,020	910,608	776,186	7,083,814
Net Book Value	-	507,210	-	507,210

The Group purchased computer equipment worth P128,992 as of December 2024 and none as of March 2025.

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, 2025 and December 31, 2024.

13. Intangible Assets – Net

This account pertains to computer software programs.

	Unaudited March 31 2025	Audited December 31 2024
Cost:		
January 1 and March 31	4,572,382	4,572,381
Accumulated depreciation:		
January 1, 2023 and December 31, 2023	3,374,853	2,721,656
Depreciation	163,299	653,197
	3,538,152	3,374,853
Net Book Value	1,034,230	1,197,528

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, 2025 and December 31, 2024.

14. Accrued Expenses and Other Current Liabilities

This account consists of:

	Unaudited March 31 2025	Audited December 31 2024
Accrued expenses	1,871,180	2,021,171
Payable to government agencies	177,190	276,317
Others	851,818	851,818
	2,900,188	3,149,306

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.

Others pertain to unclaimed monies or dividends by shareholders (Note 15).

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, 2025 and December 31, 2024 are as follows:

Related Party	Notes	As of March 31, 2025		As of December 31, 2024		Terms and conditions
		Transactions (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, within first five (5) days of each month, non-interest bearing and unsecured.
Keppel Energy and Consultancy Inc. (KECI)		-	-	120,000	-	
	7,11	75,000	-	420,000	-	
Advance rentals						
KIVI		-	(25,000)	-	(25,000)	The outstanding balance is collectible in cash, within first five (5) days of each month, non-interest bearing and unsecured.
KECI		-	(10,000)	-	(10,000)	
	11	-	(35,000)	-	(35,000)	
Management & accounting services fees (b)						
KIVI		45,000	-	180,000	-	The outstanding balance is collectible in cash on demand,
Kepventure, Inc.		15,000	-	60,000	-	
Bay Phils. Holdings Inc.		-	-	605,000	-	Non-interest bearing and

KECI	-	-	240,000	-	Unsecured.
	60,000	-	1,085,000	-	
Associates					
Commission income received from CLI	11	-	2,058,000		
Shareholders of the Parent Company					
Cash dividend declared and paid					Outstanding balance is collectible in cash on pay-out date as approved by the Parent Company's BOD, non-interest bearing, unguaranteed, and unsecured.
Kepwealth Inc.	-	-	6,106,586		
KL	-	-	3,378,818		
Others	-	(851,818)	1,961,200	(851,818)	
	-	(851,818)	11,446,604	(851,818)	
Management fees – Kepwealth Inc. (b)		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 (c)					
KL	-	-	237,978	-	
Key management personnel (d)					
Salaries and other short-term benefits		1,332,244	2,153,000	-	The outstanding balance is payable every designated period per employee contracts, 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 (Note 11).

b) 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 (1) party gives the other a written termination at least three (3) months prior to the date of expiration.

In April 2021, the Parent Company signed an accounting services agreement with Bay Philippines Holdings Corp., an entity under common control, with monthly fee of P55,000 excluding out-of-pocket expenses. The services cover the handling of financial reporting and government documentary requirements. The agreement is subject to automatic annual renewal until terminated by either party at any time by giving not less than ninety (90) days written notice to the other party. The agreement was terminated last December 6, 2024. Management services to KECI also ended due to its dissolution on January 23, 2025.

c) Advances for various expenses and charges

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

(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 2025	Audited December 31 2024
Investment in subsidiaries	110,165,069	110,165,069
Dividend income of Parent Company from subsidiaries	-	654,562,468
Dividend income of GRDC from GMRI	-	18,964,802
Commission income of Parent Company from GMRI	-	7,500,000
Management fees of Parent Company from subsidiary	195,000	780,000

16. Retirement Benefit Plan

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, 2024 amounts to P4.2 million (2023 – P3.2 million). Contribution to the plan in 2024 amounted to P0.8 million and none in 2023.

The Group recognized provision for retirement benefit amounting to P0.1 million for the period ending March 31, 2025 (2024 – P0.1 million). As of March 31, 2025, the Group recognize accrued retirement liability of P1.0 million (December 2024 – P0.8 million).

Details of retirement benefit liability, net in the consolidated statements of financial position as at March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
Fair value of plan assets	(803,474)	4,230,794
Accrual during the period	(99,000)	-
Present value of defined benefit obligation	-	(5,034,268)
	(902,474)	(803,474)

Movements in the retirement benefits obligation (asset), net as at March 31, 2025 and December 31, 2024 are as follows:

	2025	2024
January 1	803,474	837,483
Retirement benefit expense recognized in profit and loss	99,000	291,389
Contributions paid	-	(837,483)
Remeasurement gain in other comprehensive income	-	512,085
	902,474	803,474

17. Share Capital

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 19.8% and 80.2% owned by Philippine nationals and foreign nationals, respectively, as of March 31, 2025. Each share has right of one (1) vote. Authorized and issued shares as of March 31, 2025 and December 31, 2024 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 2025	Audited December 31 2024
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, 2025 and 2024:

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			

Common Shares	Number of Shares Registered	Issue/Offer Price	Date of Approval	Number of Holders of Securities
March 2024				
Class "A"	35,756,070	1.00	June 30, 2000	367
Class "B"	21,476,949	1.00	June 30, 2000	54
	57,233,019			

There are 406 and 411 total shareholders per record holding both Class "A" and "B" shares for the periods ending March 31, 2025 and 2024, respectively.

18. Retained Earnings; Treasury shares

Retained earnings amounted to P1,360.4 million as at March 31, 2025 (December 31, 2024 – P1,351.6 million). The amount of unrestricted retained earnings is in excess of 100% of its paid-in capital amounted to P1,056.9 million as of March 31, 2025 (December 31, 2024 – P1,048.5 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, 2025 and 2024.

	March 2025		March 2024	
	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 2024 up to March 31, 2025. There are no cash dividends declared and paid during the first quarter of 2025 and 2024.

19. Operating Expenses

This account consists of:

	Unaudited March 31, 2025	Unaudited March 31, 2024
Salaries and benefits	2,800,623	1,379,016
Professional fees	1,666,619	2,785,235
Taxes and licenses	484,607	877,257
Repairs and maintenance	321,022	105,125
Utilities	206,864	169,966
Depreciation and amortization	197,474	191,088
Membership dues and subscriptions	131,002	130,468
Provision (recovery) for impairment losses-net	65,469	(1,220,345)
Office supplies	41,734	20,751
Transportation and travel	36,308	23,006
Others	232,081	192,626
	6,183,803	4,654,193

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. Details of the Group's business segments are as follows:

Unaudited March 31, 2025					
	Investment Holdings	Real Estate	Combined	Eliminations	Consolidated
Revenues and income					
External customers	-	529,288	529,288	-	529,288
Equity in net earnings of an associate	-	-	-	155,157	155,157
Other related parties	324,000	75,000	399,000	(195,000)	204,000
Gain on sale of investment property	-	-	-	-	-
Interest income from banks & others	17,240,605	704,080	17,944,685	-	17,944,685
Total revenues and income	17,564,605	1,308,368	18,872,973	(39,843)	18,833,130
Income before income tax	11,892,798	601,372	12,494,170	155,157	12,649,327
Income tax expense	(3,457,885)	(177,478)	(3,635,363)	-	(3,635,363)
Net Income	8,434,913	423,894	8,858,807	155,157	9,013,964
Other comprehensive income	-	-	-	-	-
Total comprehensive income	8,434,913	423,894	8,858,807	155,157	9,013,964
Segment assets	1,423,853,464	489,527,821	1,913,381,285	(110,165,069)	1,803,216,216
Segment liabilities	16,613,935	1,776,246	18,390,181	(896,342)	17,493,839
Depreciation & amortization	109,274	88,200	197,474	-	197,474

Audited December 31, 2024					
	Investment Holdings	Real Estate	Combined	Eliminations	Consolidated
Revenues and income					
External customers	-	1,268,775,209	1,268,775,209	7,500,000	1,276,275,209
Equity in net earnings of an associate	-	-	-	12,857,817	12,857,817
Other related parties	656,703,468	420,000	657,123,468	(655,342,468)	1,781,000
Interest income from banks & others	62,374,330	28,864,109	91,238,439	(7,500,000)	83,738,439
Total revenues and income	719,077,798	1,298,059,318	2,017,137,116	(642,484,651)	1,374,652,465
Income before income tax	702,899,925	1,263,778,815	1,966,678,740	(641,704,651)	1,324,974,089
Income tax benefit (expense)	(10,800,505)	(195,833,709)	(206,634,214)	-	(206,634,214)
Net Income	692,099,420	1,067,945,106	1,760,044,526	(641,704,651)	1,118,339,875
Other comprehensive income	1,785,316	-	1,785,316	-	1,785,316
Total comprehensive income	693,884,736	1,067,945,106	1,761,829,842	(641,704,651)	1,120,125,191
Segment assets	1,415,607,079	490,904,886	1,904,511,965	(110,165,069)	1,794,346,896
Segment liabilities	16,802,463	1,732,361	18,534,824	(896,341)	17,638,483
Depreciation & amortization	423,514	352,803	776,317	-	776,317

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*.

Revenue from third party as of March 31, 2025 amounted to P0.5 million (March 2024 – P2.6 million) Rental from SPMI comprises about 20% and 85% of the Group's rental revenue for the periods ended March 31, 2025 and 2024. SPMI is no longer a related company effective March 1, 2023.

Significant revenue from third party due to sale of land situated at Bauan, Batangas accounted for 92.5% of the Group's consolidated revenues and income in 2024. In March 2025, total rental income accounted for 3% of the Group's consolidated revenues and income (March 2024 – 0.2%).

21. Other Matters

The Group has 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 Group 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 Group'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. 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. The case is still pending as at 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. There are no significant concentration of credit risk pertaining to receivables.

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

	Unaudited March 31 2025	Audited December 31 2024
<i>Cash and receivables</i>		
Cash and cash equivalents	1,278,790,895	1,267,990,092
Receivables, at gross	2,462,703	4,649,630
Advances to employees	82,402	122,684
	1,281,336,000	1,272,762,406

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. The lease receivable was fully derecognized in 2024 due to the pretermination of the lease contract following the sale of GMRI's investment properties. Accordingly, the Group is not significantly exposed to cash flow and fair value interest rate risk on these financial instruments. The Group has no hedging policy in relation to managing its interest rates.

(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, 2025 and December 31, 2024 are as follows:

	Unaudited March 31 2025	Audited December 31 2024
Total liabilities	17,493,839	17,638,483
Total equity	1,785,722,377	1,776,708,413
Debt to equity ratio	0.01:1	0.01:1

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, 2025 and December 31, 2024. 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, 2025 and December 31, 2024, 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 2025	Audited December 31 2024
A. Current and liquidity ratios		
1. Current ratio - (Current assets/Current liabilities)	404.15	372.74
1. Acid-test ratio or Quick ratio - (Monetary current assets/Current liabilities)	403.57	372.28
B. Solvency ratio		
1. Net income + depreciation/Total liabilities (annualized)	2.11	63.45
2. Total assets/Total liabilities	103.08	101.73
C. Debt to equity ratio – (Total liabilities/Total equity)	0.01	0.01
D. Asset to equity ratio (Total assets/Total equity)	1.01	1.01
E. Debt ratio (Total liabilities/Total assets)	0.01	0.01
F. Interest rate coverage ratio (EBIT/Interest expense)	Nil	Nil
G. Profitability % (annualized)		
1. Return on assets (Net income/Total assets)	2.00	62.33
2. Return on equity (Net income/Total equity)	2.02	62.94
2. Net profit margin (Net income/revenue)	47.86	81.35
H. Earnings per share attributable to equity holders of the Parent (Annualized) - (₱)	0.62	10.30
I. Book value per share attributable to equity holders of the Parent (₱)	27.14	26.99
J. Price/Earnings ratio (Price per share/EPS (Annualized) (₱)	23.06	1.68

24. Shares Market Price

Stock Symbol	31 March 2025		31 December 2024	
	Last Trading Date	Last Closing Price	Last Trading Date	Last Closing Price
KPH	28 March 2025	21.05	27 Dec 2024	16.46
KPHB	27 March 2025	26.40	27 Dec 2024	18.84

25. Aging of Current Receivable as at March 31, 2025 in Philippine Pesos

	Total	Current	2-3 Mos	4 - 6 Mos	7 -12 Mos	More than 1 year
Interest receivable	2,417,466	2,417,466	-	-	-	-
Lease receivables - current	45,237	45,237	-	-	-	-
Nontrade - receivables	-	-	-	-	-	-
Total	2,462,703	2,462,703	-	-	-	-
Less Allowance for doubtful account	-	-	-	-	-	-
Net Receivables	2,462,703	2,462,703	-	-	-	-

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 income of P9.0 million for the first quarter ended March 31, 2025, P956.9 million or 100 times lower than P965.9 million during the same period last year. The reasons for the changes in net income are discussed as follows:

The Group earned interest income from short-term time deposits of P18.0 million as of March 31, 2025, P3.4 million or 23% higher than the interest of P14.6 million earned during the same period last year. The increase in interest earned from fixed deposits was due to higher average placement for the 1st quarter of 2025 of P1.26 billion as against same quarter ending 2024 of P566.8 million. Interest rates range from 5.625% to 6% per annum both during the 1st quarter 2025 and 2024.

Rental revenue for the quarter ending March 31, 2025 amounted to P0.6 million compared to P2.8 million in March 2024. The P2.2 million decrease was due to the termination of the lease rental from SPMI as a result of the Batangas land sale in March 7, 2023.

During the first quarter of the year, the Group recognized net earnings from its equity share in an associate of P0.2 million compared to P0.9 million during the same period last year. The decrease in equity share was due to a lower net income of P0.6 million as against the same period last year of P3.4 million recognized by the associate brought about by the decrease in power sales distribution and rental income.

Management fees charged to related parties amounted to P0.1 million as of March 31, 2025 as against P0.4 million of the same period last year. The decrease was due to the termination of service agreement with related parties in November 2024 and January 2025.

On March 7, 2024 the Company earned P1.3 billion net gain from the sale of investment property of its 51% subsidiary, GMRI, of its land with total area of 24.9 hectares located in Bauan, Batangas to a non-related third party for P1.5 billion. The sale was a result of a strategic review of investments and the opportunity to sell the land at valuation on at "as is where is" basis. The cost of the land, commission, and real property tax totaling P227.9 million were charged against the proceeds.

This quarter's operating expenses of P6.2 million is higher by P1.5 million as compared to last year's P4.7 million. The increase was due to higher salaries and benefits by P1.4 million. Moreover, in March 2024 there was a recovery of impairment loss of P1.2 million. Professional fees decreased by P1.3 million and taxes and licenses by P0.4 million.

Financial Condition

The cash position of the Group as of March 31, 2025 amounted to P1.28 billion, P10.8 million higher than the P1.27 billion recorded as of December 31, 2024. The increase of P10.8 million is due to interest received from time deposits during the period of P20.1 million, partially offset by the cash absorbed by operation of P5.7 million and tax payments of P3.6 million.

Total current receivables as of March 31, 2025 amounted to P2.5 million as against last December 31, 2024 of P4.6 million. The decrease was due mainly to the lower accrued interest receivable of P2.4 million.

Other current assets as of March 31, 2025 amounted to P1.9 million as against last December 31, 2024 of P1.6 million. This account consists of prepaid expenses, creditable withholding tax, deposits and advances.

Financial assets at fair value through other comprehensive income (FVOCI) was valued at P85.0 million both for the periods ending March 31, 2025 and December 31, 2024.

Investments in associates as of March 31, 2025 and December 31, 2024 amounted to P430.6 million and P430.5 million, respectively. The P0.1 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, 2025 decreased from P4.7 million as of December 31, 2024 to P4.5 million this year brought by depreciation for the period.

Total liabilities as of March 31, 2025 and December 31, 2024 amounted to P17.5 million and P17.6 million, respectively. The decrease in the liabilities are due to the lower accrual of expenses and payable to government agencies.

The equity attributable to equity holders of the Parent Company as of March 31, 2025 amounted to P1.55 billion as against last December 31, 2024 of P1.54 billion. The increase of P0.01 billion was due to net income of P8.9 million. There are no movement on the fair value gain on financial assets at FVOCI and retirement benefits.

Non-controlling interests as of March 31, 2025 amounted to P232.4 million as against last December 31, 2024 of P232.2 million. The increase was due to net income attributable to the noncontrolling interests of P0.1 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 P27.14 as of March 31, 2025 as against December 31, 2024 of P26.99 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 P0.16 and P8.71 as of the quarters ended March 31, 2025 and 2024.

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.

A significant event during the reporting period is the proposed Tender Offer of Kepwealth, Inc. and the proposed voluntary delisting of KPHI from the PSE.

On February 20, 2025, Kepwealth, Inc. (“Kepwealth”), notified the Parent Company of its intention to make a tender offer (“Tender Offer”) for all the outstanding common shares of KPHI owned by the other shareholders (other than those owned by the members of the Parent Company’s Board of Directors with respect to their qualifying common shares (the “Excluded Stockholders”, and the qualifying Common Shares owned by them, the “Excluded Shares”) and to request the relevant approvals for the voluntary delisting of the KPHI (the “Voluntary Delisting”) from PSE (the “Letter of Intent”).

In the Letter of Intent, Kepwealth stated that it intends to do the tender offer at the price of P27.40 per share. This price is higher than: (i) the highest valuation of KPHI’s shares based on the Fairness Opinion and Valuation Report dated February 13, 2025 prepared by MIB Capital Corporation, an independent valuation provider, in accordance with applicable Philippine regulations (the “Valuation Report”), and (ii) the volume weighted average price (“VWAP”) of KPHI’s shares for one year immediately preceding February 21, 2025, which is the date of the posting on PSE EDGE of the disclosure of the approval by the Company’s Board of Directors on February 20, 2025 of the Voluntary Delisting.

The Letter of Intent also stated that the completion of the Tender Offer will be subject to the condition that Kepwealth will own, upon such completion, and together with its then existing stockholdings, a total of at least 95% of the total issued and outstanding common shares of KPHI or such percentage as the PSE may allow to effect the Voluntary Delisting of KPHI (“Voluntary Delisting Threshold”), among other conditions standard for transactions of this nature. It also states that, in the event that the tendered shares are not sufficient to reach the Voluntary Delisting Threshold, the Tender Offer shall nevertheless be completed with the acquisition by Kepwealth from the public of KPHI shares not exceeding approximately 7.13% (after it would have acquired Keppel Ltd’s 29.52% share) or such percentage as will ensure that KPHI remains compliant with the minimum public ownership requirement of 10%. In this regard, in light of its projected stockholdings of Kepwealth of 89.86% after it acquires Keppel Ltd’s 29.52% share, in the event that the tendered shares are not sufficient to reach the Voluntary Delisting Threshold, the Tender Offer shall nevertheless be completed with the acquisition by Kepwealth from the public of KPHI shares not exceeding approximately 0.14% or such percentage as will ensure that KPHI remains compliant with the minimum public ownership requirement of 10%.

At a special meeting held by the Board of Directors of the Company on February 20, 2025, all of the members of the Board of Directors of the Company, including its three independent directors (which constitute all of its

independent directors), approved the filing of an application by the Company for its Voluntary Delisting from the PSE in accordance with the Amended Voluntary Delisting Rules of the 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 stockholders of the Company of the Voluntary Delisting, (2) the completion of the Tender Offer by Kepwealth; and (3) Kepwealth owning, upon completion of the Tender Offer, and together with its then existing stockholdings, the necessary number of shares to reach the Voluntary Delisting Threshold. The disclosure of the Board's approval of the Voluntary Delisting was submitted to the PSE and the Securities and Exchange Commission (the "SEC") on February 20, 2025, and the same was posted on PSE EDGE on February 21, 2025.


At the same meeting, the Board of Directors of the Company approved to schedule the holding of a Special Stockholders' Meeting on April 24, 2025, with record date of March 24, 2025, to submit for the approval of the stockholders the filing of an application for the Voluntary Delisting and other matters which may be included in the agenda. At a subsequent special meeting of the Board of Directors of the Company on February 26, 2025, the Board, however, considered and approved to set the Annual Stockholders' Meeting at an earlier date, or on April 24, 2025, to dispense with the holding of a second stockholders' meeting in June, for purposes of efficiency and expediency in securing stockholder approval on certain urgent matters, and to conserve the resources of the Corporation.


On March 11, 2025 and March 12, 2025, the Bidder caused the publication of its intention to acquire all the outstanding Common Shares of the Company (the "Tender Offer Shares") through the Tender Offer to all other stockholders of the Company, other than the Excluded Stockholders with respect to their Excluded Shares.

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 : 8 May 2025