

COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

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COMPANY NAME

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

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Form Type

A	A	F	S
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Department requiring the report

C	R	M	D
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Secondary License Type, If Applicable

N	/	A
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COMPANY INFORMATION

Company's Email Address

ph.corpsec.realestate@keppel.com

Company's Telephone Number

8539-0460

Mobile Number

0917-8570633

No. of Stockholders

1,202

Annual Meeting (Month / Day)

06/11

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Jona Arrol Cabrera

Email Address

Jona.Cabrera@keppel.com

Telephone Number/s

8539-0460

Mobile Number

0943-2569089

CONTACT PERSON'S ADDRESS

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

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

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



KEMENTERIAN HUKUM
REPUBLIK INDONESIA

Ministry of Law
Republic of Indonesia



APOSTILLE

(Convention de La Haye du 5 octobre 1961)

1. Negara Republik Indonesia
Republic Of Indonesia

Dokumen publik ini
This public document

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

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

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

Disahkan
Certified

5. di Jakarta
at Jakarta

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

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

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

9. Segel/Cap
Seal/stamp

10. Tanda Tangan
Signature



Widodo
Direktur Jenderal Administrasi Hukum Umum

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

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



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



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

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

TAN KUANG LIANG
Chairman of the Board and President

LEGALIZATION
Number: 886/L/2026 (two copies)

Seen for legalization the signature of:

-Mr. TAN KUANG LIANG,

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

JONA ARROL V. CABRERA
Treasurer

Notary in Kabupaten Tangerang

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

Signed this 13th day of February 2026



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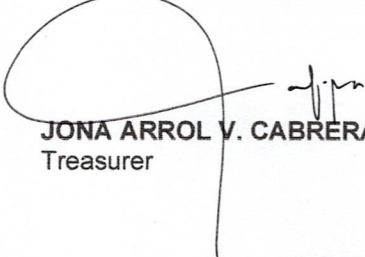
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Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the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

TAN KUANG LIANG
Chairman of the Board and President


JONA ARROL V. CABRERA
Treasurer

Signed this 13th day of February 2026

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

1. Jona Arrol V. Cabrera [REDACTED]

Doc. No. 22;
Page No. 4;
Book No. 10;
Series of 2026.

PASIG CITY

NOTARY PUBLIC
FERDINAND D. AYAHAO

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

KPPI PH [KLL-Philippines]

From: eafs@bir.gov.ph
Sent: Sunday, 19 April 2026 7:35 am
To: KPPI PH [KLL-Philippines]
Cc: KPPI PH [KLL-Philippines]
Subject: [EXTERNAL] Your BIR AFS eSubmission uploads were received

This message is from an EXTERNAL SENDER - be CAUTIOUS, particularly with links and attachments. Report phishing attempts immediately.

Hi KEPPEL PHILIPPINES PROPERTIES, INC.,

Valid files

- EAFS000067618ITRTY122025.pdf
- EAFS000067618AFSTY122025.pdf
- EAFS000067618TCRTY122025-01.pdf
- EAFS000067618RPTTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-6EC6B55J06EAG9BHBQRTVV22N02VXSTV43**

Submission Date/Time: **Apr 19, 2026 07:35 AM**

Company TIN: **000-067-618**

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- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR ANNUAL INCOME TAX RETURN

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

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

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

TAN KUANG LIANG
Chairman of the Board and President

JONA ARROL V. CABRERA
Treasurer

Signed this 13th day of February 2026



Isla Lipana & Co.

Independent Auditor's Report

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

Report on the Audits of the Separate Financial Statements

Our Opinion

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

What we have audited

The separate financial statements of the Parent Company comprise:

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

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

Basis for Opinion

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

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

Independence

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

Responsibilities of Management and Those Charged with Governance for the separate financial statements

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

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

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

Auditor's Responsibilities for the Audit of the separate financial statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on the Bureau of Internal Revenue Requirement

Our audits were conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 21 to the separate financial statements is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audits of the basic separate financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

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

Isla Lipana & Co.



Imelda Dela Vega-Mangundaya
Partner

CPA Cert No. 0090670

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

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

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

T.I.N. 152-015-124

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

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

Makati City
February 13, 2026



Isla Lipana & Co.

Statement Required by Rule 68 Securities Regulation Code (SRC)

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

We have audited the separate financial statements of Keppel Philippines Properties, Inc. as at and for the years ended December 31, 2025 and 2024, on which we have rendered the attached report dated February 13, 2026. The Reconciliation of Retained Earnings Available for Dividend Declaration as at December 31, 2025, as an additional component required by Revised SRC Rule 68, is presented for purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Revised SRC Rule 68.

Isla Lipana & Co.

Imelda dela Vega - Mangundaya
Partner

CPA Cert No. 0090670

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

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

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

T.I.N. 152-015-124

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

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

Makati City
February 13, 2026

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

Keppel Philippines Properties, Inc.

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

	Notes	2025	2024
Assets			
Current assets			
Cash and cash equivalents	2	556,840,797	469,424,511
Receivables	3	2,799,954	1,913,613
Due from related parties	12	-	174,309
Other current assets	4	5,905,786	25,198,378
Total current assets		565,546,537	496,710,811
Non-current assets			
Financial assets at fair value through other comprehensive income	7	225,000	225,000
Property and equipment, net	9	35,619	94,140
Investments in subsidiaries and associates	6	-	55,900,984
Other non-current assets	4	46,812,659	28,460,756
Total non-current assets		47,073,278	84,680,880
Total assets		612,619,815	581,391,691
Liabilities and Equity			
Current liabilities			
Accounts payable and other current liabilities	10	79,428,287	84,642,531
Due to related parties	12	20,973,943	20,973,943
Provision for transaction cost	5	16,159,925	19,811,308
Total current liabilities		116,562,155	125,427,782
Non-current liabilities			
Deferred income tax liability	15	609,159	440,998
Total liabilities		117,171,314	125,868,780
Equity			
	11		
Share capital		356,104,000	356,104,000
Share premium		67,618,617	67,618,617
Treasury shares		(62,141,745)	(62,141,745)
Retained earnings		133,867,629	93,942,039
Total equity		495,448,501	455,522,911
Total liabilities and equity		612,619,815	581,391,691

(The notes on pages 1 to 37 are integral part of these separate financial statements)

Keppel Philippines Properties, Inc.

Statements of Total Comprehensive Income
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Interest income	2	24,847,205	151,319,476
General and administrative expenses	13	(14,731,931)	(37,456,758)
Other income, net	14	35,498,397	1,006,726,789
Income before income tax		45,613,671	1,120,589,507
Income tax expense	15	(5,688,081)	(31,756,032)
Net income for the year		39,925,590	1,088,833,475
Other comprehensive income		-	-
Total comprehensive income for the year		39,925,590	1,088,833,475
Basic earnings per share	16	0.14	3.71

(The notes on pages 1 to 37 are integral part of these separate financial statements)

Keppel Philippines Properties, Inc.

Statements of Changes in Equity
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Share capital			Share premium (Note 11)	Treasury shares (Notes 11)	Retained earnings			Total equity
	Common shares (Note 11)	Preferred shares (Note 11)	Total			Appropriated (Note 11)	Unappropriated (Note 11)	Total retained earnings	
Balances at January 1, 2024	296,629,900	59,474,100	356,104,000	602,885,517	(2,667,645)	1,430,046,045	3,451,010,465	4,881,056,510	5,837,378,382
Comprehensive income									
Net income for the year	-	-	-	-	-	-	1,088,833,475	1,088,833,475	1,088,833,475
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	1,088,833,475	1,088,833,475	1,088,833,475
Transactions with owners									
Declaration of cash dividends	-	-	-	-	-	-	(4,448,569,546)	(4,448,569,546)	(4,448,569,546)
Reversal of appropriation	-	-	-	-	-	(1,427,378,400)	1,427,378,400	-	-
Redemption of preferred shares	-	-	-	(535,266,900)	(59,474,100)	-	(1,427,378,400)	(1,427,378,400)	(2,022,119,400)
Total transactions with owners for the year	-	-	-	(535,266,900)	(59,474,100)	(1,427,378,400)	(4,448,569,546)	(5,875,947,946)	(6,470,688,946)
Balances at December 31, 2024	296,629,900	59,474,100	356,104,000	67,618,617	(62,141,745)	2,667,645	91,274,394	93,942,039	455,522,911
Comprehensive income									
Net income for the year	-	-	-	-	-	-	39,925,590	39,925,590	39,925,590
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	39,925,590	39,925,590	39,925,590
Balances at December 31, 2025	296,629,900	59,474,100	356,104,000	67,618,617	(62,141,745)	2,667,645	131,199,984	133,867,629	495,448,501

(The notes on pages 1 to 37 are integral part of these separate financial statements)

Keppel Philippines Properties, Inc.

Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(All amounts in Philippine Peso)

	Notes	2025	2024
Cash flows from operating activities			
Income before income tax		45,613,671	1,120,589,507
Adjustments from continuing operations:			
Impairment loss on other current assets	4, 14	888,297	-
Depreciation	9, 13	58,521	103,082
Gain on reversal of liabilities	10, 14	(77,104)	(86,799)
Unrealized foreign exchange gain	14, 18	(2,436,637)	(1,763,992)
Interest income	2	(24,847,205)	(151,319,476)
Impairment loss on investments in subsidiary and associate	6, 14	-	65,877,221
Dividend income	6	-	(946,083,200)
Adjustment from discontinued operations:			
Gain on investment in subsidiaries and associates	1	(33,767,677)	(6,546,025)
Operating (loss) income before working capital changes		(14,568,134)	80,770,318
Decrease (increase) in:			
Due from related parties		174,309	2,796,321
Receivables		152,300	12,720,318
Other current assets		(627,092)	(2,152,261)
Increase (decrease) in:			
Accounts payable and other current liabilities		(4,065,780)	3,343,304
Net cash (used in) from operations		(18,934,397)	97,478,000
Interest received		23,808,564	157,454,182
Income tax paid		(5,911,798)	(42,318,189)
Net cash (used in) from operating activities		(1,037,631)	212,613,993
Cash flows from investing activities			
Liquidating dividends received	6, 12	89,668,663	7,796,025
Cash dividends received	6	-	946,083,200
Decrease in financial assets at fair value through other comprehensive income		-	79,287,230
Discontinued operation:			
Payment of transaction costs related to sale of investment in joint venture	5	(3,651,383)	(13,948,692)
Proceeds from sale of investment in joint venture	5	-	6,994,777
Payment of capital gains tax payable related to the sale of an investment in joint venture	5	-	(909,280,125)
		(3,651,383)	(916,234,040)
Net cash from investing activities		86,017,280	116,932,415
Cash flows from financing activities			
Payments for the redemption of preferred shares	11	-	(2,022,119,400)
Dividends paid to shareholders	11	-	(4,367,360,739)
Net cash used in financing activities		-	(6,389,480,139)
Net increase (decrease) in cash and cash equivalents		84,979,649	(6,059,933,731)
Cash and cash equivalents			
At January 1		469,424,511	6,527,594,250
Effect of changes in foreign exchange rates in cash and cash equivalents		2,436,637	1,763,992
At December 31	2	556,840,797	469,424,511

(The notes on pages 1 to 37 are integral part of these separate financial statements)

Keppel Philippines Properties, Inc.

Notes to the Separate Financial Statements

As at and for the years ended December 31, 2025 and 2024

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

1 General information

Keppel Philippines Properties, Inc. (KPPI or the “Parent Company”) was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on February 7, 1918 primarily to invest or acquire interest in, purchase, own or hold, directly or indirectly, shares of stocks and to undertake in property development activities through its associates and joint venture.

The Parent Company’s corporate life was extended for another fifty (50) years starting February 7, 1968. On May 5, 2017, the Parent Company’s corporate life was further extended for another fifty (50) years from February 6, 2018.

The Parent Company is listed in the Philippine Stock Exchange (PSE) through an initial public offering (IPO) in 1989. There was no subsequent offering after the IPO. Its immediate parent company is Keppel Management Ltd. (KML; previously known as Keppel Land Limited) and the ultimate Parent Company is Keppel Ltd. (KL, previously known as Keppel Corporation Limited), both incorporated and domiciled in Singapore. KL is listed in the Singapore Exchange Securities Trading Limited.

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

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

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

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

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

	Percentage of ownership	Effective ownership interest	Nature of business
Subsidiary			
Buena Homes, Inc. (BHI)	100	100	Investment holding
Associates			
Opon Realty and Development Corporation (ORDC)	40	40	Investment holding
Opon Ventures, Inc. (OVI)	40	64	Investment holding
Opon-KE Properties, Inc. (OKEP)	40	78	Investment holding

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

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

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

BHI was incorporated in the Philippines on May 25, 2000. BHI, a wholly-owned subsidiary of KPPI, was previously engaged in property holding and development. On November 14, 2023, BHI's Board of Directors (BOD) approved BHI's dissolution through shortening of its corporate term until January 31, 2025 which was approved by the SEC on January 31, 2024. On April 4, 2025 and April 15, 2025, BHI completed the processing of its business closure with the Municipality of Mandaluyong City and the Bureau of Internal Revenue (BIR), respectively. On March 31, 2025, BHI declared liquidating dividends to the Parent Company amounting to P11.2 million that resulted in a loss on investment in 2025 amounting to P0.2 million (Note 6 and 14) and the derecognition of the corresponding Parent Company's investment in BHI.

CSRI was incorporated in the Philippines on October 25, 1990. CSRI, a wholly-owned subsidiary of KPPI, is a holding company with investments in marketable equity securities and other investments. On December 2, 2022, CSRI's BOD approved CSRI's dissolution through shortening of its corporate term until January 31, 2024 which was approved by the SEC on February 3, 2023. On March 25, 2024 and July 18, 2024, CSRI completed the processing of its business closure with the Municipality of Mandaluyong City and the BIR, respectively. On April 26, 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7.8 million that resulted in a gain on investment amounting to P6.5 million (Notes 6 and 14) and the derecognition of the Parent Company's investment in CSRI.

ORDC, OVI and OKEP were incorporated to acquire by purchase, lease, and to own, use, improve, develop, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds. On July 26, 2024, the BOD of these associates approved the dissolution through shortening of their corporate term until September 30, 2025 which was approved by the SEC on September 11, 2024 for ORDC and on September 16, 2024 for OVI and OKEP. On October 1, 2025, these associates declared liquidating dividends to the Parent Company totaling to P78.6 million (Note 6) that resulted in a net gain on investment amounting to P34.1 million (Notes 6 and 14) and the derecognition of the Parent Company's investment in these associates. The processing of the business closure of these associates with the Municipality of Mandaluyong City was completed on October 23, 2025. OVI completed its business closure with BIR on January 16, 2026 while OKEP and ORDC's processing is still in progress.

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

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

Subsequent event

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

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

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

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

2 Cash and cash equivalents

The account at December 31 consists of:

	2025	2024
Cash equivalents	551,007,222	447,045,625
Cash in bank	5,793,575	22,338,886
Cash on hand	40,000	40,000
	556,840,797	469,424,511

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

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

3 Receivables

The account as at December 31, 2025 consists of:

	Note	2025	2024
Accrued interest	2	2,729,954	1,691,313
Receivable from a government agency		70,000	130,000
Others		-	92,300
		2,799,954	1,913,613

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

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

4 Other current assets; Other non-current assets

Other current assets as at December 31 consists of:

	Note	2025	2024
Creditable withholding taxes	a.1	3,998,031	2,495,136
Input VAT	b	1,520,821	921,506
Tax credit	c	-	21,420,000
Others	d	386,934	361,736
		5,905,786	25,198,378

Other non-current assets at December 31 consists of:

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

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

(3)

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

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

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

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

(c) Tax credit includes tax credit received from the Bureau of Internal Revenue (BIR) amounting to P21.4 million for the withholding and remittance of final withholding taxes in relation to the Parent Company’s redemption of preferred shares in year 2010 (Note 12). Said tax credit can be applied against future applicable income tax liabilities per the BIR rules and regulations and is valid until May 16, 2027. In 2024, the Parent Company has applied for the cash conversion of the tax credit and is awaiting approval from BIR. In 2025, The Parent Company, through its correspondence with BIR and its tax advisors, assessed to fully recover and receive the refund beyond 12 months from reporting date resulting in the reclassification from “Other current assets” to “Other non-current assets.”

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

5 Sale of investment in joint venture

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

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

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

	Amount
Purchase price	6,528,677,503
Cost to sell	(35,164,170)
Net purchase price	6,493,513,333
Carrying amount of investment in joint venture held-for-sale	(602,645,772)
Gain on sale of investment in joint venture before taxes	5,890,867,561
Capital gains tax	(909,280,125)
Gain on sale of investment in joint venture after taxes	4,981,587,436

The purchase price consists of share in the net asset value of SMKL after adjustments as approved and agreed between the Sellers and BDO on closing date. On the same date, the Parent Company has collected P6,521.7 million of the purchase price, while the remaining P7.0 million is collectible within 30 days. The remaining receivable was collected in January 2024.

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

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

6 Investments in subsidiaries and associates

The account as at December 31, 2024 are as follows:

	Percentage of ownership	Carrying amount
Cost:		
Subsidiary		
BHI	100%	10,950,000
Associates:		
OKEP	40%	48,248,800
OVI	40%	2,000,000
ORDC	40%	1,094,871
		62,293,671
Contributed Surplus – BHI		59,484,534
		121,778,205
Impairment:		
Subsidiary – BHI		59,025,899
Associate – OKEP		6,851,322
		65,877,221
		55,900,984

Contributed surplus pertains to the difference between the present value and the loan amount at inception of the advances provided to BHI in prior years.

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

(a) Subsidiary and associates

BHI was previously 100% owned by the Parent Company with the Parent Company having control over the operating and financing policies and capital decisions of the subsidiary. On November 14, 2023, BHI's Board of Directors (BOD) approved BHI's dissolution through shortening of its corporate term until January 31, 2025 (Note 1).

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

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

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

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

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

<i>(In millions)</i>	OKEP	OVI	ORDC
<i>September 30, 2025</i>			
Current assets	103.9	0.4	0.9
Non-current assets	-	62.1	10.0
Total assets	103.9	62.5	10.9
Current liabilities	0.2	0.2	0.4
Net assets	103.7	62.3	10.5
Gross income	4.4	-	-
Net income for the year	3.3	(0.2)	(0.3)
Other comprehensive income	-	-	-
Total comprehensive income for the year	3.3	(0.2)	(0.3)

<i>(In millions)</i>	BHI	OKEP	OVI	ORDC
<i>December 31, 2024</i>				
Current assets	11.5	100.5	0.5	1.0
Non-current assets	-	-	62.1	10.0
Total assets	11.5	100.5	62.6	11.0
Current liabilities	0.1	0.1	0.1	0.2
Net assets	11.4	100.4	62.5	10.8
Gross income	0.4	18.1	761.1	410.9
Net income for the year	0.1	15.1	750.0	410.3
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	0.1	15.1	750.0	410.3

On April 26, 2024, CSRI declared liquidating dividends to the Parent Company amounting to P7.8 million that resulted in a gain on investment amounting to P6.5 million and derecognition of the Parent Company's investment in CSRI (Note 1).

On March 31, 2025, BHI declared liquidating dividends to the Parent Company amounting to P11.2 million that resulted in a loss on investment in 2025 amounting to P0.2 million and the derecognition of the corresponding Parent Company's investment in BHI (Note 1).

On July 26, 2024, the BOD of the associates approved the dissolution through shortening of their corporate term until September 30, 2025 (Note 1). Accordingly, on October 1, 2025 and February 2, 2024, the associates of the Parent Company declared the following liquidating and cash dividends, respectively.

	2025 Liquidating dividends	2024 Cash dividends
OKEP	41,276,000	507,383,200
OVI	24,664,000	273,760,000
ORDC	12,616,000	164,940,000
	78,556,000	946,083,200

In view of the subsidiary and the associates' end of corporate term (Note 1), the Parent Company performed an impairment assessment exercise and recognized impairment loss on its investments in its subsidiary and associates amounting to P59 million and P6.9 million, respectively, and is presented as part of "Other income, net" (Note 14) in 2024. The impairment loss on investment in subsidiary is determined by comparing the carrying value of the investment before impairment amounting to P70.4 million versus the recoverable amount, based on value-in-use, amounting to P11.4 million as at December 31, 2024. The impairment loss of investment in associate, OKEP, is determined by comparing the carrying value of investments before impairment amounting to P48.2 million versus the recoverable amount, based on value-in-use, amounting to P41.3 million as at December 31, 2024 (Note 19.1 (a)). No impairment loss was recognized for OVI and ORDC as the recoverable amount of the investments in associates remains higher than the carrying value.

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

The account at December 31, 2025 and 2024 consists of:

	Amount
Club shares	225,000

(a) Club shares

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

(b) Preferred equity securities

Preferred equity investments pertain to investments in redeemable preferred shares of OVI and OKEP which were acquired in 2012 at P10 per share. These investments are classified as FVOCI as the characteristics of the investment do not give the Parent Company significant influence over OVI and OKEP (Note 6). These investments are carried at fair value. Based on the Parent Company's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities (Note 18.2).

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

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

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

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

As at December 31, 2025 and 2024, the Parent Company determined that there is no indication that an impairment loss has occurred on its financial assets at FVOCI.

8 Leases

The Parent Company entered into a one-year operating lease agreement for its office space located at the 26th floor of The Podium West Tower with guaranteed service term renewal unless terminated. Total rent expense charged to operations amounted to P1.5 million in 2025 (2024 – P1.5 million) and is presented as part of "Rentals" in the "General and administrative expenses" (Note 13).

This lease agreement was considered as short-term and low value lease under PFRS 16, Leases, as the lease term is less than 12 months.

Refundable deposit for this lease is presented under "Others" as part of "Other current assets" in the statement of financial position as at December 31, 2025 and 2024 amounting to P0.2 million.

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

Extension and termination options

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

9 Property and equipment, net

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

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

There were no unpaid additions as at December 31, 2025 and 2024.

As at December 31, 2025, the cost of fully depreciated assets that are still in use in the Parent Company's operations amounts to P2.0 million (2024 - P1.8 million).

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

10 Accounts payable and other current liabilities

The account as at December 31 consists of:

	Note	2025	2024
Dividends payable	12	75,005,271	81,208,807
Accrued expenses		3,564,269	2,737,500
Taxes payable		738,340	696,224
Accounts payable		120,407	-
		79,428,287	84,642,531

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

Accrued expenses mainly pertain to accruals of salaries and other employee benefits and other operating expenses which are to be settled within 30 to 60 days. In 2025 and 2024, a portion of the bonus and other employee benefits accrued and other accruals in prior years amounting to P77.1 thousand and P86.8 thousand, respectively, was reversed (Note 14). This amount pertains to the outstanding accrual made over the actual amount paid to settle the liabilities and no longer a valid obligation. Government contributions payables are included as part of Accrued expenses, such as Social Security System (SSS), Home Development Mutual Fund (HDMF) and Philippine Health Insurance Corporation (PHIC).

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

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

11 Equity

(a) Share capital and treasury shares

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

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

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

The redeemable preferred shares have the following terms and conditions:

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

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

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

(b) Share premium

The details of share premium presented in the statements of financial position and statement of changes in equity as at December 31, 2025 and 2024 are as follows:

	Amount
Common shares	67,618,617

(c) Retained earnings

As at December 31, 2023, the Parent Company's unappropriated retained earnings exceed its paid-up capital by P2,492.0 million which were planned to be declared as dividends to shareholders in the subsequent year. On April 12, 2024, the BOD of the Parent Company approved the declaration of cash dividends of P15.14 per common share to shareholders of record as at April 29, 2024 due on May 22, 2024 amounting to P4,448.6 million. The Parent Company has remaining unpaid cash dividend amounting to P75 million as at December 31, 2025 (2024 – P81.2 million) (Note 10).

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

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

(d) Track record of registration of securities

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

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

12 Related party disclosures

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

Related party	2025		2024		Terms and conditions
	Transactions	Outstanding receivable (payable)	Transactions	Outstanding receivable (payable)	
Due from related parties					
Subsidiaries					
Operating advances (a)					
BHI (until January 31, 2025)	-	-	90,793	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
CSRI (until January 31, 2024)	-	-	9,446	-	
Associates					
OKEP					
Operating advances (a)					
Cash dividend (b)	-	-	507,383,200	-	Non-interest-bearing, unsecured, collectible in cash upon demand at gross amount.
Redemption of preferred shares (c)	-	-	31,287,200	-	
Liquidating dividend (d)	41,276,000	-	-	-	
OVI					
Operating advances (a)					
Cash dividend (b)	-	-	273,760,000	-	Non-interest-bearing, unsecured, collectible in cash upon demand at gross amount.
Redemption of preferred shares (c)	-	-	48,000,000	-	
Liquidating dividend (d)	24,664,000	-	-	-	
ORDC					
Operating advances (a)					
Cash dividend (b)	-	-	164,940,000	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
Liquidating dividend (d)	12,616,000	-	-	-	
Entities under common control					
Operating advances (a)					
Keppel Philippine Holdings, Inc. (KPHI)	128,044	-	108,098	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
Kepventures, Inc. (KVI)	20,111	-	18,130	-	
KL(RI)	600	-	(660,163)	174,309	
Shareholders					
Kepwealth, Inc. (KWI)	20,111	-	18,130	-	Non-interest-bearing, unsecured, unguaranteed and collectible in cash upon demand at gross amount.
				174,309	
Due to related parties					
Entities under common control					
KML					
Tax credit (e)					
Operating advances (a)	-	(21,420,000)	446,057	(21,420,000)	Non-interest-bearing, unsecured, unguaranteed and payable in cash upon demand at gross amount.
Redemption of preferred shares (f)	-	446,057	2,022,119,400	446,057	
		(20,973,943)		(20,973,943)	
Shareholders					
Cash dividends (g)					
	-	(75,005,271)	(4,448,569,564)	(81,208,807)	Outstanding balance is payable in cash on pay-out date as approved by the Company's BOD, non-interest-bearing, unsecured, and unguaranteed.

Related party	2025		2024		Terms and conditions
	Transactions	Outstanding receivable (payable)	Transactions	Outstanding receivable (payable)	
Key management personnel (h) Salaries and other short-term employee benefits	(2,855,251)	-	(2,264,809)	-	Outstanding balance is payable every designated period per employee contracts, non-interest-bearing, unsecured, and unguaranteed.
Bonuses and allowances	(2,054,000)	(1,464,679)	(1,586,513)	(689,569)	

- (a) The Parent Company provided operating advances for expenses to subsidiaries, associates, joint venture, shareholders and entities under common control in 2025 and 2024. These operating advances represent expenses incurred in the normal operations. These are recharged at cost.
- (b) OKEP, OVI and ORDC declared and paid cash dividends to the Parent Company on February 2 and February 12, 2024, respectively (Note 6).
- (c) On February 2, 2024, the Parent Company's BOD approved of the acceptance of OKEP and OVI's redemption of 3,128,722 and 4,800,000 preferred shares, respectively, held by the Parent Company at a redemption price equivalent to the issue price of P10.00 per share. The Parent Company collected redemption price from OKEP and OVI amounting to P31.3 million and P48.0 million, respectively, on February 12, 2024.
- (d) OKEP, OVI and ORDC declared liquidating dividends of P78.6 million to the Parent Company on October 1, 2025 (Note 6). The liquidating dividends were paid on October 3, 2025.
- (e) In 2010, the Parent Company redeemed its preferred shares from KML in which final withholding tax was withheld and remitted to the BIR. In May 2022, the BIR issued a tax credit certificate under the name of the Parent Company and as a result, the Parent Company recognized the amount as tax credit (Note 4) with a corresponding due to KML as agreed by the parties.
- (f) On May 22, 2024, the Parent Company redeemed KML's 59,474,100 redeemable preferred shares and paid in cash a redemption price of P10.00 per share plus an annual premium of 12% or P2,022.1 million.
- (g) On April 12, 2024, the Parent Company declared cash dividends amounting to P15.14 per common share or P4,448.6 million for shareholders of record as at April 29, 2024, due on May 22, 2024. The remaining dividends payable pertain to unclaimed cash dividends amounting to P74.5 million as at December 31, 2025 (2024 - P80.7 million), related to the April 12, 2024 declaration, and P0.5 million unclaimed cash dividends declared when the Parent Company's name was still Cebu Shipyard and Engineering Works, Inc., which are presented as part of "Accounts payable and other current liabilities".
- (h) There were neither share-based compensation, termination benefits nor other long-term benefits given to key management personnel as at and for the years ended December 31, 2025 and 2024. Bonuses and allowances are included in salaries, wages, and employee benefits presented under general and administrative expenses (Note 13). The related payable is included as part of Accrued expenses under Accounts and other payables (Note 10)

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

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

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

13 General and administrative expenses

The account for the years ended December 31 are as follows:

	Note	2025	2024
Salaries, wages, and employee benefits		6,449,021	5,101,238
Professional fees		4,387,740	12,903,237
Rentals		1,542,921	1,467,734
Transportation and travel		734,736	1,596,627
Repairs and maintenance		376,470	806,073
Membership dues		256,200	250,000
Staff creation and others		243,451	186,753
Postage, printing and advertising		208,442	263,622
Taxes and licenses		117,742	13,098,670
Insurance		116,391	102,697
Utilities		64,714	85,351
Depreciation	9	58,521	103,082
Bank and other charges		20,288	88,635
Supplies		9,120	14,459
Others		146,174	1,388,580
		14,731,931	37,456,758

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

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

14 Other income, net

The account for the years ended December 31 consist of:

	Notes	2025	2024
Foreign exchange gain	18.1a	2,412,479	119,599,674
Intercompany charges	12	129,434	288,312
Gain on reversal of liabilities	10	77,104	86,799
Write-off of creditable withholding taxes	4	(888,297)	-
Dividend income	6	-	946,083,200
Gain on investment in subsidiary and associates		33,767,677	6,546,025
Impairment loss on investments in subsidiary and associate	19	-	(65,877,221)
		35,498,397	1,006,726,789

15 Income taxes

The account for the years ended December 31 are as follows:

	2025	2024
Current	5,519,920	29,636,327
Deferred	168,161	2,119,705
	5,688,081	31,756,032

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

	2025	2024
Statutory income tax expense	11,403,418	280,147,377
Add (deduct) tax effects of:		
Final tax on interest income and franchise fee	4,840,436	27,141,191
Non-deductible expenses	283,937	2,435,001
Change in unrecognized deferred income tax assets on net operating loss carryover (NOLCO) and excess minimum corporate income tax (MCIT)	(4,627,909)	(3,616,868)
Income subjected to final tax	(6,211,801)	(37,829,869)
Non-taxable income	-	(236,520,800)
Effective income tax expense	5,688,081	31,756,032

(a) *Current income tax*

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

	2025	2024
Final tax	4,840,436	27,141,191
MCIT	679,484	2,495,136
	5,519,920	29,636,327

(b) *Deferred income tax*

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

	2025	2024
Deferred income tax liabilities		
Unrealized foreign exchange gain	609,159	440,998

Movements in net deferred income tax liability (asset), net, for the years ended December 31 are as follows:

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

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

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

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

Year incurred	Year of expiry	2025	2024
2020	2025	14,417,440	38,865,455
2021	2026	35,417,732	35,417,732
2022	2025	23,262,192	23,262,192
2023	2026	12,742,286	12,742,286
		85,839,650	110,287,665
Utilized		(19,465,579)	(24,448,015)
Expired		(18,214,053)	-
		48,160,018	85,839,650
Tax rate		25%	25%
Unrecognized DTA		12,040,005	21,459,913

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

The details of the unrecognized MCIT over the normal income tax are as follows:

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

16 Earnings per share

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

	2025	2024
Net income from operation	39,925,590	1,088,833,475
Divided by: Weighted average number of common shares issued and outstanding	293,828,900	293,828,900
Basic earnings per share	0.14	3.71

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

The weighted average number of shares outstanding as at December 31, 2025 and 2024 is computed as follows:

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

17 Segment Information

The Parent Company has only one segment.

Significant information on the reportable segment is as follows:

	2025	2024
Operating assets	612,619,815	581,391,691
Operating liabilities	117,171,314	125,868,780
Income from continuing operations	24,847,205	151,319,476
Other income, net	35,498,397	1,006,726,789
General and administrative expenses	(14,731,931)	(37,456,758)
Gain on investments in subsidiaries and associates	33,767,677	6,546,025
Segment net income	39,925,590	1,088,833,475

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

There is no need to present reconciliation since the Parent Company's operating assets, operating liabilities, income from continuing operations, other income, cost and expenses and segment net loss pertains to a single operating segment.

18 Financial risk and capital management

18.1 Financial risk management

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

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

(a) Foreign currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Parent Company's exposure to foreign currency arises from its short-term deposits in US dollars.

The Parent Company's foreign currency-denominated monetary assets as at December 31 are as follows:

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

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

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

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

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

The sensitivity to a reasonably possible change of 0.05% in 2025 (2024 – 2.12%) in the Philippine Peso against US Dollars exchange rate, with all other variables held constant, of the Parent Company's income before tax is +/- P90.2 thousand (2024 - +/- P3.8 million). The Company determined the reasonable possible change using the 12-month historical volatility of US Dollar to Philippine Peso spot changes to December 31, 2025 and 2024. There is no impact on the Parent Company's equity other than those already affecting the net income

(b) Price risk

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

(c) Interest rate risk

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

(d) Credit risk

Credit risk arises when the counterparty to a financial asset of the Parent Company is unable to fulfill its obligation at the time the obligation becomes due. Credit risk arises from the Parent Company's financial assets, which comprise of cash and cash equivalents, receivables, amounts due from related parties, financial assets at FVOCI and refundable deposits. As at December 31, 2025 and 2024 the carrying values of the Parent Company's financial instruments represent maximum exposure to credit risk at reporting date due to their short-term nature.

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

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

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

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

		Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
2025					
Cash and cash equivalents	(i)	556,800,797	-	-	556,800,797
Receivables	(ii)	2,729,954	-	-	2,729,954
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits	(iv)	238,656	-	-	238,656
		559,994,407	-	-	559,994,407
2024					
Cash and cash equivalents	(i)	469,384,511	-	-	469,384,511
Receivables	(ii)	1,783,613	-	-	1,783,613
Due from related parties	(ii)	174,309	-	-	174,309
FVOCI	(iii)	225,000	-	-	225,000
Refundable deposits	(iv)	238,656	-	-	238,656
		471,806,089	-	-	471,806,089

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

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

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

The loss allowance for receivables and due from related parties as at December 31 was determined as follows:

	Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
2025				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	2,729,954	-	-	2,729,954
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-

	Stage 1 - Performing	Stage 2 - Under- performing	Stage 3 - Non- performing	Total
<i>2024</i>				
Expected loss rate	0.00%	0.00%	0.00%	
Receivables	1,783,613	-	-	1,783,613
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Due from related parties	174,309	-	-	174,309
Loss allowance	-	-	-	-
Expected loss rate	0.00%	0.00%	0.00%	
Financial asset at FVOCI	225,000	-	-	225,000
Loss allowance	-	-	-	-

(i) Cash and cash equivalents and accrued interest

The Parent Company maintains its deposits with reputable banks and financial institutions. For banks and financial institutions, only independently rated parties with good, if not the highest credit ratings, are accepted such as universal and commercial banks as defined by the Philippine Banking System. Cash in bank of the Parent Company is with a universal bank as at December 31, 2025 and 2024. Cash and cash equivalents and related accrued interest have minimal exposure to credit risk as the Parent Company only transacts with reputable banks and financial institutions and is considered performing.

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

(ii) Receivables and due from related parties

Accrued interest

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

Receivables from related parties

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

The maximum credit risk exposure is equal to the carrying amount as at December 31, 2025 and 2024.

Other receivables

As at December 31, 2025 and 2024, other receivables are classified as fully performing and no history of default. None of the financial assets that are fully performing has been renegotiated in the last year.

(iii) Financial asset as FVOCI

Financial asset at FVOCI consist primarily of redeemable preference shares. Financial asset at FVOCI is reported at their carrying amounts which are assumed to approximate their fair values (Note 18.2).

There is no significant credit exposure on financial asset at FVOCI as the redeemable preferred shares were redeemed at cost in 2024.

(iv) Refundable deposits

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

(e) Liquidity risk

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

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

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

	On demand	Less than 3 months	More than 3 months to 1 year	More than one year	Total
<i>December 31, 2025</i>					
Accrued expenses and other current liabilities	75,005,271	3,684,674	-	-	78,689,945
Due to related parties	20,973,943	-	-	-	20,973,943
	95,979,214	3,684,674	-	-	99,663,888
<i>December 31, 2024</i>					
Accrued expenses and other current liabilities	81,208,807	2,737,500	-	-	83,946,307
Due to related parties	20,973,943	-	-	-	20,973,943
	102,182,750	2,737,500	-	-	104,920,250

Accounts payable and other current liabilities exclude taxes payable.

18.2 Fair value estimation

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

The financial assets pertaining to investments in preferred equity shares and unquoted club shares are valued at FVOCI. Based on the Parent Company's assessment, cost represents the best estimate of fair value as the instruments are unquoted securities (Note 19.2).

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

Fair value hierarchy

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

For the years ended December 31, 2025 and 2024, there are no financial assets categorized as Level 1 and Level 2 and no transfers in and out of Level 3 fair value measurement.

18.3 Capital management

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

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

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

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

The percentages of debt to equity as of December 31:

	2025	2024
Liabilities	117,171,314	125,868,780
Equity	495,448,501	455,522,911
Percentage of debt-to-equity	23.65%	27.63%

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

19 Critical accounting estimates, assumptions and judgments

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

19.1 Critical accounting estimates and assumptions

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

(a) *Assessment of impairment of investments in subsidiaries and associates (Note 6)*

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

SEC approved the subsidiary and associates' cessation of business operations through shortening of corporate term until January 31, 2025 and September 30, 2025, respectively (Note 1). Consequently, the Parent Company assessed its investments in a subsidiary and associates for impairment due to the planned cessation of business operations (Note 6). The recoverable amount was determined using the value-in-use as there was no active market for the investment and the fair value could not be reliably measured. The value-in-use was calculated based on projected future cash flows which significantly comprised the cash balance at the beginning of the year, the group's share in net income or loss and expected liquidating dividend based on the subsidiary and associates' net asset value and cash balance upon cessation of business operations. Discount rate was not applied in the value-in-use as the estimated cash flows are predictable and expected to be realized in less than one year. Since the associates will cease operations, no terminal value was considered and no future cash flows were assumed beyond the closure date. The value-in-use calculation are not materially sensitive to changes in light of predictability and short time horizon of cash flows.

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

(b) Useful lives of property and equipment and right-of-use asset (Note 9)

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

There were no changes in the estimated useful lives of the Parent Company's property and equipment.

19.2 Critical accounting estimates, assumptions and judgments

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

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

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

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

The amount and timing of recorded expenses for any period would differ if the Parent Company made different judgments or utilized different estimates. An increase in the Parent Company's allowance for doubtful accounts on receivables would increase the Parent Company's recorded expenses and decrease current assets.

No allowance for impairment loss has been provided for by the Parent Company's receivables and due from related parties as at December 31, 2025 and 2024 as these receivables and due from related parties are fully recoverable.

(b) Assessment of significant influence and joint control

The Parent Company has determined that it has no control over its investments in associates as it has no power over these investees or it is not exposed or does not have rights to variable returns from its involvement with these investees and it does not have the ability to effect the amount of these variable returns. However, the Parent Company determined that it has significant influence over these investments, thus these investments are classified as associates and is continuously accounted for by the Parent Company using the cost method in its separate financial statements.

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

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

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

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

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

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

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

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

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

The amount of unrecognized deferred income tax assets amounted to P15.7 million as at December 31, 2025 (2024 - P24.9 million).

(e) Lease commitments - the Parent Company as lessee

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

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The Parent Company considers the factors below as the most relevant in assessing the options:

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

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

(f) Recoverability of tax credit, creditable withholding taxes and input VAT

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

20 Summary of material accounting policies

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

20.1 Basis of preparation

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

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

The financial statements of the Company have been prepared on historical cost basis, except for financial assets at FVOCI.

The preparation of separate financial statements in conformity with PFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Parent Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the separate financial statements are disclosed in Note 19.

The Parent Company has also prepared consolidated financial statements in accordance with PFRS for the Parent Company and its subsidiaries (the "Group"). In the consolidated financial statements, subsidiary undertakings - which are those companies in which the Group, directly or indirectly, has an interest of more than half of the voting rights or otherwise has power to exercise control over the operations - have been fully consolidated, while associates and joint venture are accounted for using the equity method.

Users of these separate financial statements should read them together with the Group's consolidated financial statements as at and for the years ended December 31, 2025 and 2024 in order to obtain full information on the financial position, results of operations and changes in equity of the Parent Company and its subsidiaries as a whole. The consolidated financial statements of the Group can be obtained from SEC or from the Parent Company's website: www.keppelland.com.ph.

Changes in accounting policy and disclosures

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

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

- Lack of Exchangeability - Amendments to PAS 21;

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

The adoption of the above amendment did not result in a material impact to the separate financial statements of the Parent Company.

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

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

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

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

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

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

The Parent Company does not expect the amendment to have a significant impact to the Parent Company's separate financial statements.

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

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

Management is currently assessing the detailed implications of applying the new standard on the Parent Company's separate financial statements.

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

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

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

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

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

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

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

The new standards and amendments are effective for annual reporting periods beginning on or after January 1, 2026, and must be applied retrospectively. The Parent Company does not expect the amendment to have a significant impact to the Parent Company's separate financial statements, except for PFRS 18.

20.2 Financial instruments

Financial assets

(a) Classification

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

(i) Amortized cost

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

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

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

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

(ii) FVOCI

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

(b) Recognition and measurement

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

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

(i) Amortized cost

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

(ii) Equity investments

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

(c) Impairment

Receivables and due from related parties

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

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

Equity investments

The Parent Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For equity investments, a significant (more than 10%) or prolonged (more than 12 months) decline in the fair value of investment below its cost is also evidence that the assets are impaired.

Financial liabilities

(a) Classification

The Parent Company classifies its financial liabilities in the following categories: financial liabilities at FVTPL (including financial liabilities held for trading and those that designated at fair value); and other financial liabilities. As at December 31, 2025 and 2024, the Parent Company's financial liabilities are limited to other financial liabilities at amortized cost.

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

The Parent Company's accounts payable and other current liabilities (excluding payable to government agencies), and due to related parties are classified under other financial liabilities at amortized cost.

(b) Recognition and measurement

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

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

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

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

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

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

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

(a) Financial assets and liabilities

The fair value for financial instruments traded in active markets at the end of the reporting period is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. When current market prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, option pricing models, and other relevant valuation models.

(b) Non-financial assets

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

Fair value hierarchy

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

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

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

20.4 Other current assets

(a) Creditable withholding taxes

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

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

(b) Tax credit

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

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

(c) Input VAT

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

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

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

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

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

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

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

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

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

20.6 Investments in subsidiaries and associates

A subsidiary is an entity in which the Parent Company exercises control over the operations and management of the subsidiary. The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

An investor controls an investee if and only if the investor has power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns.

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

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

The Parent Company's investments in subsidiaries and associates are accounted for under the cost method of accounting, and are carried in the statement of financial position at cost less any impairment in value.

The Parent Company recognizes income from the investment only to the extent that the Parent Company receives distribution from accumulated profits of the subsidiaries and associates arising after the date of acquisition. Distributions received in excess of such profits are recognized as recovery of investment and are recognized as reduction of the cost of the investment.

The reporting dates of the subsidiaries and associates are identical and the accounting policies of the subsidiaries and associates conform to those used by the Parent Company for like transactions and events in similar circumstances.

Upon cessation of business operation of a subsidiary or an associate, the Parent Company loses control or significant influence and derecognizes the carrying amount of the investments in subsidiaries or associates. Any difference between the liquidating dividends received and the carrying amount of the investments in subsidiaries or associates upon the cessation of business operation is recognized in profit or loss.

20.7 Property and equipment

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

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

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

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

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

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

20.8 Impairment of non-financial assets

Property and equipment, net and right of use asset

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

Investments in associates and joint venture

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

20.9 Provisions and contingencies

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

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

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

20.10 Revenue recognition

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

Interest income

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

Other income

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

Dividend income

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

20.11 Equity

(a) Share capital

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

(b) Share premium

Share premium represents capital contribution in excess of par value of the share capital.

(c) Redeemable preference shares

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

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

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

(d) Accumulated premium

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

(e) Remeasurement

Reserves pertaining to other comprehensive income comprises items of income and expense (including items previously presented under the statement of changes in equity) that are not recognized in the statement of comprehensive income for the year in accordance with PFRS. Other comprehensive income includes remeasurement gains or losses on retirement benefits.

(f) Treasury shares

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

(g) Dividend distribution

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

(h) Earnings per share

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

20.12 Leases

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

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

20.13 Employee benefits

(a) Short-term employee benefits

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

20.14 Current and deferred income tax

(a) Current income tax

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

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

(b) Deferred income tax

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

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

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

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

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

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

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

(c) VAT

Revenue, expenses and assets are recognized net of the amount of VAT except:

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

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

20.15 Related party relationships and transactions

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

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party regardless of whether a price is charged or not.

Related party transactions are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

20.16 Basic earnings per share (EPS)

EPS is computed by dividing net income for the year attributable to common shareholders by the weighted average number of common shares issued and outstanding during the year, with retroactive adjustments for any stock dividends declared.

20.17 Operating segments

The Parent Company's operating businesses are organized and managed separately according to the nature of the services provided, with each segment representing a strategic business unit that offers different services and serves different markets.

20.18 Events after the reporting date

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

21 Supplementary information required by the Bureau of Internal Revenue

The following information are presented for the purpose of filing with the BIR pursuant to Revenue Regulation No. 15-2010 and are not required part of the basic financial statements.

(a) Output value-added tax (VAT)

Net Sales/Receipts and Output VAT declared in the VAT returns for 2025:

	Net sales/ receipts	Output VAT
Taxable sales:		
Sales of services (intercompany charges)	128,934	15,472

Taxable sales subject to 12% VAT shown above are based on gross receipts of the Parent Company for VAT purposes while gross revenues in the statement of total comprehensive income.

(b) Input VAT

Movements in input VAT for the year ended December 31, 2025 follow:

At January 1	652,706
Current year's domestic purchases/payments for:	
Domestic purchases of service	643,587
Goods other than capital goods	-
	1,296,293
Input VAT applied to Output VAT	(15,472)
At December 31	1,280,821

(c) Importations

The Parent Company had no import transactions for the year ended December 31, 2025.

(d) Excise tax

The Parent Company had no transactions during the year that is subject to excise tax.

(e) All other local and national taxes

All other local and national taxes paid and accrued for the period December 31, 2025 and recorded under taxes and licenses in the statement of total comprehensive income are as follows:

Local	
Mayor's permit	108,624
Community tax	5,118
	113,742
National	
Surcharge	4,000
Total	117,742

(f) Withholding taxes

Withholding taxes accrued and paid as at December 31, 2025 are as follows:

	Accrued	Paid	Total
Final withholding taxes	60,000	60,000	120,000
Withholding tax on compensation	614,612	678,803	1,293,415
Expanded withholding tax	63,728	332,558	396,286
Final withholding VAT	28,800	268,800	297,600
	767,140	1,340,161	2,107,301

The Company recorded creditable withholding tax amounting to P29.4 million for the year ended December 31, 2025 presented under "Other current assets" and "Other non-current assets" (Note 4).

(g) Tax assessments

The Parent Company's tax audit and its status are summarized as follows:

Taxable year	Status
2023	Letter of Authority was received from BIR on July 7, 2025 covering the tax audit on all internal revenue taxes. The audit is still in progress as at reporting date.

(h) Tax cases

There are no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside of the BIR as at December 31, 2025.

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

Reconciliation of Retained Earnings Available for Dividend Declaration
As at December 31, 2025
(All amounts in Philippine Peso)

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

Cont.

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