COVER SHEET

6 2 5 9 6

S.E.C Registration Number

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

(Company's Full Name)

UNIT 3B COUNTRY SPACE I BLDG. 133 SEN GIL PUYAT AVE. SALCEDO VIL. BRGY BEL AIR MAKATI CITY

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

Contact Person	Company Telephone Number
Alan I. Claveria/ Felicidad V. Razon	**8892 1816**

Month	Day	FORM TYPE	Month	Day
1 2	3 1	**SEC Form 17Q-June 2021**	0 6	1 8

Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

420 as of July 2021

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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

1. For the quarterly period ended **30 June 2021**

2. Commission identification number **62596**

3. BIR Tax Identification No. **000-163-715-000**

4. Exact name of issuer as specified in its charter
KEPPEL PHILIPPINES HOLDINGS, INC.

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

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office — Postal Code
Unit 3B, Country Space I Bldg., Sen. Gil Puyat Avenue Salcedo Village, Barangay Bel-Air, Makati City — **1200**

8. Issuer's telephone number, including area code
(632) 8892-18-16

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

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding
Common 'A'	**36,065,970**
Common 'B'	**21,552,349**
Total	**57,618,319 (Net of Treasury Shares of 15,555,181)**

11. Are any or all of the securities listed on the Philippine Stock Exchange?
Yes [/] No [ ]
If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Philippine Stock Exchange **Common Shares**

12. Indicate by check mark whether the registrant:
(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes [/] No [ ]
(b) has been subject to such filing requirements for the past ninety (90) days.
Yes [/] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

PART 1
FINANCIAL INFORMATION

1) **Financial Statements (see EXHIBIT 1)**

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

PART II
OTHER INFORMATION

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

NONE

EXHIBIT I

JUNE 2021
QUARTERLY REPORT

KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2021 & DECEMBER 31, 2020
(IN PHILIPPINE PESOS)

A S S E T S	**Unaudited June 30 2021**	Audited December 31 2020
Current assets		
Cash and cash equivalents (Notes 6 and 21)	**444,085,284**	80,366,937
Receivables – net (Notes 7, 15 and 21)	**252,451,454**	253,402,093
Other current assets - net (Note 8)	**3,329,310**	406,652
Total current assets	**699,866,048**	334,175,682
Non-current assets		
Financial assets at fair value through other comprehensive income, net (Note 9)	**40,000,000**	35,000,000
Investment in associates (Note 10)	**422,438,307**	419,061,368
Lease receivables – net of current portion (Notes 7 and 15)	**28,835,320**	29,234,655
Investment properties – net (Note 11)	**205,288,439**	205,288,439
Property and equipment - net (Note 12)	**1,779,418**	1,558,162
Intangible assets, net (Note 13)	**5,561,764**	6,079,372
Other noncurrent assets	**162,710**	4,140,710
Total non-current assets	**704,065,958**	700,362,706
Total assets	**1,403,932,006**	1,034,538,388

LIABILITIES AND EQUITY

Current liabilities		
Income tax payable (Note 23)	**57,321,705**	175,866
Accounts payable and other current liabilities (Note 14)	**47,150,135**	5,846,669
Refundable deposits	**93,982**	2,685,793
Total current liabilities	**104,565,822**	8,708,328
Noncurrent liabilities		
Retirement benefit liability, net (Note 16)	**2,383,717**	1,663,717
Deferred tax liability	**1,442,899**	1,466,007
Total noncurrent liabilities	**3,826,616**	3,129,724
Total liabilities	**108,392,438**	11,838,052
Equity		
Share capital (Note 17)	**73,173,500**	73,173,500
Share premium	**73,203,734**	73,203,734
Retained earnings (Note 18)	**769,164,457**	503,738,857
Investment revaluation reserve (Note 9)	**39,422,057**	34,422,057
Remeasurements on retirement benefit asset (Note 16)	**(948,862)**	(948,862)
Treasury shares (Note 18)	**(23,614,089)**	(23,614,089)
Total equity attributable to equity holders of the Parent	**930,400,797**	659,975,197
Non-controlling interests	**365,138,771**	362,725,139
Total equity	**1,295,539,568**	1,022,700,336
Total liabilities and equity	**1,403,932,006**	1,034,538,388

See accompanying Notes to Consolidated Financial Statements

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CONSOLIDATED STATEMENTS OF INCOME
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020
(IN PHILIPPINE PESOS)
(UNAUDITED)

	Second Quarter April to June		To – Date January to June	
	2021	2020	**2021**	2020
Revenue and other income				
Gain on sale of land rights (Note 23)	**352,731,187**	**-**	**352,731,187**	**-**
Interest income (Notes 6 and 7)	**2,375,725**	**3,421,859**	**4,567,647**	**7,010,302**
Rental income (Notes 11 and 15)	**1,550,254**	**8,142,082**	**4,384,924**	**17,171,161**
Equity in net earnings of associates (Note 10)	**1,641,412**	**1,766,898**	**3,376,939**	**4,518,576**
Payroll service fees (Note 15)	**905,571**	**-**	**1,531,161**	**-**
Management fees (Note 15)	**189,000**	**189,000**	**378,000**	**378,000**
Others (Note 15)	**893,184**	**4,106**	**909,390**	**23,573**
	360,286,333	**13,523,945**	**367,879,248**	**29,101,612**
Operating expenses (Note 17)	**(7,256,861)**	**(6,889,623)**	**(13,993,595)**	**(13,564,423)**
Income before income tax expense	**353,029,472**	**6,634,322**	**353,885,653**	**15,537,189**
Income tax expense (Note 23)	**(85,596,484)**	**(595,424)**	**(85,801,421)**	**(1,231,456)**
Net income for the period	**267,432,988**	**6,038,898**	**268,084,232**	**14,305,733**
Attributable to:				
Equity holders of the parent	**264,152,552**	**4,552,497**	**265,670,600**	**10,564,089**
Noncontrolling interests	**3,280,436**	**1,486,401**	**2,413,632**	**3,741,644**
	267,432,988	**6,038,898**	**268,084,232**	**14,305,733**
Earnings Per Share Attributable to Equity Holders of the Parent	**₱4.585**	₱0.079	**₱4.611**	₱0.183

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020
(IN PHILIPPINE PESOS)
(UNAUDITED)

	Second Quarter		To - Date	
	April to June		January to June	
	2021	2020	**2021**	2020
NET INCOME	**267,432,988**	6,038,898	**268,084,232**	14,305,733
OTHER COMPREHENSIVE INCOME				
Item that may be reclassified to profit and loss:				
Unrealized fair value gain (loss) on available-for-sale financial assets (Note 9)	**4,500,000**	(1,000,000)	**5,000,000**	(1,000,000)
TOTAL COMPREHENSIVE INCOME	**271,932,988**	5,038,898	**273,084,232**	13,305,733
ATTRIBUTABLE TO:				
Equity holders of the parent	**268,652,552**	3,552,497	**270,670,600**	9,564,089
Noncontrolling interest	**3,280,436**	1,486,401	**2,413,632**	3,741,644
	271,932,988	5,038,898	**273,084,232**	13,305,733

See accompanying Notes to Consolidated Financial Statements

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KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020
(UNAUDITED)
IN PHILIPPINE PESOS

	Attributable to equity holders of the Parent								
	Share capital *(Note 17)*	Share premium *(Note 17)*	Retained earnings *(Note 18)*	Investment revaluation reserve *(Note 9)*	Remeasurements on retirement benefit asset *(Note 16)*	Treasury shares *(Note 18)*	Total	Non-controlling interests	Total equity
Balance as of January 1, 2021	**73,173,500**	**73,203,734**	**503,738,857**	**34,422,057**	**(948,862)**	**(23,614,089)**	**659,975,197**	**362,725,139**	**1,022,700,336**
Comprehensive income									
Net income (loss)	-	-	**265,670,600**	-	-	-	**265,670,600**	**2,413,632**	**268,084,232**
Other comprehensive income	-	-	-	**5,000,000**	-	-	**5,000,000**	-	**5,000,000**
Total comprehensive income	-	-	**265,670,600**	**5,000,000**	-	-	**270,670,600**	**2,413,632**	**273,084,232**
Transaction with the owners									
Purchase of treasury shares	-	-	-	-	-	-	-		-
Cash dividend declared	-	-	**(245,000)**	-	-	-	**(245,000)**	-	**(245,000)**
Balance as of June 30, 2021	**73,173,500**	**73,203,734**	**769,164,457**	**39,422,057**	**(948,862)**	**(23,614,089)**	**930,400,797**	**365,138,771**	**1,295,539,568**
Balance as of January 1, 2020	73,173,500	73,203,734	489,293,344	36,422,058	184,932	(22,628,577)	649,648,991	366,446,360	1,016,095,351
Comprehensive income									
Net income for the period	-	-	10,564,089	-	-	-	10,564,089	3,741,644	14,305,733
Other comprehensive income			-	(1,000,000)	-	-	(1,000,000)	-	(1,000,000)
Total comprehensive income		-	10,564,089	(1,000,000)	-	-	9,564,089	3,741,644	13,305,733
Transaction with the owners									
Purchase of treasury shares	-	-	-	-	-	(985,512)	(985,512)		(985,512)
Cash dividend declared	-	-	-	-	-	-	-	-	-
Balance as of June 30, 2020	73,173,500	73,203,734	499,857,433	35,422,058	184,932	(23,614,089)	658,227,568	370,188,004	1,028,415,572

See Accompanying Notes to Consolidated Financial Statements

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KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2021 AND 2020
(IN PHILIPPINE PESOS)
(UNAUDITED)

	June 30 2021	June 30 2020
Cash flows from operating activities		
Income before income tax expense	**353,885,653**	15,537,189
Adjustments for:		
Retirement plan benefit	**720,000**	-
Depreciation and amortization (Notes 11, 12, 13 and 19)	**691,352**	54,288
Equity in net earnings of associates (Note 10)	**(3,376,939)**	(4,518,576)
Interest income (Notes 6, 7 and 15)	**(4,567,647)**	(7,010,302)
Provision for impairment losses – net (Note 7 and 8)	**(6,203,888)**	824,827
Gain on sale of land rights (Note 23)	**(352,731,187)**	-
Operating income (loss) before working capital changes	**(11,582,656)**	4,887,426
Decrease (increase) in:		
Receivables	**1,558,478**	(12,762,270)
Other assets	**3,149,230**	(2,833,250)
Increase (decrease) in:		
Accounts payable and other current liabilities	**41,303,466**	2,236,085
Refundable deposits	**(2,591,811)**	1,060,662
Net cash generated from operations	**31,836,707**	(7,411,347)
Income tax paid	**(28,678,690)**	(1,327,366)
Net cash provided by (used in) operating activities	**3,158,017**	(8,738,713)
Cash flows from investing activities		
Proceeds from sale of land rights	**356,821,187**	-
Interest received	**4,379,143**	7,035,511
Collection of loan receivable from related party	**-**	10,000,000
Acquisition of equipment	**(395,000)**	-
Net cash provided by investing activities	**360,805,330**	17,035,511
Cash flows from financing activities		
Cash dividend declared and paid	**(245,000)**	-
Repurchase of shares	**-**	(985,512)
Net cash provided by (used in) financing activities	**(245,000)**	(985,512)
Net increase (decrease) in cash and cash equivalents	**363,718,347**	7,311,286
Cash and cash equivalents at the beginning of the period	**80,366,937**	50,687,233
Cash and cash equivalents at the end of the period (Note 6)	**444,085,284**	57,998,519

See accompanying Notes to Consolidated Financial Statements

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KEPPEL PHILIPPINES HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in Philippine Pesos)

1. **Corporate Information**

Keppel Philippines Holdings, Inc. (KPHI or the Parent Company) and its subsidiaries, KPSI Property, Inc. (KPSI) and Goodwealth Realty Development Corporation (GRDC), including GRDC's subsidiary, Goodsoil Marine Realty, Inc. (GMRI) (collectively referred to as "the Group"), are incorporated in the Philippines. The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on July 24, 1975 with registered office address is Unit 3-B Country Space 1 Building, 133 Sen. Gil Puyat Avenue, Salcedo Village, Barangay Bel-Air, Makati City. The Parent Company is involved in investment holding while the subsidiaries are in the real estate industry.

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

KPHI's shares are publicly traded in the Philippine Stock Exchange (PSE). As of June 30, 2021 and December 31, 2020, the top three (3) shareholders are the following:

	Percentage of Ownership
Kepwealth, Inc.	53.0%
Keppel Corporation Limited (KCL)	29.3%
Public	17.7%

As at June 30, 2021 and December 31, 2020, the following are the Parent Company's subsidiaries which all belong to the real estate industry:

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

GRDC is 44% owned by Keppel Philippines Marine, Inc. Retirement Plan (KPMIRP) and 5% by Keppel Philippines Marine, Inc. (KPMI). GRDC owns 93.7% of GMRI, thus, KPHI has 51% effective ownership on GMRI, including its 3.2% separate interest in GMRI.

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

The Parent Company has 6 regular employees as at June 30, 2021 and December 31, 2020. The administrative functions of the subsidiaries are handled by the Parent Company's management.

Impact of Coronavirus Disease-2019
Subsequent to the outbreak of the Coronavirus Disease 2019 ("COVID-19") since the first quarter of 2020, a series of measures to curb the pandemic have been and continues to be implemented in the Philippines.

As a result of the implementation of the community quarantine, the Group has extended lease concessions to its related party lessees (Note 15). One of the Group's third-party lessees experienced difficulties in meeting obligations to the Group which resulted in the termination of its lease contract. Consequently, the Group incurred impairment loss amounting to P0.1 million in 2020 (Note 7). This was recovered as of June 30, 2021. Management continues to implement measures to mitigate and reduce any negative impact to its profitability or any other economic effects on its business. Measures have likewise been undertaken to preserve the health and safety of its employees and other stakeholders. Management is closely monitoring the status of the pandemic and its related impact on its business operations. As of June 30, 2021, management is continuously assessing the impact of the pandemic and deems that the entities in the Group will continue to operate as going concern within the year.

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2. Basis of Preparation and Statement of Compliance

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

The unaudited consolidated financial statements have been prepared on a historical cost basis, except for financial asset at FVOCI and the retirement benefit asset recognized as the total of the fair value of plan assets less the present value of the defined benefit obligation.

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

<u>Basis of Consolidation</u>
The unaudited consolidated financial statements comprise the separate financial statements of the Parent Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent company, using consistent accounting policies. The Group uses uniform accounting policies; any difference between subsidiaries and Parent Company are adjusted properly.

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

Assessment of Control
The Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

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

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

The Parent Company re-assesses whether 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. Non-controlling interests (NCI) pertain to the equity in a subsidiary not attributable, directly, or indirectly to the Parent Company. NCI represent the portion of profit or loss and the net assets not held by the Group and are presented separately in the consolidated statements of income and consolidated statement of comprehensive income and within equity in the consolidated statement of financial position and consolidated statement of changes in equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if it results in the NCI having a deficit balance. Acquisitions of NCI are accounted for using the acquisition method, whereby the Group considers the acquisition of NCI as an equity transaction. Any premium or discount on subsequent purchases from NCI shareholders is recognized directly in equity and attributed to the owners of the parent. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an acquisition. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit and loss

- Reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit of loss or retained earnings, an appropriate as would be required if the Group had directly disposed of the related assets and liabilities

As of June 30, 2021 and December 31, 2020, NCI pertains to 44% and 5% ownership of KPMIRP and KPMI, respectively in GRDC.

The financial information of GRDC and its wholly owned subsidiary, GMRI is provided below. This information is based on amounts before inter-company elimination.

	June 30, 2021 (Unaudited)			December 31, 2020 (Audited)		
	GRDC	GMRI	Total	GRDC	GMRI	Total
Current assets	535,166	85,139,388	85,674,554	995,403	83,144,844	84,140,247
Noncurrent assets	3,247,162	569,810,259	573,057,421	3,248,792	570,309,858	573,558,650
Total assets	3,782,328	654,949,647	658,731,975	4,244,195	653,454,702	657,698,897
Current liabilities	80,933	418,616	499,549	98,168	394,036	492,204
Noncurrent liabilities	-	1,484,839	1,484,839	-	1,507,947	1,507,947
Total liabilities	80,933	1,903,455	1,984,388	98,168	1,901,983	2,000,151
Revenue and income	125,762	4,549,046	4,674,808	548,284	19,614,975	20,163,259
Income before income tax	60,672	1,740,578	1,801,250	418,462	14,220,448	14,638,910
Net income and total comprehensive income	55,368	1,493,472	1,548,840	383,463	13,147,544	13,531,007
Cash flows from:						
Operating activities	2,502	(900,333)	(897,831)	44,401	2,693,862	2,738,263
Investing activities	-	821,947	821,947	273,513	21,966,822	22,240,335
Financing activities	(500,000)	-	(500,000)	-	(20,000,000)	(20,000,000)
Net increase (decrease) in cash and cash equivalents	(497,498)	(78,386)	(575,884)	317,914	4,660,684	4,978,598
Accumulated balance of material NCI	-	365,138,771	365,138,771	-	362,725,139	362,725,139
Net income attributable to material NCI	-	2,413,632	2,413,632	-	5,933,587	5,933,587

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

3. Summary of Changes in Significant Accounting Policies and Disclosures

There are no new standards, amendments to existing standards, and interpretations that are effective for the annual periods as at January 1, 2021, which would have a significant impact or are considered relevant to the Group's consolidated financial statements

4. Significant Accounting Policies

The Group's disclosures on significant accounting principles and policies and practices are substantially the same with the disclosures made on December 31, 2020 audited financial statements and for the period ended June 30, 2021. Any additional disclosures on the significant changes of accounts and subsequent events are disclosed in the succeeding notes and presented in the Management Discussion and Analysis.

5. Significant Accounting Judgment, Estimates and Assumptions

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

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

As of June 30, 2021, there were no judgment, seasonal or cyclical aspects that materially affect the operation of the Group, no substantial nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in the estimates of amounts reported in December 31, 2020 audited financial statements, and no unusual items that materially affect the Group's assets, liabilities, equity, net income or cash flows.

6. Cash and Cash Equivalents

This account consists of:

	Unaudited June 30 2021	Audited December 31 2020
Cash in banks	**8,278,103**	13,638,056
Cash equivalents	**435,807,181**	66,728,881
	444,085,284	80,366,937

Cash in banks earn interest at the prevailing bank deposit rates. Cash equivalents are short-term investments which are placed in financial institutions for varying periods of up to three (3) months depending on the immediate cash requirements of the Group and earned interest at annual interest that ranged from 0.4% to 0.6% during the first half of 2021 and 2.5% to 3.6% in 2020.

Interest income earned from cash and cash equivalents amounted to ₱0.2 million for the period ended June 30, 2021 (2020 – ₱0.6 million). Accrued interest receivable from cash and cash equivalents amounted to ₱0.01 million on June 30, 2021 (December 31, 2020 – ₱0.03 million).

7. Receivables - Net

This account consists of:

	Unaudited June 30 2021	Audited December 31 2020
Loan receivable from a related party (Note 15)	**250,000,000**	250,000,000
Lease receivables:		
Related parties	**28,719,664**	30,158,922
Others	**-**	849,607
Interest receivable (Note 15)	**1,329,064**	1,140,560
Due from related parties (Note 15)	**878,189**	619,659
Others	**744,769**	384,912
	281,671,686	283,153,660
Less allowance for doubtful accounts	**(384,912)**	(516,912)
	281,286,774	282,636,748
Less non-current portion:		
Lease receivables (Note 14)	**(28,835,320)**	(29,234,655)
	252,451,454	253,402,093

Movements in allowance for impairment related to lease receivables from third parties, non-trade and other receivables for the periods are as follows:

	Unaudited June 30 2021	Audited December 31 2020
January 1	516,912	2,152,580
Provision (recovery)	(132,000)	132,000
Write-off	-	(1,767,668)
	384,912	516,912

The loan receivables from a related party pertains to unsecured, short-term interest-bearing loans obtained by KPMI, an entity under common control, from the Parent Company, GMRI and KPSI. (see Note 15)

Current portion of lease receivables and due from related parties are non-interest bearing and are generally 30 to 60-day terms. The noncurrent portion of lease receivables pertains to the difference between straight line method and contractual annual rents. These amounts are expected to reverse more than one (1) year from financial reporting date.

Interest receivable represents the Group's accrued interest on cash and cash equivalents and loan receivables.

Due from related parties representing receivables relating to reimbursement of expenses, is non-interest bearing and is due and demandable.

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As at December 31, 2019, non-trade receivables pertain to deposit to a seller of a parcel of land, the title of which has not been transferred to the Group. The receivable was fully provided with allowance for impairment since 2003. In 2020, the Group wrote off the full amount as it deems it can no longer recover the balance after exhausting collection efforts.

The Group also recognized provision for impairment of lease receivable amounting to P0.1 million in 2020 pertaining to credit-impaired accounts from a third-party customer due to the latter's difficulty in meeting obligations to the Group in light of COVID-19. COVID-19 had no impact on other receivables of the Group. This provision has been recovered during the period ended June 30, 2021.

8. Other Current Assets – Net

This account consists of:

	Unaudited June 30 2021	Audited December 31 2020
Prepaid expenses	**2,254,043**	5,800
Input VAT	**442,800**	396,000
Advances to employees	**310,225**	209,378
Creditable withholding taxes (CWT)	**81,112**	6,071,888
Deposits	**29,630**	29,630
Others	**607,500**	161,844
	3,725,310	6,874,540
Less allowance for impairment loss	**(396,000)**	(6,467,888)
	3,329,310	406,652

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

Unaudited June 30, 2021	**Input VAT**	**CWT**	**Total**
Balance at the beginning of the period	**396,000**	**6,071,888**	**6,467,888**
Provision for the period	**-**	**-**	**-**
Recovery of provision	**-**	**(6,071,888)**	**-**
Net provision (recovery)	**-**	**(6,071,888)**	**(6,071,888)**
Balance at the end of the period	**396,000**	**-**	**396,000**

Audited December 31, 2020	Input VAT	CWT	Total
Balance at the beginning of the period	302,400	6,872,975	7,175,375
Provision for the year	93,600	2,846,676	2,940,276
Recovery of provision	-	(3,647,763)	(3,647,763)
Net provision (recovery)	93,600	(801,087)	(707,487)
Balance at the end of the period	396,000	6,071,888	6,467,888

On December 31, 2020, the Group recovered CWT amounting to ₱3.6 million and such was applied against income tax due. The provision as of December 31, 2020 amounting to ₱6.1 million was fully recovered as of June 30, 2021.

9. Financial Assets through Other Comprehensive Income

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

	Unaudited June 30 2021	Audited December 31 2020
Original cost	**316,004**	316,004
Accumulated revaluation		
Beginning	**34,683,996**	36,683,997
Unrealized fair value gain (loss)	**5,000,000**	(2,000,001)
End	**39,683,996**	34,683,996
Balance at the end of the period	**40,000,000**	35,000,000

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

	Unaudited June 30 2021	Audited December 31 2020
Balance at the beginning of the period	**34,422,057**	36,422,058
Fair value gain (loss)	**5,000,000**	(2,000,001)
Balance at the end of the period	**39,422,057**	34,422,057

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

10. Investment in Associates – at Equity

This account consists of:

	Unaudited June 30 2021	Audited December 31 2020
Investment in associate - CLI	**337,596,800**	337,596,800
Accumulated share in net income:		
Balance at beginning of the period	**81,464,568**	82,589,888
Equity in net earnings of associate	**3,376,939**	7,607,779
Cash dividend received	**-**	(8,733,099)
Balance at end of the period	**84,841,507**	81,464,568
	422,438,307	419,061,368

Investment in associate as at June 30, 2021 and December 31, 2020 consists of GMRI's 25% investment or 17,466,196 shares out of 70,000,000 shares in CLI, a company incorporated in the Philippines. CLI is involved in property leasing and power distribution located at Cabangaan Point, Cawag, Subic, Zambales.

KPMI has a Share Purchase Agreement with GMRI for the transfer of 2,950,000 shares dated September 6, 2012. As at March 1, 2021, the Bureau of Internal Revenue issued the Certificate Authorizing Registration for the 2,950,000 shares in favor of GMRI.

GMRI received cash dividend from CLI amounting to ₱8.7 million as of December 31, 2020.

CLI's financial information for the periods ended June 30, 2021 and December 31, 2020 follows:

	Unaudited June 30 2021	Audited December 31 2020
Current assets	**72,441,657**	56,504,559
Noncurrent assets	**266,973,376**	267,883,671
Total assets	**339,415,033**	324,388,230
Current liabilities	**21,609,689**	20,090,643
Non-current liabilities	**2,180,246**	2,180,246
Total liabilities	**23,789,935**	22,270,889
Net assets	**315,625,098**	302,117,341
Revenue	**67,033,524**	144,714,466
Income before income tax	**14,625,633**	32,591,942
Net income and total comprehensive income	**13,507,757**	30,431,116

The Group share in the net assets of CLI amounted to ₱78.9 million as at June 30, 2021 (December 31, 2020 – ₱75.5 million).

The non-current assets of CLI represent prime lots held for appreciation, which are carried at cost. The fair value of the property is ₱2.5 billion as at December 31, 2020 based on the latest valuation report of an independent appraiser.

For the period ended June 30, 2021 and 2020, the Group's equity in net earnings of CLI amounted to ₱3.4 million and ₱4.5 million, respectively. No dividend declared and paid by CLI both for the periods ended June 30, 2021 and 2020.

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The difference between the share in net asset and carrying amount of the investment amounting to ₱422.4 million as of June 30, 2021 pertains to fair value adjustments on land holdings of CLI (December 31, 2020 - ₱419.1 million).

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

11. Investment Properties - Net

This account consists of:

Unaudited June 30, 2021 and Audited December 31, 2020

	Land	Condominium Units	Total
Cost	**205,288,439**	**3,689,178**	**208,977,617**
Accumulated depreciation	**–**	**3,689,178**	**3,689,178**
Net book values	**205,288,439**	**–**	**205,288,439**

Land and land improvement in Batangas are leased to related parties (Note 15) while condominium units are leased to related and third parties.

The investment properties have an aggregate fair value of ₱1.1 billion based on an appraisal by an independent appraiser in December 2019. The fair value of the investment properties was determined using inputs such as discount rates, terminal yields, expected vacancy rates as estimated by the independent appraiser or management based on comparable transactions and industry data. The management believes that the fair value as of June 30, 2021 has not significantly changed from the last valuation date.

Group as lessor

The Group leases out a parcel of land used as a shipyard site in San Miguel, Bauan, Batangas to KPMI. The agreement is for a period of 50 years beginning 1993. The annual rental on the leased property is originally subject to 5% escalation after every five (5) years. In May 2007, the agreement was amended revising the annual lease rate and escalation rate to 1.50% escalation after every five (5) years.

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

The Group also leases out a piece of land which is the subject of complaint against the Philippine National Oil Company (PNOC) up to June 1, 2021. On June 2, 2021, the rights to this land was sold to a third party. (Note 23).

Rental income attributable to the investment properties for the periods ended June 30, 2021 and 2020 consists of the following:

	Unaudited June 30, 2021	Unaudited June 30, 2020
Related parties	**4,859,299**	5,938,235
Third parties	**(474,375)**	11,232,926
	4,384,924	17,171,161

Details of the advance rentals and refundable deposits received from third party and related customers as at June 30, 2021 and December 31, 2020 are as follows:

	Unaudited June 30, 2021			Audited December 31, 2020		
	Third parties	**Related parties**	**Total**	Third parties	Related Parties	Total
Advance rentals - Current	**-**	**128,982**	**128,982**	346,447	304,345	650,792
Refundable deposits-Current	**-**	**93,982**	**93,982**	2,416,447	269,346	2,685,793

The operating expenses directly attributable to the investment properties pertaining to rental, repairs and maintenance and real estate taxes amounted to ₱1.9 million as of June 30, 2021 (2020 – ₱3.2 million).

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12. Property and Equipment - Net

This account consists of:

Unaudited June 30, 2021

	Commercial Building	**Office machine, furniture and fixtures**	**Transportation Equipment**	**Total**
Cost:				
January 1	**5,397,020**	**2,254,159**	**776,186**	**8,427,365**
Additions	-	**395,000**	**-**	**395,000**
Disposal		**(151,959)**		**(151,959)**
June 30	**5,397,020**	**2,497,200**	**776,186**	**8,670,406**
Accumulated depreciation:				
January 1	**5,397,020**	**695,997**	**776,186**	**6,869,203**
Depreciation	**-**	**173,744**	**-**	**173,744**
Disposal		**(151,959)**		**(151,959)**
June 30	**5,397,020**	**717,782**	**776,186**	**6,890,988**
Net Book Value	**-**	**1,779,418**	**-**	**1,779,418**

Audited December 31, 2020

	Commercial Building	Office machine, furniture and fixtures	Transportation Equipment	Total
Cost:				
January 1	5,397,020	692,125	776,186	6,865,331
Additions	-	1,562,034	-	1,562,034
December 31	5,397,020	2,254,159	776,186	8,427,365
Accumulated depreciation:				
January 1	5,397,020	474,292	776,186	6,647,498
Depreciation	-	221,705	-	221,705
December 31	5,397,020	695,997	776,186	6,869,203
Net Book Value	-	1,558,162	-	1,558,162

Fully depreciated assets amounting to ₱6.3 million are still in use as of June 30, 2021 and December 31, 2020.

Based on the results of management assessment, the Group believes that there was no objective evidence that indicators of impairment exist as at June 30, 2021 and December 31, 2020.

13. Intangible Assets – Net

	Unaudited June 30 2021	Audited December 31 2020
Cost:		
January 1, 2021 and December 31, 2020	**7,085,405**	7,085,405
Accumulated depreciation:		
January 1, 2021 and December 31, 2020	**1,006,033**	1,006,033
Depreciation	**517,608**	-
	1,523,641	1,006,033
Net Book Value	**5,561,764**	6,079,372

Based on the results of management assessment, the Group believes that there was no objective evidence that indicators of impairment exist as at June 30, 2021 and December 31, 2020.

14. Accounts Payable and Other Current Liabilities

This account consists of:

	Unaudited June 30 2021	**Audited December 31 2020**
Payable to government agencies	**43,121,077**	774,970
Accrued expenses	**3,272,766**	3,275,471
Advance rentals	**128,982**	650,792
Unearned rent	**-**	517,500
Others	**627,310**	627,936
	47,150,135	5,846,669

Payable to government agencies pertains to output VAT and withholding taxes.

Accrued expenses pertain to accrued professional fees, audit fee, directors' fees, fringe, membership dues, taxes and licenses, and other expenses.

Advance rentals from related parties and third-party customers are applied against rent due at the end of the lease term.

Other accounts payable pertains to unclaimed monies or dividends by stockholders.

15. Related Party Transactions

In the normal course of business, the Group transacts with companies which are considered related parties. Significant related transactions and balances as of June 30, 2021 and December 31, 2020 follow:

		As of June 30, 2021		As of December 31, 2020		
Related Party	**Notes**	**Transactions (1st half)**	**Outstanding receivable (payable)**	**Transactions (annual)**	**Outstanding receivable (payable)**	**Terms and conditions**
Entities under common control						
Rental Income (a)						
KPMI		**4,649,299**	**28,719,664**	10,232,728	30,158,922	The outstanding balance is collectible in cash, within first five (5) days of each month, non-interest bearing and unsecured.
Keppel IVI Investments, Inc. (KIVI)		**150,000**	**-**	300,000	-	
Keppel Energy and Consultancy Inc. (KECI)		**60,000**	**-**	120,000	-	
	7	**4,859,299**	**28,719,664**	10,652,728	31,158,922	
Advance rentals						
KPMI	14	**-**	**(93,982)**	-	(269,346)	The outstanding balance is to be applied on the last monthly rental at the end of the lease term, is non-interest bearing and unsecured.
KIVI		**-**	**(25,000)**	-	(25,000)	
KECI		**-**	**(10,000)**	-	(10,000)	
		-	**(128,982)**	-	(304,346)	
Refundable deposits - KPMI		**-**	**(93,982)**	-	(269,346)	Outstanding balance is payable in cash within 60 days from end of lease term, non-interest bearing and unsecured.
Various expenses and charges (b)						
KPMI		**7,230,000**	**-**	2,484,000	-	Outstanding balance is collectible in cash on demand, non-interest bearing and unsecured.
KPMI		**230,006**	**227,406**	16,703	-	
Keppel Subic Shipyard, Inc.		**-**	**-**	14,345	-	
	7	**7,460,006**	**227,406**	2,515,048	-	
Loans – KPMI (c)	7	**-**	**250,000,000**	-	250,000,000	Outstanding balance is collectible in cash, with terms of 88 to 92 days subject for renewal, interest-bearing at 3.1% to 3.4% per annum in 2021 (2020 – 3.4% to 4.9%), and unsecured.
Collection of loan receivables		**-**	**-**	(22,000,000)	-	
Interest income - KPMI		**4,330,067**	**1,233,938**	11,256,118	1,112,281	
Management fees (d)						
KECI		**120,000**	**-**	240,000	-	
KIVI		**90,000**	**-**	180,000	-	
Kepventure, Inc.		**30,000**	**-**	60,000	-	
		240,000	**-**	480,000	-	
Payroll service fees (e)						
KSSI		**793,933**	**318,139**	570,098	351,154	
KPMI		**737,228**	**330,044**	541,800	268,505	
		1,531,161	**648,183**	1,111,898	619,659	
Other Income (f)						
Commission - KPMI		**828,000**	**-**	1,123,485	-	
Director's Fees - KPPI		**60,000**	**-**	170,000	-	
Associates						
Cash dividend received	10	**-**	**-**	8,733,099	-	
Shareholders of the Parent Company						
Cash dividend declared and paid						Outstanding balance is collectible in cash on pay-out date as approved by the related party's BOD, non-interest bearing and unsecured
Kepwealth Inc.		**-**	**-**	3,053,293	-	
KCL		**-**	**-**	1,689,409	-	
Others		**(627)**	**(627,309)**	1,019,130	(627,936)	
		(627)	**(627,309)**	5,761,832	(627,936)	
Management fees – Kepwealth Inc.		**138,000**	**-**	276,000	-	
Various expenses and charges	7					
Kepwealth, Inc.		**-**	**-**	501,405	-	
Key management personnel (g)						
Salaries and other short-term benefits	13,17	**887,267**	**-**	3,645,212	-	The outstanding balance is payable every designated period per employee contracts, non-interest bearing and unsecured
Retirement benefit		**279,082**	**(4,216,520)**	491,278	(4,106,676)	

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

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

(a) Leases
The Group leases certain investments properties to related parties (Note 11). The Group granted lease concessions to KPMI equivalent to 25% on its rental from March 16, 2020 to December 31, 2020 covering the period of the General Community Quarantine which amounted to ₱2.6 million. This year, the Group granted 25% rebates on its rental from January 2021 to June 30, 2021 or equivalent of ₱1.6 million.

(b) Advances for various expenses and charges
The Group paid for various reimbursable expenses which are utilized in the normal operations of the related parties.

The Group also incurred share in various expenses due to KPMI relating to clearing and levelling operations on leased out properties amounting to ₱2.5 million in 2020. In June 2021, the Group sold its rights in a property in Bauan, Batangas to a third party with the support of KPMI and the Group paid ₱7.2 million as commission to KPMI.

(c) Loans
The Group granted short-term, interest-bearing loans to KPMI. Movements in loans receivable for the periods ended are as follows:

	Unaudited June 30 2021	Audited December 31 2020
Beginning	**250,000,000**	272,000,000
Collection	**-**	(22,000,000)
End	**250,000,000**	250,000,000

Total interest income earned from these loan agreements amounted to ₱4.3 million as of June 30, 2021 (2020 - ₱6.4 million). Accrued interest receivable amounted to ₱1.2 million and ₱1.1 million for the periods ending June 30, 2021, and December 31, 2020, respectively.

(d) Management fees

Since 2013, the Parent Company had management agreements with related companies for monthly management fees which are subject to change depending upon the extent and volume of services provided by the Parent Company. The services cover regular consultancy, handling of financial reporting, personnel and administration services and other government documentary requirements. The agreements are considered renewed every year thereafter, unless one (1) party gives the other a written termination at least three (3) months prior to the date of expiration.

(e) Payroll service fees

In 2020, the Group entered into payroll service agreements with KSSI and KPMI for the use of the payroll system of the Group. The Group charges these parties at agreed service fees for the one-time and recurring charges incurred by the Group. These agreements are considered renewed every year thereafter and subject to mutual amendments or termination by the parties

(f) Other income

The Group entered into an agreement with KPMI to assist the latter in its bidding activities for select projects with the Group earning a 1% share in KPMI's revenues and earned ₱1.1. million in the project. In June 2021, KPMI sold certain equipment to a third party with the assistance of the Group and earned ₱0.8 million. The income is recognized under other income in the consolidated statements of income.

(g) Key management personnel

There was share-based compensation, other long-term and termination benefits provided to key management personnel.

(h) *Elimination*

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

	Unaudited June 30 2021	Audited December 31 2020
Investment in subsidiaries	**110,165,069**	110,165,069
Dividend income of Parent Company from subsidiaries	**255,000**	10,548,867
Dividend income of GRDC from GMRI	**-**	296,325
Management fees of Parent Company from subsidiary	**390,000**	780,000

16. Retirement benefit plan

The Group has a funded, non-contributory defined benefit plan covering the retirement and disability benefits to its qualified employees and is being administered by a trustee bank. The normal retirement age is 60 years with at least five (5) years of service and optional retirement date is at age 50 or completion of at least ten (10) years of service. The retirement obligation is determined using the "Projected Unit Credit" (PUC) method. Under the PUC method, the annual normal cost for the portion of the retirement is determined using the amount necessary to provide for the portion of the retirement benefit accruing during the year.

Net retirement benefit asset (obligation) in the statements of financial position as at June 30, 2021 amounted to ₱2.4 million (December 31, 2020 – ₱1.7 million).

The fair value of plan assets of the Group as at December 31, 2020 amounts to ₱10.6 which are mainly from contributions made in 2019, payment of benefit in 2020 of ₱1.8 million. No contributions made in 2020 and as at June 30, 2021.

The Group recognized provision for retirement benefit amounting ₱0.7 million and ₱0.9 million for the periods ending June 30, 2021 and 2020, respectively.

Movements in remeasurements on retirement benefits as at and for the year ended December 31, 2020 are as follows:

January 1	**184,932**
Remeasurement gain (loss)	**(1,213,050)**
Tax effect	**79,256**
Remeasurement gain (loss) on retirement benefits, net of tax	**(1,133,794)**
December 31	**(948,862)**

17. Share capital and share premium

The Class "A" and Class "B" shares of stock are identical in all respects and have ₱1 par value, except that Class "A" shares are restricted in ownership to Philippine nationals. Class "B" shares are 18% and 82% owned by Philippine nationals and foreign nationals, respectively, as of June 30, 2021. Each share has right of one (1) vote. Authorized and issued shares as of June 30, 2021 and December 31, 2020 as follows:

Authorized – ₱1 par value	
Class "A"	**90,000,000**
Class "B"	**200,000,000**
	290,000,000
Issued	
Class "A"	**39,840,970**
Class "B"	**33,332,530**
Share capital	**73,173,500**
Share premium	**73,203,734**

Movements in the number of outstanding shares (or issued less treasury shares) as at June 30, 2021 and December 31, 2020 are as follows:

	Unaudited June 30 2021	Audited December 31 2020
Class "A"		
Beginning	**36,065,970**	36,165,970
Purchase of treasury shares	**-**	(100,000)
End	**36,065,970**	36,065,970
Class "B"		
Beginning	**21,552,349**	21,636,449
Purchase of treasury shares	**-**	(84,100)
End	**21,552,349**	21,552,349
Total outstanding shares	**57,618,319**	57,618,319

Details of the Parent Company's weighted average number of shares as at June 30, 2021 and 2020 as follows:

Class "A"	**36,065,970**
Class "B"	**21,552,349**
	57,618,319

In accordance with SRC Rule 68, as Amended (2011), Annex 68-D, below is a summary of the Parent Company's track record of registration of securities as at June 30, 2021 and 2020:

Common Shares	Number of Shares Registered	Issue/Offer Price	Date of Approval	Number of Holders of Securities
Class "A"	36,065,970	1.00	June 30, 2000	378
Class "B"	21,552,349	1.00	June 30, 2000	55
	57,618,319			

There are 420 total shareholders per record holding both Class "A" and "B" shares both for the periods ending June 30, 2021 and 2020.

18. Retained Earnings; Treasury shares

The portion of retained earnings, corresponding to the undistributed equity in net earnings of the associates, is not available for distribution as dividends until declared by the associates.

Retained earnings are further restricted to the extent of treasury shares with the following details as of June 30, 2021 and 2020.

Treasury shares

	No. of Shares	Cost
Class "A"	**3,775,000**	**13,936,130**
Class "B"	**11,780,181**	**9,677,959**
	15,555,181	**23,614,089**

There are no cash dividend declared during the first half of 2021 and 2020.

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19. Operating Expenses

This account consists of:

	Unaudited June 30 2021	Unaudited June 30 2020
Commission	**7,172,000**	-
Salaries, wages, and employee benefits	**5,472,698**	6,349,649
Professional fees	**2,765,100**	1,562,019
Taxes and licenses	**2,213,596**	2,226,815
Depreciation and amortization	**691,352**	54,288
Contractual services	**485,625**	1,242,000
Utilities	**427,262**	345,807
Membership dues and subscriptions	**303,988**	221,077
Transportation and travel	**242,985**	267,787
Repairs and maintenance	**67,608**	62,100
Office supplies	**59,880**	51,327
Advertising	**44,786**	48,140
Insurance	**22,308**	8,847
Postages	**3,000**	4,802
Provision for impairment losses-net	**(6,203,888)**	824,827
Others	**225,295**	294,938
	13,993,595	13,564,423

Other expenses consist of fringe tax expense, insurance, postages, out-of-pocket charges, bank charges, business development expenses and various items that are individually immaterial.

20. Segment Information

For management reporting purposes, these Group activities are classified into business segments - (1) investment holding and (2) real estate. Details of the Group's business segments are as follows:

Unaudited June 30, 2021

	Investment Holdings	**Real Estate**	**Combined**	**Eliminations**	**Consolidated**
Revenues and income					
KPMI & third party	**359,216,824**	**5,285,485**	**364,502,309**	**-**	**364,502,309**
Inter-segment	**645,000**	**-**	**645,000**	**(645,000)**	**-**
Equity in net earnings of an associate	**-**	**-**	**-**	**3,376,939**	**3,376,939**
Total revenues and income	**359,861,824**	**5,285,485**	**365,147,309**	**2,731,939**	**367,879,248**
Income before income tax	**349,012,916**	**5,127,737**	**354,140,653**	**(255,000)**	**353,885,653**
Income tax expense	**(85,603,636)**	**(197,785)**	**(85,801,421)**	**-**	**(85,801,421)**
Net Income	**263,409,280**	**4,929,952**	**268,339,232**	**(255,000)**	**268,084,232**
Other comprehensive income	**5,000,000**	**-**	**5,000,000**	**-**	**5,000,000**
Total comprehensive income	**268,409,280**	**4,929,952**	**273,339,232**	**(255,000)**	**273,084,232**
Other Information					
Segment assets	**753,951,409**	**760,145,666**	**1,514,097,075**	**(110,165,069)**	**1,403,932,006**
Segment liabilities	**107,125,852**	**2,162,932**	**109,288,784**	**(896,346)**	**108,392,438**
Depreciation & amortization	**531,103**	**160,249**	**691,352**	**-**	**691,352**

Audited December 31, 2020

	Investment Holdings	Real Estate	Combined	Eliminations	Consolidated
Revenues and income					
KPMI & third party	34,767,020	13,870,947	48,637,967	-	48,637,967
Inter-segment	11,328,867	296,325	11,625,192	(11,625,192)	-
Equity in net earnings of an associate	-	-	-	7,607,779	7,607,779
Total revenues and income	46,095,887	14,167,272	60,263,159	(3,721,088)	56,245,746
Income before income tax	27,429,531	14,724,715	42,154,246	(10,845,192)	31,309,054
Income tax expense	(3,706,201)	(1,461,921)	(5,168,122)	-	(5,168,122)
Net Income	23,723,330	13,262,794	36,986,124	(10,845,192)	26,140,932
Other comprehensive income	(3,133,795)		(3,133,795)		(3,133,795)
Total comprehensive income	20,589,535	13,262,794	33,852,329	(10,845,192)	23,007,137

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Other Information					
Segment assets	388,097,476	756,605,981	1,144,703,457	(110,165,069)	1,034,538,388
Segment liabilities	8,784,855	3,053,197	11,838,052	-	11,838,052
Depreciation & amortization	889,392	338,346	1,227,738	-	1,227,738

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

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

Rental income from KPMI amounted to ₱4.6 million and ₱5.9 million for the periods ended June 30, 2021 and 2020. Rental from KPMI comprises about 1% and 20% of the Group's revenue for the periods ended June 30, 2021 and 2020.

21. Financial Risk Management Objectives and Capital Management

Financial Risk Management

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

(a) Credit risk

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

Receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Significant concentration of credit risk as of June 30, 2021 and December 31, 2020 pertains to loan receivables from a related company both amounting to ₱250.0 million, which comprise almost 98.7% of the Group's loan and receivables in both periods, respectively.

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

	Unaudited June 30 2021	Audited December 31 2020
Loans and receivables		
Cash and cash equivalents	**444,085,284**	80,366,937
Receivables		
Loan receivable from related party	**250,000,000**	250,000,000
Current portion of lease receivables*	**(115,656)**	1,773,874
Interest receivable	**1,329,064**	1,140,560
Due from affiliates & others	**1,622,958**	1,004,571
	696,921,650	334,285,942

**Noncurrent portion of lease receivables arises from the straight-line recognition of rental income, excluded.*

The Group expects the current portion of the lease receivables to be realized within three (3) months from end of the reporting period. The amounts due from related parties are all collectible and of good credit quality.

High grade assets are considered as having very low risk and can easily be converted to cash. These assets are considered for counterparties that possess strong to very strong capacity to meet their obligations.

As of June 30, 2021 and December 31, 2020, past due but not impaired receivables are aged 90 to 120 days while impaired receivables are aged over 120 days.

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

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(ii) Receivables

Related parties
Credit exposure of the Group on loan and other receivables from related parties is considered to be low as there is no history of default and known to have strong credit standing of concerned related parties. Credit risk is negligible since the related parties are faithfully paying on normal credit terms based on contracts. There were no provisions for doubtful accounts relating to amounts owed by related parties because of strong financial condition of the concerned entities. Terms are normally due on demand.

The maximum credit exposure is equal to the carrying amount as at June 30, 2021 and December 31, 2020.

Third parties
The credit quality of receivables that are neither past due nor impaired can be assessed as reference to historical information about counterparty default rates. The Group does not hold any collateral in relation to the receivables. None of the financial assets that are fully performing have been renegotiated in the last year or period.

(b) Interest rate risk
Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term loan receivable with interest rate repriced on periodic basis. Since the Group's long-term loan was granted to a related party, there is no requirement for collateral or guaranty. The Group has no long-term loan receivable as at June 30, 2021.

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

(d) Liquidity Risk
Liquidity is the risk that the entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, and loans. The Group also monitors its risk to shortage of funds through monthly evaluation of the projected and actual cash flow information.

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

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

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

The debt-to-equity ratios as of June 30, 2021 and December 31, 2020 are as follows:

	Unaudited June 30 2021	Audited December 31 2020
Total liabilities	**108,392,438**	11,838,051
Total equity	**1,295,539,568**	1,022,700,336
Debt to equity ratio	**0.084:1**	0.012:1

The Group is not exposed to externally imposed capital requirements and there were no changes in the Group's approach to capital management during the period.

Fair Value Estimation of Financial Assets

(a) Receivables
Due to the short-term nature of the Group's financial instruments, the carrying amounts approximate their fair values as at June 30, 2021 and December 31, 2020. The carrying amounts of interest-bearing long-term loan receivables approximate their fair values due to periodic repricing based on market interest rates.

(b) Financial assets at fair value through other comprehensive income
The fair value of quoted equity instruments is determined by reference to quoted market bid price at the close of business at the end of the reporting dates since this is actively traded in organized financial markets. Unquoted financial assets are carried at cost, less any allowance for impairment loss.

(c) Fair value hierarchy
As of June 30, 2021 and December 31, 2020, the Group classifies its quoted financial assets at fair value thorough other comprehensive income to ₱40.0 million and ₱35.0 million, respectively, under Level 1 of the fair value hierarchy. During the reporting periods ending June 30, 2021 and December 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

22. Financial Soundness - Key Performance Indicators

	Unaudited June 30 2021	Audited December 31 2020
A. Current and liquidity ratios		
1. Current ratio - (Current assets/Current liabilities)	**6.69**	38.37
2. Acid-test ratio or Quick ratio - (Monetary current assets/Current liabilities)	**6.66**	38.33
B. Solvency ratio		
1. Net income + depreciation/Total liabilities (annualized)	**4.96**	2.31
2. Total assets/Total liabilities	**12.95**	87.39
C. Debt to equity ratio – (Total liabilities/Stockholders' equity)	**0.08**	0.01
D. Asset to equity ratio (Total assets/Stockholders' equity)	**1.08**	1.01
E. Debt ratio (Total liabilities/Total assets)	**0.08**	0.01
F. Interest rate coverage ratio (EBIT/Interest expense)	**Nil**	Nil
G. Profitability % (annualized)		
1. Return on assets (Net income/Total assets)	**38.19**	2.53
2. Return on equity (Net income/Stockholders' equity)	**41.39**	2.56
3. Net profit margin (Net income/revenue)	**72.87**	46.48
H. Earnings per share attributable to equity holders of the Parent (Annualized) - (₱)	**9.22**	0.35
I. Book value per share attributable to equity holders of the Parent (₱)	**16.15**	11.45
J. Price/Earnings ratio (Price per share/Earnings per common share (Annualized) (₱)	**0.55**	14.66

23. Gain on Sale of Land Rights

In June 2021, the Parent Company realized a gain of ₱352.7 million on the sale of its land rights to a third party, which gain resulted in a ₱85.6 million income tax expense and income tax payable of ₱57.2 million for the Parent Company as of June 30, 2021. As the main condition under the sale agreement, a motion for substitution was made in court to replace the Parent Company with the buyer as the new plaintiff.

The land rights pertain to the Parent Company's option to buy a property in Bauan, Batangas, which it wanted to exercise in early 2000. Unfortunately, the Parent Company was prevented from exercising said option and accordingly, soon after, filed a court case against the landowner. Considering that the case remained unresolved for an unreasonably long period of time, the Parent Company had decided to monetize its interest by signing, in June 2021, agreements which effectively transferred its land rights over the subject property to the said non-related transferee.

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Aging of Receivable as at June 30, 2021:
In Philippine Pesos

	Total	Current	2-3 Mos	4 - 6 Mos	7 -12 Mos	More than 1 year
Loan receivable - current	250,000,000	250,000,000	-	-	-	-
Lease receivables - current	(115,656)	(115,656)	-	-	-	-
Interest receivable	1,329,064	1,329,064	-	-	-	-
Due from related parties	878,189	878,189	-	-	-	-
Nontrade - receivables	744,769	359,857	-	-	-	384,912
Total	**252,836,366**	**252,451,454**	**-**	**-**	**-**	**384,912**
Less Allowance for doubtful accounts	384,912	-	-	-	-	384,912
Net Receivables	**252,451,454**	**252,451,454**	**-**	**-**	**-**	**-**

EXHIBIT II

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

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

Results of Operations

The Group recorded a net income of ₱268.1 million for the first half ended June 30, 2021, ₱253.8 million or 1,775% higher than ₱14.3 million during the same period last year.

The Group earned ₱352.7 million from the sale of land rights in a property in Bauan, Batangas. The right was sold to a non-related third party amounting to ₱358.6 million. Cost of deposit to the Supreme Court of ₱4.09 million and legal expenses of ₱1.8 million were charged against the proceed.

The Group earned interest income of ₱4.6 million as of June 30, 2021, ₱2.4 million or 35% lower than the same period last year of ₱7.0 million. The decrease in net interest income was due to the lower short-term loan balance as of June 30, 2021 of ₱250.0 million as against last year same period of ₱262.0 million. The interest rates also decreased from average of 4.8% per annum as of June 30, 2020 to 3.3% this period.

Rental revenue for the period ending June 30, 2021 amounted to ₱4.4 million, ₱12.8 million or 74% lower than the same period last year of ₱17.2 million. The decrease was due to the termination of the lease rental on properties in Bauan, Batangas to a third party in December 2020. In addition, a 25% rebate was given to KPMI for six months period from January to June 2021, while in 2020, the rebate started from March 15, 2020. This was due to difficult business environment due to Covid 19.

During the first half of the year, the Group recognized lower equity in net earnings of an associate of ₱3.4 million, ₱1.1 million or 25% lower than the same period last year of ₱4.5 million. The decrease in equity share was due to lower net income of ₱13.5 million as against same period last year of ₱18.1 million recognized by the associate brought by the lower power sales distribution revenue by 11%.

In February 2020, the Parent Company entered into a payroll service agreement with related companies with regards to the payroll system upgrade of the Parent Company, KPMI and KSSI. From February to December 2020, the total payroll service fees amounted to ₱1.1 million. For the period ended June 30, 2021, the payroll service fees amounted to ₱1.5 million.

Management fees charged to related parties amounted to ₱0.4 million both for the periods ended June 30, 2021 and 2020.

As of June 30, 2021 the operating expenses of ₱14.0 million is 3% higher than last year same period of ₱13.5 million. Major expense during the period was the payment of commission to KPMI relating to the sale of land rights in a property in Bauan, Batangas amounting to ₱7.2 million which was offset by the recovery of provision for impairment of withholding tax receivable of ₱6.2 million which was applied against provision for income tax payable.

Income tax expense also increased to ₱85.8 million as of June 30, 2021 as compared to ₱1.2 million in June 30, 2020. The increase was due to the income tax due on the sale of land rights in June 2021.

Financial Condition

The cash position of the Group as of June 30, 2021 amounted to ₱444.1 million, ₱363.7 million or 452% higher than the ₱80.4 million as of December 31, 2020. The increase was due to the net cash provided by operating activities of ₱3.1 million, proceeds from sale of land rights in a property in Bauan, Batangas of ₱358.6 million, interest received from short-term loans and time deposits ₱4.4 million. This was partially offset by acquisition of office equipment of ₱0.4 million, cash dividend paid to shareholder of GRDC of ₱0.2 million and legal expenses relating to sale of land rights of ₱1.8 million.

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Total receivables, both current and non-current, net of allowance amounted to ₱281.3 million and ₱282.6 million as of June 30, 2021 and December 31, 2020, respectively. There was no repayment of loan during the first half of 2021.

Other current assets as of this period increased to ₱3.3 million as against ₱0.4 million as of December 31, 2020. This was mainly due to the prepayments for real property tax and business tax of ₱2.3 million and other advances to service providers and others of ₱1.0 million.

Financial assets at fair value through other comprehensive income was revalued at ₱40.0 million this period as against December 31, 2020 of ₱35.0 million.

Investments in associates increased from ₱419.1 million as of December 31, 2020 to ₱422.4 million as of June 30, 2021. The increase of ₱3.3 million was due mainly to the recognition of equity in net earnings of associate.

Fixed assets as of June 30, 2021 amounted to ₱212.6 million as against ₱212.9 as of December 31, 2020. The Group acquired office equipment amounting to ₱0.4 million. There was also disposal of fully depreciated old equipment amounting to ₱0.2 million.

Total liabilities as of June 30, 2021 and December 31, 2020 amounted ₱108.4 million and ₱11.8 million, respectively. The increase in liabilities by ₱96.6 million was due to increase in income tax payable of ₱57.1 million and VAT payable of ₱41.4 million brought by the sale of land rights. This was partially offset by return of refundable deposits and advance rentals and other payables by amounting to ₱1.9 million.

The equity attributable to equity holders of the Parent Company as of June 30, 2021 amounted to ₱930.4 million as against last December 31, 2020 of ₱660.0 million. The increase of ₱270.4 million was due to the gain on sale of land rights in a property in Bauan, Batangas and increase in fair market value of available financial assets and partially offset by payment of dividend by GRDC.

Non-controlling interests as of June 30, 2021 amounted to ₱365.1 million as against last December 31, 2020 of ₱362.7 million. The increase was due to net income attributable to the noncontrolling interests of ₱2.4 million for the period ending June 30, 2021.

The book value per share attributable to equity holders of the parent (equity attributable to equity holders of the parent divided by common shares outstanding) at ₱16.15 as of June 30, 2021 higher than as of December 31, 2020 of ₱11.45 per share.

Earnings per share attributable to the equity holders of the Parent (net earnings for the period divided by common shares outstanding) as shown in the consolidated statement of income was at ₱4.611 per share for the period ending June 30, 2021, as against ₱0.104 per share recorded as of June 30, 2020.

Material Events and Uncertainties

The COVID-19 global pandemic and the challenges it brings forth to the Philippine continues in 2021. During the year, the National Capital Region continued to be under the extended General Community Quarantine (GCQ) with its less stringent guidelines from January 1, 2021 to March 21, 2021. However, with COVID-19 cases spiking at an average of least 6,000 per day in March 2021 compared to 2,000 per day in February 2021, the government then put the National Capital Region (NCR), Bulacan, Laguna and Rizal (collectively known as "NCR Plus") under Enhanced Community Quarantine (ECQ) with its stricter lockdown guidelines effective March 22, 2021. Unlike the first ECQ in 2020, public transports are allowed to operate but at reduced capacity. Likewise, curfew has been imposed in NCR Plus forcing businesses to adjust its operating hours. The NCR Plus bubble "lockdown" was later eased to the Modified Enhanced Community Quarantine (MECQ) on April 12, 2021 and has since been extended up to 14 May 2021. This was further eased to GCQ with "heightened restrictions" until May 31, 2021. From June 1 to June 15, 2021, GCQ was extended "with restrictions." NCR Plus remained under GCQ "with some restrictions" from June 16 to July 15, 2021. From July 16 to 22, 2021, NCR was put back to normal GCQ only to be put back under GCQ with "heightened restriction" from July 23 to July 31, 2021as the health department confirmed the local transmission of the COVID-19 Delta variant.

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As of July 25, 2021, the Philippines has recorded 1,548,755 cases of COVID-19 with 1,467,269 recoveries and 27,224 reported deaths due to the virus. The Philippines is on alert for the highly contagious Delta variant as the virus cases of this COVID-19 first detected in India have also been detected in other countries including some of the neighbor countries of the Philippines.

Most of the other areas in the Philippines remain under the less stringent GCQ. The government's vaccination program has already started with local government units and the private business sector working together to increase and fast track the distribution and administration of the vaccines to its constituents and employees respectively.

Business sectors allowed to operate ECQ, MECQ and/or GCQ depends on where they fall under the government's classification from Category I to Category IV, according to the essential nature of their product and service in the pandemic response and to the community.

In compliance to the government proclamations, memorandum and guidelines and in order to mitigate the risk of spreading COVID-19 in the workplace, the Parent has provided alternative work options such as working from home to ensure continued business operations. The Parent continues to be in close communication with its stakeholders during 2021's GCQ, ECQ, & MECQ period that includes, among others, it's employees, lessees, borrowers, industry regulators, suppliers and service providers.

Notwithstanding the prevailing community quarantine level and the current COVID-19 situation in the Philippines, there are no known trends, commitments, events or uncertainties that will have a material impact, whether favorable and unfavorable on the revenues or income from continuing operations of the Company. There are also no off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the period.

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SIGNATURES

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

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

Signature and Title : ____________________________

ALAN I. CLAVERIA
President

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FELICIDAD V. RAZON
VP/Treasurer

Date : 6 August 2021

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY CITY) SS

CERTIFICATION

I, **FELICIDAD V. RAZON**, the Compliance Officer and duly authorized representative of **KEPPEL PHILIPPINES HOLDINGS, INC.** (the "Company"), a corporation with SEC Registration No. 62596 and principal office address at Unit 3-B Country Space I Bldg., 133 Sen. Gil Puyat Avenue, Salcedo Village, Brgy. Bel-Air, Makati City, do hereby state that:

1. On behalf of the Company, I have caused the preparation of the SEC Form 17Q for the period ending June 30, 2021 dated 06 August 2021 as approved by the Board during the Regular Board Meeting on same date;

2. I read and understood its contents, which are true and correct based on the records of the Company;

3. The Company will comply with the requirements set forth by the Securities and Exchange Commission requirements in SEC Notice dated 24 June 2020 for the complete and official submission of reports and documents through electronic mail; and

4. I am aware that documents filed online which requires pre-evaluation and/or processing fee shall be considered complete and officially received upon payment of a filing fee.

FELICIDAD V. RAZON
Vice President/Treasurer
Compliance Officer / Corporate Information Officer
TIN: 112-942-756

SUBSCRIBED AND SWORN TO before me this 12 AUG 2021 in MAKATI CITY City, affiant exhibited to me her TIN no. 112-942-756 as proof of her identity.

Doc No. 397
Page No. 81
Book No. 173
Series of **2021**.

RUBEN T. M. RAMIREZ
NOTARY PUBLIC
UNTIL DEC. 31, 2021
IBP NO. 142536 /01-04-21 CY 2021
ROLL NO. 28947/ MCLE 6 /3-22-19
PTR NO. MKT ...