Securities and Exchange Commission
PHILIPPINES

SEC Main Office
The SEC Headquarters
7907 Makati Avenue, Salcedo Village, Barangay Bel-Air, Makati City , 1209

electronic Official Receipt

Transaction Details

eOR Number	20230601-MYEG-0075138-32
Transaction Number	2GM8FXM3S1
Payment Date	June 01, 2023 10:14 AM
Payment Scheme	Over The Counter-BDO
Status	Payment Success
Payment Status	PAYMENT_SUCCESS

Payment Assessment Details

PAF No.	20230529-7572910
PAF Date	2023-05-29 15:35:41
Payor Name	KEPWEALTH PROPERTY PHILS., INC.
Payor Address	MAKATI CITY

#	Nature of Collection	Account Code	Amount
1	Information Statement - Registrant	4020199099(678)	7,500.00
2	Legal Research Fee (A0823)	2020105000(131)	75.00
		TOTAL	**7,575.00**

Total amount indicated herein does not include the convenience/service fee of the selected payment channel.

COVER SHEET

CS200516361
S.E.C. Registration Number

KEPWEALTH PROPERTY PHILS., INC.
(Company's Full Name)

UNIT 1J01-23 BURGUNDY CORPORATE TOWER, SEN GIL. PUYAT AVE., MAKATI CITY
(Business Address: No. Street City/Town/Province)

ROSA MICHELE C. BAGTAS
(Corporate Secretary)
Contact Person

88105858
Company Telephone Number

12 31
Month Day
Fiscal Year

Preliminary SEC Form
20-IS
FORM TYPE

Second Wednesday of July
07
Month Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

Sixteen (16)
Total No. of Stockholders

Total Amount of Borrowings
Domestic
Foreign

To be accomplished by SEC Personnel concerned

File Number
LCU

Document I. D.
Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO ALL STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the Annual Meeting of Stockholders of **KEPWEALTH PROPERTY PHILS., INC.** (the "Company") will be held on **12 July 2023** at **8:00 AM**, via remote communication through the following link: https://us06web.zoom.us/j/83383591709?pwd=WUpxTGwzYTA3VDJhNHFaS1o2bXlRUT09, with the following agenda:

1. Call to Order
2. Proof of Notice of the Meeting and Determination of Quorum
3. Approval of the Minutes of the Previous Annual Stockholders' Meeting
4. President's Report on Operations
5. Ratification of the acts of the Board of Directors and its committees, officers and management
6. Appointment of External Auditor
7. Election of Directors
8. Other matters
9. Adjournment

Stockholders of record as of **09 June 2023** will be entitled to notice of, and to vote at, the Annual Stockholders' Meeting.

Due to health and safety concerns, the Company decided to hold the Annual Meeting via remote communication, and allow the stockholders to cast their votes by remote communication or in *absentia,* or by proxy.

To participate in the Annual Meeting, stockholders must register from 9:00 AM of 21 June 2023 until 5:00 PM of 01 July 2023. The procedures for participation via remote communication and in *absentia* are contained in the Information Statement.

Stockholders who wish to appoint proxies may submit proxy instruments until 5:00 PM of 01 July 2023 by email to asm@kepwealth.com. Validation of proxies shall be held on 07 July 2023. A sample proxy form will be enclosed in the Information Statement for your convenience. We are not soliciting your proxies.

The Definitive Information Statement and other related documents may be accessed and downloaded from the Company's website *https://kepwealth.com/] and PSE Edge.

The proceedings during the Annual Stockholders' Meeting shall be recorded.

Makati City, Philippines, 15 June 2023.

Rosa Michele C. Bagtas

ROSA MICHELE C. BAGTAS
Corporate Secretary

EXPLANATION OF AGENDA ITEMS

1. Call to Order

The meeting will be formally opened at approximately 8:00 in the morning.

2. Proof of Notice of the Meeting and Determination of a Quorum

The Corporate Secretary will certify that: 1) the stockholders of record were duly notified of the meeting by way of publication of the Notice of Meeting, including the date of publication and the newspapers where the notice was published, and 2) stockholders representing at least a majority of the outstanding capital stock are present in person or by proxy and, therefore, a quorum exists for the transaction of business. The Registrant undertakes to file with the Securities and Exchange Commission the proof of publication of the Notice to the stockholders.

3. Approval of the Minutes of the Previous Stockholders Meeting

The draft of the minutes of the previous stockholders meeting is available at the Company's website, https://kepwealth.com.

4. President's Report on Operations

The President shall report on the Company's performance in 2022 and outlook for 2023.

5. Ratification of the acts of the Board of Directors and its committees, officers and management

Ratification of the acts of the Board of Directors and its committees, officers and management of the Company since the last annual stockholders' meeting up to the current stockholders' meeting, as duly recorded in the corporate books and records of the Corporation, will be requested. A summary of these acts will be contained in the Definitive Information Statement.

6. Appointment of External Auditor

The Company's external auditor, as recommended by the Audit Committee, will be nominated for reappointment for the current fiscal year.

7. Election of Directors

The nominees for election as members of the Board of Directors, including independent directors, will be presented to the stockholders. The Corporate Governance Committee of the Board has evaluated and determined that the seven (7) nominees for directors, including the nominees for independent directors, have all the qualifications and competence necessary for the effective performance of the Board's roles and responsibilities, and none of the disqualifications to serve as members of the Board.

The profiles of the candidates to the Board of Directors will be in the Definitive Information Statement. The members of the Board of Directors of the Corporation shall be elected by plurality vote, with cumulative voting allowed.

8. Other matters

The Chairman will answer certain questions previously submitted by the stockholders. The Chairman will decide whether matters raised by the stockholders may be properly taken up in the meeting or in another proper forum.

9. Adjournment

Upon determination that there are no other matters to be considered, the meeting shall be adjourned.

SAMPLE PROXY
KEPWEALTH PROPERTY PHILS., INC.
2023 STOCKHOLDERS' MEETING

The undersigned, a stockholder of common shares of **KEPWEALTH PROPERTY PHILS., INC**. (the "Company"), hereby nominates, constitutes, and appoints_____, or in his absence, the Chairman of the meeting, as Proxy of the undersigned, and vote the number of shares indicated below, at the Annual Stockholders' Meeting of the Company to be held on **12 July 2023** and/or at any postponement or adjournment thereof, and/or any annual stockholders' meeting of the Company, which appointment shall not exceed five (5) years from date hereof.

In particular, I hereby direct my said proxy to vote all my shares on the agenda items set forth below as I have expressly indicated by marking the same with an "X".

Items No.	Subject	**Action**		
		For	Against	Abstain
3.	Approval of Minutes of the Previous Annual Stockholders' Meeting			
5.	Ratification of Acts and Resolutions of the Board of Directors and its committees, officers and management			
6.	Appointment of R.S. Bernaldo & Associates as External Auditor for the ensuing year			
	For the election of directors, you shall have a total number of votes equal to your number of shares multiplied by 7, which you may distribute in any manner among the nominees for election.			
7.	Election of Directors	No. of Votes	=	number of shares x 7
	a. Restituto T. Lopez – Independent Director			
	b. August Pablo A. Corpus, Jr.			
	c. Edmundo G. Las			
	d. Robert Ivan F. Olanday			
	e. Ignacio Salvador Gimenez III			
	f. John F. Catindig			
	g. Mark Anthony C. Migallos – Independent Director			

_____ _____ _____
PRINTED NAME OF STOCKHOLDER AUTHORIZED SIGNATORY NUMBER OF SHARES

THIS PROXY SHOULD BE SUBMITTED ON OR BEFORE 5:00 PM OF 01 JULY 2023 BY EMAIL TO asm@kepwealth.com.

THIS PROXY IS NOT REQUIRED TO BE NOTARIZED, AND WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED.

(Partnerships, Corporations and Associations must attach certified resolutions designating their proxies/representatives and authorized signatories)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [✓] Definitive Information Statement

2. Name of Registrant as specified in its charter **KEPWEALTH PROPERTY PHILS., INC.**

3. **METRO MANILA, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number **CS200516361**

5. BIR Tax Identification Code **242-186-710-000**

6. **Unit 1J01-23 Burgundy Corporate Tower**
252 Sen. Gil Puyat Ave., Makati City, Metro Manila **1200**
Address of principal office Postal Code

7. Registrant's telephone number, including area code **(+632) 7978 5080**

8. **12 July 2023, 8:00 AM**
via remote communication only thru the following link: [•]

Date, time and place of the meeting of security holders

9. Approximate date on which the Information Statement is first to be sent or given to security holders
20 June 2023

10. ***In case of Proxy Solicitations: N/A – We are not soliciting your proxies***

Name of Person Filing the Statement/Solicitor: _____

Address and Telephone No.: _____

11. Securities registered pursuant to Section 12 of the Securities Regulation Code (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
COMMON	**201,057,609**

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes ✓ No _____

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
PHILIPPINE STOCK EXCHANGE – COMMON SHARES

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, time and place of meeting of security holders.**

(a)	Date of Meeting	: **12 July 2023**
	Time of Meeting	: **8:00 AM**
	Place of Meeting	: **via remote communication only thru the following link:** [•]
	Complete address of the principal office of the registrant	: **Unit 1J01-23 Burgundy Corporate Tower, Sen. Gil Puyat Ave. Makati City, Metro Manila**
	Complete mailing address	**:** **Unit 1J01-23 Burgundy Corporate Tower, Sen. Gil Puyat Ave. Makati City, Metro Manila**
(b)	Approximate date on which copies of the information statement are first to be sent or given to security holders	: **20 June 2023**

Item 2. **Dissenters' Right of Appraisal**

There is no proposed corporate action or matter that will grant appraisal rights pursuant to the Revised Corporation Code of the Philippines to dissenting stockholders.

Any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in the following instances: 1) in case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence; 2) in case the corporation decides to invest its funds in another corporation or business or for any purpose outside of the primary purpose for which it was organized; (3) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and 4) in case of merger or consolidation.

The appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the Company within thirty (30) days after the date on which the vote was taken, for payment of the fair value of his shares. **A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right.** Failure to make the demand within the 30-day period shall be deemed a waiver of the appraisal right. From the time of the demand until either the abandonment of the corporate action in question or the purchase of the dissenting shares by the Company, all rights accruing to the dissenting shares shall be suspended, except the stockholder's right to receive payment of the fair value thereof. If the

proposed corporate action is implemented or effected, the Company shall pay to such stockholder, upon surrender of the stock certificate(s) representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action. If the fair value is not determined, within sixty (60) days from the date the corporate action was approved by the stockholders, it will be determined by three (3) disinterested persons (one chosen by the Company, another chosen by the dissenting stockholder and the third to be chosen jointly by the Company and the stockholder). The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made. Upon payment by the Company of the awarded price, the dissenting stockholder shall forthwith transfer his shares to the Company.

No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings.

Item 3. **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No director of officer of the Company, nor nominee for election as a director of the Company, nor associate of any of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, of each of the following persons in any matter to be acted upon, other than election to office.

No director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

As of 31 March 2023, the Company has 201,057,609 common shares outstanding and each share is entitled to one (1) vote.

All shareholders on record of the Company's common shares as of **09 June 2023**, will be entitled to notice of, and to vote at, the Meeting.

Pursuant to Sections 23 and 57 of the Revised Corporation Code and SEC Memorandum Circular No. 06, Series of 2020, allowing voting through remote communication or in absentia, stockholders will participate in the Meeting by remote communication and cast their votes in absentia. A stockholder may cast his/her votes by remote communication or *in absentia* until 5:00 pm of 01 July 2023. A stockholder voting remotely or *in absentia* shall be deemed present for purposes of quorum. Please refer to **Annex "A"** on the Procedures and Requirements for Voting and Participation in the 2023 ASM for complete information on voting via remote participation or voting in absentia, as well as on how to join the live stream for the 2023 ASM.

Each common share entitles the person in whose name it is registered in the books of the Company to one (1) vote with respect to all matters to be taken up during the annual meeting of stockholders. Each holder of common stock shall have cumulative voting rights with respect to the election of the members of the board of directors of the Company. Cumulative voting entitles each stockholder to cumulate his shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or distribute them on the same principle among as many nominees as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected.

Security ownership of certain record and beneficial owners of more than 5% of the Company's voting securities as of 31 March 2023:

Title of Class	Name, Address of Record Owner and Relationship with Issuer (Direct)	Name of Beneficial Owner	Citizenship	No. of Shares Held	% Ownership
Common	CROWN CASTLE HOLDINGS.COM, INC., 3F New Rosario Ortigas Arcade, Rosario, Pasig City, Parent of the Issuer	CROWN CASTLE HOLDINGS.COM, INC.	Filipino	75,590,090	37.596
Common	PCD NOMINEE CORP. (FILIPINO), 29th Floor, BDO Equitable Tower 8751 Paseo de Roxas, Makati City 1226	I.B. GIMENEZ SECURITIES, INC., PCD Participant	Filipino	66,840,897	33.245
Common	WE SERVE 24 HOURS, INC., 501 Topaz Building, 101 Kamias Road, Quezon City	WE SERVE 24 HOURS, INC.	Filipino	34,310,390	17.065
Common	EURO CAPITAL PTE. LTD., 238 Orchard Boulevard, #19-07, The Orchard Residences, Singapore	EURO CAPITAL PTE. LTD.	Filipino	16,082,980	7.999

The Board of Directors of the record owners has the right to appoint its proxy to vote for the shares.

Other than the persons identified above, there are no other beneficial owners of more than 5% of the Company's outstanding capital stock that are known to the Company.

Security ownership of management as of 31 March 2023:

The ownership of the Directors and Executive Officers of the Company's capital stock is presented below.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	% of Class
Directors				
Common	Restituto T. Lopez	1 (direct)	Filipino	0.00
Common	Augusto Pablo A. Corpus, Jr.[1]	10 (direct)	Filipino	0.00
Common	Edmundo G. Las	10 (direct)	Filipino	0.00
Common	Robert Ivan F. Olanday	10 (direct)	Filipino	0.00
Common	John F. Catindig[2]	10 (direct)	Filipino	0.00
Common	Ignacio Salvador Gimenez, III[3]	10 (direct)	Filipino	0.00
Common	Mark Anthony C. Migallos	1 (direct)	Filipino	0.00
N/A	Rosa Michele C. Bagtas	-	Filipino	0.00
N/A	Eric T. Dykimching	-	Filipino	0.00

[1] Mr. Augusto Pablo A. Corpus, Jr. was elected as President effective 19 June 2020.

[2] Mr. John F. Catindig was appointed as Chief Information Officer and Compliance Officer effective 19 June 2020.

[3] Mr. Ignacio Salvador R. Gimenez, III was appointed as the new Corporate Treasurer and Investor Relations Officer effective 19 June 2020.

Voting trust holders of 5% or more

The Company is not aware of the existence of persons holding more than five percent (5%) of the Company's common shares under a voting trust or similar agreement.

Changes in control

As of the date of this report, there are no arrangements which may result in a change in control of the Company.

Item 5. **Directors and Executive Officers**

Currently, the BOD consists of seven (7) members, of which two (2) are independent directors. All of the directors were elected by the stockholders of KPPI at the last stockholder's meeting held on 13 July 2022, and will hold office until the next succeeding annual stockholders' meeting and until their respective successors have been elected and qualified.

The names of the directors and officers of the Company, and their respective ages, citizenships, terms and periods of service, directorships in other reporting companies and positions held in the last five (5) years, as of 31 March 2023, are as follows:

Name	Age	Citizenship	Position	Date First Elected
Restituto T. Lopez	73	Filipino	Chairman, Independent Director	January 2019
Augusto Pablo A. Corpus, Jr.[1]	66	Filipino	President/Director	June 2020
Edmundo G. Las	71	Filipino	Director	November 2017
Robert Ivan F. Olanday	42	Filipino	Director	2017
John F. Catindig[2]	53	Filipino	Director, Chief Information Officer, and Compliance Officer	2017
Ignacio Salvador Gimenez, III[3]	43	Filipino	Director, Treasurer, and Investor Relations Officer	January 2019
Mark Anthony C. Migallos	69	Filipino	Independent Director	January 2019
Rosa Michele C. Bagtas	49	Filipino	Corporate Secretary	August 2020
Eric T. Dykimching	39	Filipino	Assistant Corporate Secretary	September 2020

In compliance with the Notice dated 20 October 2006 and Memorandum Circular No. 5, Series of 2017 issued by SEC, the independent directors of the Registrant executed their respective Certificates of Independent Director which are attached to this Information Statement. A Certification stating that no director or officer of the Registrant is connected with any government agency or instrumentality is also attached.

MR. RESTITUTO T. LOPEZ, Filipino, 73 years old, joined as one of the Company's Independent Director in January 2019. He earned from the University of the East his Bachelor of Science degree in Business Administration and Accountancy in 1972. He then obtained a Master's degree in Management from the Asian Institute of Management in 1981 and completed the KPMG International Partner Program from Wharton School, University of Pennsylvania in 1992. He is likewise a registered auditor under the United Kingdom Act of 1985 and an accredited consultant of

the Asian Development Bank. Practicing as a Certified Public Account ("CPA") for over 30 years, Mr. Lopez has extensive experience in auditing and consultancy. Prior to joining the Company, he served as the President of Transnational Construction Corporation which is involved in the construction business, management services, and in the leasing of commercial spaces. He also served as an Independent Director of Draka Phils, Inc. from 2009 to 2012 and President and Director of KPMG Peat Marwich Management Consultants, Phils. From 1990 to 2000. He was a member of the board of trustees of the Metropolitan Club, Inc. from 1998 to 2013. Currently, he is serving as the Chairman and Senior Partner of Lopez and Co., CPAs, Vice Chairman and Partner of KPMG – Fernandez Santos & Lopez, President and Chairman of RTL Holdings, Inc., and Chairman of LFC Solutions.net, Inc. and Spencers Landholdings, Inc. He is not connected with any government agency or instrumentality.

MR. AUGUSTO PABLO A. CORPUS, JR., Filipino, 66 years old, is the President of the Company. He was elected as President on 19 June 2020. He earned his Bachelor of Science degree in Hotel and Restaurant Management in 1978 from the University of the Philippines Diliman. He then obtained a Master's of Business Administration in Management from the Texas A&M University, College Station, Texas in 1983. Mr. Corpus has almost 40-years' experience in management of restaurants, resorts, hotels and office buildings. Prior to joining the Company, he served for 20 years as the Chief Executive Officer of Hotel Sogo which is involved in the construction, management and operation (including leasing of all commercial areas for rent) of the largest hotel chain in the Philippines. Mr. Corpus was key to growing the company from 3 hotels in 1999 to 41 hotels in 2019. He also served as the General Manager of Montevista Resorts and Convention Center from 1997 to 1999. From 1995 to 1997, Mr. Corpus was the General Manager of City Garden Hotel, Manila. From 1983 to 1995, he was the Vice President of Rosario Investments that constructed and operated 12 Hotels as well as managed and operated the King's Court Buildings, Makati. He is not connected with any government agency or instrumentality.

MR. EDMUNDO G. LAS, Filipino, 71 years old, was the former President of the Company until June 2020 and has been a Director of the Company since November 2017. Prior to joining the Company, he served as a Director and Chief Executive Officer of Hotel Sogo, Inc. for 24 years and a director of Eurotel hotel chain. A previous banker, he has accumulated 40 years' experience in the hotel and lodging industry. He is presently the President of Edsa I Real Estate Corporation, Las Tuazon and Sons Realty, Inc., Golden Quick Food, Inc., Dormsuites, Inc., Manhattan Residences, Inc., Northwork Inn, Inc., and Hilton House, Inc. Mr. Las is the head of the Company's Business Development Division and has been very instrumental in the Company's expansion of its business, particularly in negotiating and managing the Company's acquisitions. He attended Notre Dame University Cotabato from 1969 to 1972 and Polytechnic University of the Philippines from 1972 to 1974. He is not connected with any government agency or instrumentality.

MR. ROBERT IVAN F. OLANDAY, Filipino, 42 years old, has been a Director since 2017. He is currently serving as the Corporate Secretary of Surprise Inc., Treasurer of We Serve 24 Hrs Inc. and EuroCapital Land, Inc., and Vice President for Finance and Authorized Managing Officer of New City Builders, Inc. He is also a director in LUC Foods, Inc. and Great Freshness Inc. He attended Thames International School in 2002. He is not connected with any government agency or instrumentality.

MR. JOHN F. CATINDIG, Filipino, 53 years old, has served as a Director of the Company since 2017 and is also the Chief Information Officer and Chief Compliance Officer of the Company. He used to work in the Support Operation of Metropolitan Bank and Trust Company from 1991 to 1994 and Account Support of Zuellig Group of Companies from 1994 to 1996. At present, he is the General Manager of Drugcheck Philippines, Inc. and Associated Person/Compliance Officer of IB Gimenez Securities, Inc. He received a Bachelor of Science degree in Commerce from the University of Santo Tomas in 1991. He also completed trainings on Anti-Money Laundering and Principle of Risk Management, The Net Capital and Risk board Capital Adequacy Requirements conducted by the PSE in 2010 and SEC in 2006, respectively. He is not connected with any government agency or instrumentality.

MR. IGNACIO SALVADOR GIMENEZ, III, Filipino, 43 years old, was elected director of the Company on 09 January 2019 and as Treasurer and Investment Relations Officer on 19 June 2020. He is currently the President of I.B. Gimenez Securities, Inc.; Managing Director of J. Rosario Foods Corp. (a Jollibee franchisee); and Vice President for business development of China Philippines United Enterprises, Inc. Mr. Gimenez has a master's degree in strategic marketing from the University of Greenwich. He obtained a Bachelor of Arts in International Business (with Mandarin Chinese) from European Business School, London and Nanjing University, China. Mr. Gimenez is a member of JCI Manila and The Tower Club since 2010 and 2012, respectively. He is not connected with any government agency or instrumentality.

MR. MARK ANTHONY C. MIGALLOS, Filipino, 69 years old, joined as one of the Independent Directors of the Company in January 2019. He previously worked for PruLife UK as the Vice President General Agencies from 1998 to 2018. He also worked for Insular Life as the Senior Assistant Vice President for Metro Manila Sales from 1983 to 1997. He obtained his Bachelor of Arts degree in English from the University of the Philippines in 1976. In 2007, he obtained his Master's degree in Business Administration from the Ateneo de Manila University. He is not connected with any government agency or instrumentality.

ATTY. ROSA MICHELE C. BAGTAS, Filipino, 49 years old, is the Corporate Secretary of the Company. She was elected as Corporate Secretary on 28 August 2020. She graduated with a degree of Bachelor of Science Major in Legal Management from the Ateneo de Manila University in 1994. She also earned her Juris Doctor degree from the Ateneo Law School in 1998. Ms. Bagtas is currently a Senior Partner at Cruz Marcelo & Tenefrancia, where she heads the Property Development and Immigration Practice Groups. Ms. Bagtas has handled a wide range of commercial or corporate transactions, including mergers and acquisitions, joint ventures, foreign investments, tax and immigration matters, among others. Ms. Bagtas has extensive experience in acting as corporate secretary of various private corporations and in handling corporate governance issues. She is not connected with any government agency or instrumentality.

ATTY. ERIC T. DYKIMCHING, Filipino, 39 years old, is the Assistant Corporate Secretary of the Company. He was elected as Assistant Corporate Secretary on 25 September 2020. He graduated with a degree of Bachelor of Science Major in Legal Management from De La Salle University in 2004. He obtained his Juris Doctor degree from Ateneo Law School in 2008. Mr. Dykimching is also a Certified Public Accountant since 2013. He earned his Bachelor of Science in Accountancy from La Consolacion College Manila in 2011. Mr. Dykimching is a Partner at Cruz Marcelo & Tenefrancia. His practice areas include infrastructure, transport and public utilities, corporate and commercial law, tax, mergers and acquisitions, strategic and developmental projects, property development, and real estate transactions. He is not connected with any government agency or instrumentality.

Procedure for Nomination and Election of Independent Directors

Pursuant to Article III, Section 9 of the Company's By-Laws, the nomination and election of independent directors shall be conducted in accordance with SRC Rule 38.

SRC Rule 38 provides that the nomination and election of independent directors shall be conducted in accordance with the following rules:

1. Nomination of independent directors shall be conducted by the Nomination Committee prior to a stockholders' meeting. All recommendations shall be signed by nominating stockholders and shall bear the conformity of the nominees.

2. The Nomination Committee shall pre-screen the nominees and prepare a final list of candidates.

3. The final list of candidates shall contain the business and/or professional experience of the nominees for independent directors, which list shall be made available to the Securities and Exchange Commission (hereinafter, the "Commission") and to all stockholders through the filing and distribution of the Information Statement, in accordance with SRC Rule 20, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nominees for independent directors shall be identified in such report including any relationship to the nominees.

4. Only nominees whose names appear in the final list of candidates shall be eligible for election as independent directors. No other nominations shall be entertained after the final list of candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

5. The conduct of the election of independent directors shall be made in accordance with the standard election procedures of the Company in its by-laws, subject to pertinent laws, rules and regulations of the Commission.

6. It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the stockholders' meeting.

7. In case of failure of election for independent directors, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

Nominees

Directors are elected annually by the stockholders at the annual stockholders' meeting to serve until the election and qualification of their successors. The Corporate Governance Committee, composed of Mark Anthony C. Migallos as Chairman, Restituto T. Lopez and Robert Ivan F. Olanday as members, accepts nominees to the Board of Directors, including nominees for independent directors. The Committee is responsible for screening and qualifying the list of nominees. The following is the complete and final list of nominees and candidates for members of the Board of Directors:

1. Restituto T. Lopez – Independent Director
2. Augusto Pablo A. Corpus, Jr.
3. Edmundo G. Las
4. Robert Ivan F. Olanday
5. Ignacio Salvador Gimenez III
6. John F. Catindig
7. Mark Anthony C. Migallos – Independent Director

Independent Directors

This year's nominees for directors include two (2) persons who qualify as independent directors. Mr. John F. Catindig nominated incumbent independent director, Restituto T. Lopez, for another term, while Mr. Robert Ivan F. Olanday nominated incumbent independent director, Mark Anthony C. Migallos. Messrs. Catindig and Lopez, and Migallos and Olanday are not related by consanguinity or affinity up to the fourth civil degree.

Significant employees

Aside from Mr. Augusto Pablo A. Corpus, Jr., President, there are no other officers or employees which the Company expects to individually make a significant contribution to the business.

Family relationships

Mr. Robert Ivan F. Olanday, a Director of the Company, is the son of Mr. Roberto B. Olanday, the beneficial owner of the shares held by We Serve 24 Hours, Inc. and Euro Capital Pte. Ltd.

Mr. Ignacio Salvador Gimenez, III, a Director, Treasurer and Investment Relations Officer of the Company, is the son of Mr. Ignacio B. Gimenez, the beneficial owner of the shares held by Crown Castle Holdings.Com, Inc.

Other than the ones disclosed, there are no other family relationships known to the Company.

Involvement in certain legal proceedings

The Company has no pending lawsuits in connection with the ordinary course of its business. Neither has the Company been subject to any order, judgment or decree, or violated any securities or commodities law, nor has been involved in any litigation or arbitration proceedings that may have, or have had, a material adverse effect on its financial condition, nor, so far as it is aware, is any such proceeding pending or threatened.

To the best of the Company's knowledge and/or information, the current Directors and the Executive Officers are not, presently or during the last five (5) years, involved or have been involved in any material legal proceeding adversely affecting or involving themselves and/or their property before any court of law or administrative body in the Philippines or elsewhere, including any bankruptcy petition, conviction by final judgment, being the subject of adverse order, judgment or decree, or a violation of securities or commodities law.

Certain Relationships and Related Transactions

The Company has in the past entered into transactions with companies directly or indirectly controlled by or associated with the Company's majority shareholders and other related parties and expects that it will continue to enter into such transactions. These transactions may involve potential conflicts of interest between the Company and the majority shareholders in a number of other areasrelating to its businesses, including:

- major business combinations involving the Company and/or its affiliates;
- plans to develop the respective businesses of the Company and/or its affiliates; and
- business opportunities that may be attractive to the majority shareholders and the Company.

The Company can provide no assurance that its related-party transactions will not have a material adverse effect on its business or results of operations.

To mitigate this risk, the Company enters into related-party transactions at an arms-length basis. Furthermore, related-party transactions will be passed upon by the Related Party Transaction C ommittee which is composed of two independent directors and one non-executive director of the Company. Moreover, certain related party transactions benefit the Company and allow it to tap into the broader asset base and business operations of related parties.

Please refer to Note 15, Related Party Disclosures, to the 2022 Audited Consolidated Financial Statements attached hereto as Annex B. Apart from the related party transactions disclosed in the 2022 Audited Financial Statements, the Company has no other related party/self-dealing transactions with its directors and other related parties.

Disagreement with the Company

No director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of stockholders because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Item 6. **Compensation of Directors and Executive Officers**

Summary compensation table

Information as to the aggregate compensation for the years ended 31 December 2022 and 2021 paid to the Company's Chief Executive Officer and four other most highly compensated executive officers and all other officers and directors as a group, as well as the estimated aggregate compensation for the ensuing year are as follows:

Name and principal position	Year	Salary (P)	Bonus (P)	Other Annual Compensation
Total – President and four most highly compensated executive officers	2021[4]	2,995,922	-	
	2022[5]	2,954,384	-	-
	2023 (estimate)[6]	3,000,000	-	-
All other officers and named directors as a group	2021	455,513.94	-	248,000
	2022	428,103.53	-	164,000
	2023(estimate)	340,821.97	-	248,000

Compensation of Directors and Executive Officers

In 2022, the compensation of key management personnel amounted to approximately P3 million. This is mainly composed of salaries and other short-term employee benefits.

While back-office functions (accounting, HR, IT and similar functions) are outsourced to Global O, the core business operations of the Company (leasing and asset management) are handled by its senior officers and employees. Hence, the compensation to be paid to officers covers their respective salaries from the Company for performing these functions.

[4] For 2021, the President and four other most highly compensated executive officers were: Jason Valderrama (Managing Director), Cristina Muyrong (Leasing Manager), Karla San Jose (Project Manager), and Jhay Caliwag (Compliance Officer).

[5] For 2022, the President and other most highly compensated executive officers were: Augusto Pablo A. Corpus, Jr. (President), and Cristina Muyrong (Leasing Manager). There are no other executive officers who were paid compensation for the said year.

[6] For 2023, only the President, Augusto Pablo A. Corpus, Jr., is expected to be paid compensation among the executive officers.

The By-Laws of the Company provide that by resolution of the Board, each Director shall receive a reasonable per diem allowance for his attendance at each meeting of the Board. On 9 January 2019, the Board approved that each Director shall receive Twenty Five Thousand Pesos (P25,000.00) as per diem for each meeting of the Board of Directors and Fifteen Thousand Pesos (P15,000.00) as per diem for each meeting of the Board committees. However, in the Special Board Meeting held on 13 November 2020, the Board of Directors resolved that the per diem of its Executive and Non-Executive Directors (excluding Independent Directors) will be reduced to Five Thousand Pesos (P5,000.00) per Board Meeting and Three Thousand Pesos (P3,000.00) per Committee meeting effective 01 November 2020.

Except for the foregoing standard arrangement, the directors do not receive any other fees, bonuses and allowances from the Company. Aside from the said amounts, the directors have no other compensation plan or arrangement with the Company.

The executive officers receive salaries, bonuses and other usual benefits that are included in the amounts stated above.

Employment contracts and termination of employment and change-in-control arrangements

Employees of the company are covered by standard employment contracts. Other than the foregoing, the Company is not aware of any other employment contract or change-in-control arrangement and there are no existing provisions in the Articles of Incorporation or the By-Laws of the Company which will delay, defer or in any manner prevent a change in control of the Company.

Outstanding warrants and options

There are no outstanding warrants or options to subscribe to common shares of the Company.

Item 7. **Independent Public Accountants**

The Board of Directors of the Company, in consultation with the Audit Committee, composed of Restituto T. Lopez as Chairman and Mark Anthony C. Migallos and Ignacio Salvador Gimenez III as Members, will recommend to the stockholders the reappointment of R.S. Bernaldo & Associates as external auditors of the Company for fiscal year 2023.

The Company's fiscal year begins on 01 January and ends on 31 December of each year. R.S. Bernaldo & Associates has audited and rendered an unqualified audit report on the Group's consolidated financial statements as of and for the years ended 31 December 2021 and 2022. Rean G. Abalos is the current audit partner for the Company and has served as such since 2020.

The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period. R.S. Bernaldo & Associates has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company.

Representatives of R.S. Bernaldo & Associates are expected to be present at the stockholders' meeting and have the opportunity to make a statement if they desire to do so and will be available to respond to appropriate questions.

The aggregate fees paid to R.S. Bernaldo & Associates for the audit of the financial statements of the Company and other services in connection with the statutory and regulatory filings are as follows:

2022	2021
381,500	458,393

Tax fees and all other fees

	2022	2021
Real property tax	3,331,370	3,075,829
Business permits and registration fees	1,265,139	1,537,490
Documentary stamp tax	67,398	-
TOTAL	**4,663,907**	**4,613,319**

In relation to the audit of the Company's annual financial statements, the Company's Amended Corporate Governance Manual and Revised Audit Committee Charter, which was approved by the Board of Directors on 13 November 2020, provides that the audit committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of policies, controls, processes and activities of the Company; (ii) ensure that other non-audit work provided by the external auditors are not in conflict with their functions as external auditors; and (iii) ensure the compliance of the Company with acceptable auditing and accounting standards and regulations.

Item 8. **Compensation Plans**

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. **Authorization or Issuance of Securities Other than for Exchange**

No action is to be taken with respect to the authorization or issuance of any securities otherwise than for exchange for outstanding securities of the Company.

Item 10. **Modification or Exchange of Securities**

No action is to be taken with respect to the modification of any class of securities of the Company, or the issuance or authorization for issuance of one class of securities of the Company in exchange for outstanding securities of another class.

Item 11. **Financial and Other Information**

Not applicable as no action is to be taken with respect to any matter specified in Items 9 or 10.

Item 12. **Mergers, Consolidations, Acquisitions and Similar Matters**

No action is to be taken with respect to any transaction involving the following:

(1) the merger or consolidation of the registrant into or with any other person or of any other person into or with the registrant;

(2) the acquisition by the registrant or any of its security holders of securities of another person;

(3) the acquisition by the registrant of any other going business or of the assets thereof;

(4) the sale or other transfer of all or any substantial part of the assets of the registrant; or

(5) the liquidation or dissolution of the registrant.

Item 13. **Acquisition or Disposition of Property**

No action is to be taken with respect to the acquisition or disposition of any property.

Item 14. **Restatement of Accounts**

No action is to be taken with respect to the restatement of any asset, capital, or surplus account of the Company.

D. OTHER MATTERS

Item 15. **Action with Respect to Reports**

The Minutes of the Annual Meeting of stockholders held on 13 July 2022 (the "Minutes") will be submitted to the stockholders for approval. The Minutes will refer to the adoption of stockholders' resolutions pertaining to the following matters: approval of the Minutes of the previous stockholders' meeting, approval of financial statements, ratification of the acts of the Board of Directors, Board Committees, and Management, appointment of external auditor, and election of directors.

The approval or disapproval of the Minutes will constitute merely an approval or disapproval of the correctness of the Minutes but will not constitute an approval or disapproval of the matters referred to in the Minutes.

Item 16. **Matters Not Required to be Submitted**

No action is to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. **Amendment of Charter, By-laws or Other Documents**

No action is to be taken with respect to any amendment of the Company's charter, by-laws or other documents.

Item 18. **Other Proposed Action**

The stockholders will be asked to ratify all resolutions of the Board of Directors and its committees, officers and management adopted since the last annual stockholders' meeting up to the current stockholders' meeting. These shall include the following:

1. Setting the date of the annual stockholders meeting and authority to conduct the 2023 Annual Stockholders' Meeting via remote communication;
2. Approval of the Annual Report on Securities and Exchange Commission Form 17-A and the Financial Statements of the Company;
3. Authority to transact with China Banking Corporation;

4. Authority to transact with Rizal Commercial and Banking Corporation;
5. Authority to transact with Eastwest Banking Corporation;
6. Authority to transact with East West Rural Bank – Cainta Branch;
7. Authority to transact with Philippine National Bank;
8. Authority to transact with BDO Unibank, Inc.;
9. Designation of authorized representative for purposes of availing mobile, internet, and other products and services of Globe Telecom, Inc.; and
10. Other similar activities of the Company.

Item 19. **Voting Procedures**

In the election of directors, the seven (7) nominees garnering the highest number of votes will be elected as members of the board of directors, provided that there shall always be at least two (2) independent directors in the Company's board of directors. Each common share entitles the person in whose name it is registered in the books of the Company to one vote with respect to all matters to be taken up during the annual meeting of stockholders. In the election of directors, each holder of common share may vote such number of shares for as many persons as there are directors to be elected or may cumulate said shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many nominees as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by 7.

There will be seven (7) persons to be elected to the Company's board of directors, including two (2) independent directors. Election inspectors duly appointed for the meeting shall be responsible for counting the number of votes, subject to validation, if necessary, by representatives of R.S. Bernaldo & Associates as external auditors of the Company.

Stockholders may cast their votes by remote communication or in *absentia,* or by proxy. A stockholder who votes in absentia as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum. Please refer to Annex "A" on the Procedures and Requirements for Voting and Participation in the 2023 ASM for complete information on voting via remote participation or voting in absentia, as well as on how to join the livestream for the 2023 ASM.

Requirements under Section 49 of the Revised Corporation Code of the Philippines ("RCC")

During the 2022 Annual Stockholders' Meeting, the stockholders owning 162,042,567 shares of the Registrant were present/represented during the meeting. The directors and/or officers present during the said meeting are the following: Augusto Pablo A. Corpus, Jr., Restituto T. Lopez, John F. Catindig, Mark Anthony C. Migallos, Rosa Michele C. Bagtas, and Eric T. Dykimching.

A report on the performance/attendance of the Directors is summarized below:

Name of the Directors	Annual Stockholders' Meeting held on 13 July 2022	Organizational Board Meeting held on 13 July 2022	Special Board Meeting held on 05 April 2022
Augusto Pablo A. Corpus, Jr.	✓	✓	✓
Restituto T. Lopez	✓	✓	✓
John F. Catindig	✓	✓	✓
Robert Ivan F. Olanday	X	X	✓
Mark Anthony C. Migallos	✓	✓	✓
Edmundo G. Las	X	X	✓
Ignacio Salvador R. Gimenez III	X	X	X

The other details on the Registrant's compliance with the applicable requirements of Section 49 of the RCC are available in the draft Minutes of the 2022 Annual Stockholders' Meeting, the procedure for the conduct of the 2022 Annual Stockholders' Meeting, and the 2022 Definitive Information Statement at https://www.kepwealth.com/asm/2022-annual-stockholders-meeting/.

PART III.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati, 15 June 2023.

KEPWEALTH PROPERTY PHILS., INC.

By: Rosa Michele C. Bagtas

ROSA MICHELE C. BAGTAS
Corporate Secretary

MANAGEMENT REPORT
AS REQUIRED BY SRC RULE 20

PART 1 - BUSINESS AND GENERAL INFORMATION

BUSINESS

Overview

KEPWEALTH PROPERTY PHILS., INC. ("KPPI" or the "Company") is engaged in the business of investing in, purchasing, or otherwise acquiring and owning, holding, using, selling, assigning, transferring, leasing, mortgaging, exchanging, maintaining, administering, managing, and operating alone or jointly with others, or otherwise disposing of real property, such as but not limited to office, commercial, agricultural and residential properties, hotels, inns, resorts, apartments, or personal property of every kind and description.

The Company was incorporated in the Philippines on 23 September 2005 and was listed on the Philippine Stock Exchange on 19 August 2019 under the trade symbol "KPPI."

The Company owns 77 units with 98 leasable spaces of Kepwealth Center in the Cebu Business Park. The PEZA-accredited 15-storey building is currently tenanted by reputable firms both domestic and multinational, in various industries such as in finance and insurance, audit, legal counselling, education, health services, real estate, tourism, and sovereign agencies, among others.

The Company also acts as an asset manager for certain commercial and residential properties located in key areas within Metro Manila.

Business Development

On 27 October 2017, Kephinance Investment Pte. Ltd. and Kepwealth, Inc. (the "Sellers") entered into a Share-Purchase Agreement with Euro Capital Land, Inc. ("Euro Capital Land") for a total of thirty four million two thousand five hundred shares (34,002,500) comprising eight million five hundred two thousand five hundred (8,502,500) common shares, which includes Nominee Shares, and twenty five million five hundred thousand (25,500,000) preferred shares with a par value of Ten Pesos (₱10.00) per share in the Company. The shares of the Sellers represent 100% of the issued and outstanding stock of the Company as of the date thereof. Pursuant to the terms of the Share Purchase Agreement, the Sellers assigned and transferred all of their rights, titles, and interests in the Company to the following companies designated by Euro Capital Land: Crown Castle Holdings.Com, Inc.; We Serve 24 Hours, Inc.; Euro Capital Pte. Ltd.; and Las Tuazon and Sons Realty, Inc. The latter agreed to the total aggregate purchase price of Seven Hundred Ninety-Three Million Six Hundred Forty-Two Thousand One Hundred Fifty Pesos (₱793,642,150.00) for the transfer of shares from the Sellers to the four companies. The purchase price for the total issued and outstanding shares of stock of KPPI was based on a commercial agreement between the parties taking into account various factors including but not limited to the value of the property and the revenues of the Company.

Accordingly, Crown Castle Holdings.Com, Inc. ("Crown Castle"); We Serve 24 Hours, Inc. ("We Serve"); Euro Capital Pte. Ltd. ("Euro Capital"); and Las Tuazon and Sons Realty, Inc. ("Las Tuazon") (Crown Castle, We Serve, Euro Capital, and Las Tuazon shall be collectively referred to as the ("Principal Shareholders") acquired KPPI from the Sellers. Immediately after the acquisition, KPPI acquired five (5) additional condominium units in Kepwealth Center.

KPPI is the owner of 77 office condominium units with 98 leasable spaces in Kepwealth Center, a commercial building located at Samar Loop corner Cardinal Rosales Avenue, Cebu Business Park, Cebu City. On 1 January 2019, the name of the building was changed to Kepwealth Center. Kepwealth Center is one of the first buildings to be erected within the vicinity. It was one of the properties that were assumed by Keppel Bank when it took over the ownership and management of the then Monte de Piedad Bank.

In March 2019, the Company launched its asset management business and entered into agreements for the management of commercial, office, and residential units in the following buildings located across Metro Manila: Oxford Suites (60 units), Medical Plaza Ortigas (79 units), Burgundy Corporate Tower (91 units), Burgundy West Bay Tower (59 units), Atrium Mall (43 units), Icon Macapagal (98 units), and Vivaldi Residences – Cubao Commercial Space (29 units). In April 2019, the Company also entered into an agreement for the management of 96 units of Luxe Madrigal.

Corporate Reorganization

Initially, the Company's authorized capital stock of ₱620,000,000.00 was divided into 8,800,000 Common Shares and 53,200,000 Preferred Shares, both with a par value of ₱10.00 each. On 9 January 2019, for purposes of expansion, the Board of Directors and the stockholders approved the reclassification of the shares of the Company. Currently, the Company's authorized capital stock is divided into 365,000,000 Common Shares and 255,000,000 Preferred Shares with a par value of ₱1.00 each. The Company effectively decreased the par value of its Common and Preferred Shares, both from ₱10.00 per share to ₱1.00 per Common Share and to ₱1.00 per Preferred Share.

In February 2019, the Company filed an application with the Commission for such reclassification of shares as described above.

On 7 March 2019, the Commission approved the Company's application for the amendment of its Articles of Incorporation which included the: (i) amendment of its Primary and Secondary purposes; (ii) increase in the number of directors from five (5) to seven (7); (iii) decrease in the par value of its common shares from ₱10.00 per share to ₱1.00 per share; and (iv) decrease in the par value of its preferred shares from ₱10.00 per share to ₱1.00 per share. As a result of the amendments, the Company's total issued and outstanding share capital consisted of 134,025,002 common shares and 255,000,000 preferred shares, each with a par value of ₱1.00. In compliance with the PSE Listing Rules, among the amendments made to the Articles of Incorporation was to restrict a change in the Company's primary and/or secondary purpose for a period of seven (7) years following its listing in the PSE. Consistent with the foregoing and the Company's secondary purpose, the Company has no plans to engage in the business of a real estate developer.

The Company has generated total revenues of ₱57.53 million, ₱62.49 million, and ₱88.17 million for the years ended 31 December 2022, 2021 and 2020 and net income(loss) of (₱.469) million, ₱3.1 million, and ₱19.14 million, for the same periods.

The ultimate beneficial owners of the Company, Messrs. Ignacio B. Gimenez, Roberto B. Olanday, and Edmundo G. Las, have formed the GOLD Group24 which has business interests in various industries, particularly hotel, property development, property leasing, and business services.

A. Description of Business / Principal Products or Services

The following are some of the significant developments involving the Company since 31 December 2018:

Asset Management Business

In March 2019, the Company entered into agreements for the management of 459 units in the following buildings located across Metro Manila: Oxford Suites (60 units), Medical Plaza Ortigas (79 units), Burgundy Corporate Tower (91 units), Burgundy West Bay Tower (59 units). Atrium Mall (43 units), Icon Macapagal (98 units), and Vivaldi Residences – Cubao Commercial Space (29 units). In April 2019, the Company also entered into an agreement for the management of 96 units of Luxe Madrigal.

The asset management agreements entered into by KPPI have a standard term of five (5) years, mostly commencing in March 2019 until February 2024. The agreement is subject to automatic renewal unless notice is given of the intention not to renew the agreement at least 90 days prior to the expiration of the term. Under the asset management agreements, KPPI's main role is to maximize property value and investment returns, which centers on market research, data analysis and revenue forecasting. It also includes marketing services and improving tenant relations. In consideration of its services, the Company will receive a monthly service fee for the management of the units.

The asset management business of KPPI is built on a clear vision and purpose of enhancing the commercial value of commercial and residential properties under its portfolio through innovative and deliberate property management strategies.

In the few months of its operation, the expertise of KPPI's Asset Management Team has posted notable gains for its clients as evidenced by increased tenant satisfaction. KPPI's asset management portfolio provides an avenue to further hone and refine the Company's commercial property management initiatives effectively reducing risks while improving tenant retention.

Group Business Services

On 01 March 2019, the Company entered into a business process outsourcing agreement with Global Officium Limited, Inc. ("Global O"). Under the agreement, KPPI has outsourced the following finance and accounting business processes: treasury services, bookkeeping services, management accounting reports and services, financial account reports and services, accounts payable function, accounts receivable function, and tax compliance services. Likewise, functional support services for recruitment, payroll, information and communication technology (ICT) services, and internal audit shall also be provided by Global O.

Global O is a group business services provider of companies under the GOLD Group. Global O is driven by key business principles. It shall serve as the vanguard of internal control for KPPI. As such, Global O seeks to ensure compliance to statutory requirements, consolidation of information, reengineering and standardization of processes while leveraging on technology. The group business services arm will allow KPPI to take advantage of economies of scale and process standards while at the same time being customer focused and business intelligent.

B. Percentage of sales and net income contributed by foreign sales

The Company does not have sales or revenues and net income contributed by foreign sales for the last three (3) years.

C. Distribution method of products

The Company engages agents to market its properties. The Company uses third party agents to market and sell its various property offerings to potential customers. Further, the Company has, in its complement, very competent and skilled in-house marketing agents who market and sell its various property offerings to potential customers. At least about 9% of the Company's property offerings are promoted by its in-house agents and about 91% are coursed through third party agents.

D. New product or Service

The Company continues to look and explore acquisition opportunities which have a high upside potential for both development and/or lease.

Although the Company planned to pursue the management of the Apo Hotel in Davao City in the year 2020, this has been put on hold until such time as the full impact of the pandemic is sufficiently assessed and the future directions for the Hotel can be determined.

In March 2020, the Company completed the purchase of additional condominium units and parking spaces in One San Miguel Avenue located at San Miguel Avenue in Ortigas Center, Pasig City and these are already part of the inventory being marketed by the Sales Team of the Company.

E. Competition

Competition in the real estate business is primarily driven by location. However, other factors such as quality of property and provision of property management, sales, and marketing services also shape the competitive landscape, insofar as capturing customers is concerned.

Within the property leasing business, the Company can be considered in direct competition with other lessors of comparable buildings in the immediate vicinity of Kepwealth Center in the Cebu Business Park as well as those in the Cebu IT Park.

Furthermore, the Company also competes with other industry players, such as property developers and real estate investors, in securing properties to be able to expand its portfolio of properties available for lease.

As for its asset management business, the Company's competitors are likewise diverse. These range from multinational property asset management firms and their Philippine partners, such as Colliers International, Santos Knight Frank, Jones Lang La Salle, among others, who deal with multi-building in different locations to much smaller, fragmented players, who deal with single buildings.

F. Sources and availability of raw materials and the names of principal suppliers

The Company does not utilize any raw materials for its business.

G. Dependency of the business is upon a single customer or a few customers

The Company does not depend on a single or a few customers for its business, and no one customer accounts for more than 20% of its revenue.

H. Transactions with and/or dependence on related parties

The Company has entered into the following contracts which may be considered material:

Lease Contracts

The Company currently owns 77 units with 98 leasable spaces and one hundred sixty (160) parking slots in the Kepwealth Center for rent. As of 31 December 2022, the Company enjoys a 52% occupancy rate for the leasable spaces and a 32% occupancy rate for the parking slots.

The average term of the Company's lease contracts is two (2) years, with the shortest term at one (1) year and the longest term at six (6) years, subject to renewal upon mutual consent by the parties. Lessees may pre-terminate the lease contracts by informing the Company in advance and paying the pre-termination fees equivalent to the forfeiture of the security deposit and advance rental payments. The lease contracts may not be assigned or subleased without the prior written consent of the Company.

Under the lease contracts, the condominium dues/association fees are paid separately from the rentals and these are also for the account of the lessees. In the event of default by lessees of rental payments, interests shall be imposed at rates ranging from three percent (3%) to ten percent (10%) per year. The rental payments due shall also be subject to annual incremental increases.

Asset Management Agreement

The Company managed 555 units in the following buildings located across Metro Manila: Oxford Suites (60 units), Medical Plaza Ortigas (79 units), Burgundy Corporate Tower (91 units), Burgundy West Bay Tower (59 units), Atrium Mall (43 units), Luxe Madrigal (96 units), Icon Macapagal (98 units), and Vivaldi Residences – Cubao Commercial Space (29 units). The Asset Management Agreements concerning the foregoing properties were entered into with various related parties (affiliates of the Company through common shareholders).

The Asset Management Agreements entered into by KPPI have a standard term of five (5) years, mostly commencing in March 2019 until February 2024. The agreements are subject to automatic renewal unless notice is given of the intention not to renew the agreement at least 90 days prior to the expiration of the term.

Under the asset management agreements, KPPI will provide the following services to the unit owners:

1. Marketing

a) Handle the marketing of the lease and sale of units with pro-active and strategic marketing efforts to ensure high occupancy rates.
b) Screen prospective tenants in relation to the overall marketing plan and branding of the property and the client.
c) Maintain and update a list of prospective tenants.

2. Tenant Services

a) Assist in negotiations with tenants and in the documentation of lease contracts executed in the ordinary course of the client's business.
b) Coordinate and oversee the move-in and move-out of tenants from the property.

c) Coordinate with the tenants/customers and third-party contractors for the fit-out/ renovation of leased units.
d) Monitor performance and compliance with the terms and conditions of the lease agreements between the client and its tenants/customers.
e) Advise on the collection of all rental payments from the tenants/customers of the client and make recommendations on actions and measures that may be approved and sanction by the client to collect delayed payments or arrears from tenants/customers of the client.
f) Monitor and advise on renewal of lease agreements between the client and its tenants/customers.
g) Maintain, development, and foster good business and working relationships between the tenants/customers and the client.
h) Liaise between the tenants/customers and the client in addressing complaints/issues in relation to the Property and the implementation of the lease contracts.
i) Monitor and oversee the repair and preventive maintenance of the Property.

Due to the COVID 19 pandemic, the Asset Management Contract for Atrium Mall was terminated on 30 June 2020, while on 30 September 2020, the Asset Management Contracts for Vivaldi Residences and Icon Macapagal were also terminated. Likewise, the Asset Management Contracts for Oxford Suites, Medical Plaza Ortigas, Burgundy Corporate Tower and Burgundy West Bay Tower were also terminated effective 31 December 2020.

Asset Management Contract

On 14 November 2017, the Company entered into an Asset Management Contract with Euro Capital Land, Inc. ("Euro Capital Land") to act as the sole agent and representative with respect to 77 condominium units and 160 parking slots owned and controlled by the Company in Kepwealth Center. The agreement was effective for an initial period of one (1) year from 14 November 2017 to 13 November 2018 and was extended up to 28 February 2019. Effective 1 March 2019, the asset management business was taken over by the Company from Euro Capital Land.

Under the previous contract, Euro Capital Land shall provide financial, practical, and professional services to the Company. These include key services such as rental and deposit collection, issuance of billings, unit management and repairs, preventive maintenance and inspection, and other administrative functions. In return, Euro Capital Land shall receive a Management Fee of Fifty Thousand Pesos (₱50,000.00) a month exclusive of VAT, Broker's Fee for sales of units from 3.0% to 3.5%, Broker's Fee for leases of units equivalent to one (1) month's rent for every year of the lease, and other extra charges for expenses in connection with the management of the unit to be reimbursed by the Company.

Management Service Agreement

On 1 June 2008, the Company formalized its Management Service Agreement with Kepwealth Center Condominium Corporation ("KCCC"). Under the agreement, KCCC recognized that it has paid the Company a Management Fee of twenty-five thousand (₱25,000.00) per month since December 2005 and shall continue to do so until termination of the agreement by the parties. There is no specific provision on the period of effectivity and termination of the agreement.

This monthly Management Fee covers regular consultancy services rendered by the Company in favor of KCCC for operations, financial, and administrative matters. The monthly Management Fee shall also be subject to increase depending on the extent and volume of services required.

Insurance

On 23 August 2022, KCCC procured an Insurance Policy with Malayan Insurance covering Kepwealth Center effective until 23 August 2023. The total sum insured is Five Hundred Seventeen Million Five Hundred Seventy Eight Thousand Two Hundred (P517,578,200.00) or 50% of One Billion Thirty Five Million One Hundred Fifty Six Thousand Four Hundred (P1,035,156,400.00). The insurance policy covers the entire building (excluding the contents of the units) and its elevators, air conditioning system, fire-fighting, water distribution, and water treatment systems, and KVA gensets. The insurance coverage includes Fire, Lightning, and All Other Perils including earthquake, typhoon, flood, windstorm, hail, extended coverage (smoke, explosion, vehicle impact, and falling aircraft), riot, strikes, and malicious damage, sprinkler leakage, broad water damage, bursting and/or overflowing of water tanks, apparatus, and pipes, collapse due to insured perils, spontaneous combustion, tidal wave or tsunami, volcanic eruption, hurricane, and tornado.

The extension of coverage also includes Comprehensive General Liability insurance, money insurance, fidelity insurance, group personal accident insurance, plate glass/signages insurance, and machinery breakdown. The amount collectible for different risks covered are subject to specific limitations and deductibles provided under the insurance policy. Excluded from the Insurance Policy are terrorism and sabotage, war, documentary stamp tax payment warranty, electronic data exclusion clause, and total asbestos exclusion clause.

Contract for Brokerage Services

On 01 June 2020, the Company entered into a contract entitled Exclusive Broker Marketing Agreement and Corporate Real Estate Agency with Jones Lang LaSalle Philippines, Inc. ("JLL") effective from 01 June 2020 until 31 March 2021. The contract with JLL was renewed with a term starting 01 June 2021 until 31 May 2022. It was renewed again from May 2022 to 31 December 2022. The Company engaged JLL as the exclusive marketing agent for leasing the Company's 77 units and 160 parking slots at Kepwealth Center. Under the Agreement, JLL will market the property and make recommendations for the general promotion of the same which will be implemented in accordance with the approved budget; escort interested parties to the property and follow up all inquiries and interest expressed in the property; report weekly on the progress of the marketing either verbally, online, in writing and/or at meeting with the client; advise the client on market conditions and terms of the possible transactions and as appropriate, in conjunction with the client's legal advisers, negotiate the terms with interested parties acting on the client's behalf; provide written details of all offers received and assist the client's legal advisers in finalizing the legal documentations.

The Commission Fees payable to JLL varies depending on the duration of the lease term. For new leases, the Commission Fee is equivalent to 1 month gross rent for a lease of 1 to 3 years, 1.5 month gross rent for the lease term of 4 years; 2 months gross rent for a lease term of 5 years; 2.5 month gross rent for the lease term of 6 to 8 years; 3 months gross rent for the lease term of 9 years; and 4 months gross rent for a lease term of 10 years or more.

Group Business Services

On 1 March 2019, the Company entered into a business process outsourcing agreement with Global O. Under the agreement, KPPI has outsourced the following finance and accounting business processes: treasury services, bookkeeping services, management accounting reports and services, financial account reports and services, accounts payable function, accounts receivable function, and tax compliance services. Under the agreement, KPPI shall pay a monthly service fee of ₱251,521.98 for the services it outsources to Global O. On December 2020, the monthly rate was reduced to ₱234,484.92.

Global O is a group business services provider of companies under the GOLD Group. Global O is driven by key business principles. It shall also serve as the vanguard of internal control for KPPI. As such, Global O seeks to ensure compliance to statutory requirements, consolidation of information,

reengineering and standardization of processes while leveraging on technology. The group business services arm will allow KPPI to take advantage of economies of scale and process standards while at the same time being customer focused and business intelligent.

Stockholders

The Company received non-interest-bearing advances from stockholders amounting to P0.9 Million. These cash advances were paid by the Company in 2019.

Keppel Center Condominium Corporation (KCCC)

The Company entered into an operational, financial, and administration services agreement with KCCC, a related party, until today, for a fixed monthly fee. Management income arising from this agreement amounted to P329,411.76 each for 2020, 2021 and 2022.

Terms and Conditions of Transactions with Related Parties

In the ordinary course of business, the Company has loan transactions with certain directors, officers, stockholders and related interests. Under the Company's policies, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risk.

As to the advances made to related parties ECLI, ETII and certain stockholders, all cash advances made were non-interest-bearing, unsecured, and were either payable on demand or settled within one (1) year.

Related Party Transaction Policy

The Company enters into transactions with affiliates and other related parties on an arm's length basis. Aligned with this thrust, the Company, in dealing with affiliates and other related parties, ensures above-board transactions and fairness and equity among all parties.

The Company exerts efforts to obtain the most beneficial terms and conditions for the Company, taking into consideration various factors including pricing and quality.

For this purpose, the Company determines the prevailing and applicable price in the market. In the process, it also gathers quotes and/or proposals from other parties engaged in similar or the same undertaking. Based on these, a comparable summary is presented to ascertain a fair price for the applicable related party transaction.

The Related Party Transaction Committee reviews all related party transactions of the Company.

FINANCIAL STATEMENTS

The Company's 2022 Audited Consolidated Financial Statements and Notes thereto, including the Statement of Management's Responsibility and Supplementary Schedules, and unaudited Interim Financial Statements of the Company as of 31 March 2023, form part of this report as **Annex "B"** hereto.

DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period. R.S. Bernaldo & Associates has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following discussion of KEPWEALTH PROPERTY PHILIPPINES, INC.'s ("KPPI" or the "Company") recent financial condition and results of operations should be read in conjunction with KPPI's Audited Consolidated Financial Statements as of 31 December 2022 and 2021 and for each of the three years in the period ended 31 December 2022, 31 December 2021, and 31 December 2020, and notes thereto, which form part of the SEC Form 17-A as **Annex "A"**.

A. Financial Condition

For The Year Ended December 31										
All amounts in Philippine Peso, except percentages										
	2022	%	2021	%	% Change 22vs21	2020	%	2019	%	% Change 20vs19
ASSETS										
Current Assets										
Cash and cash equivalent	106,761,862	13%	73,570,585	9%	45%	282,551,545	33%	452,334,407	54%	-38%
Short-term investments	6,079,112	1%	0	0%	0%		0%	50,311,667	6%	-100%
Financial assets at FV through profit or loss	237,779,472	28%	234,504,012	28%	1%		0%		0%	0%
Trade and other receivables - net	7,910,532	1%	5,101,737	1%	55%	15,035,844	2%	7,944,255	1%	89%
Due from related parties	3,401,490	0%	3,206,636	0%	6%		0%		0%	0%
Prepayments and other current assets	16,944,464	2%	15,509,245	2%	9%	7,510,213	1%	545,370	0%	1277%
Total Current Assets	372,797,820	**44%**	331,892,215	39%	12%	305,097,602	36%	511,135,699	**61%**	**-40%**
Non-current Assets										
Due from related parties - net of current portion	2,505,847	**0%**	5,708,563	**1%**	**-56%**		**0%**		**0%**	**0%**
Investment properties - net	385,957,349	46%	418,843,089	50%	-8%	449,312,261	53%	317,038,624	38%	42%
Property and equipment - net	1,656,774	0%	1,696,051	0%	-2%	2,090,111	0%	466,891	0%	348%
Investment in trust accounts	75,555,000	9%	75,555,000	9%	0%	75,555,000	9%		0%	0%
Deferred taxes - net	4,583,468	1%	3,023,186	0%	52%	3,382,986	0%	3,338,475	0%	1%
Deferred input VAT	4,610,994	1%	8,563,276	1%	-46%	14,514,667	2%	475,255	0%	2954%
Total Non-current Assets	474,869,432	**56%**	513,389,165	61%	-8%	544,855,045	64%	321,319,245	**39%**	**70%**
TOTAL ASSETS	847,667,252	**100%**	845,281,380	100%	0%	849,952,647	100%	832,454,944	**100%**	**2%**
LIABILITIES AND STOCKHOLDERS' EQUITY										
LIABILITIES										
Current Liability										
Trade and other payables	31,529,083	4%	27,292,599	3%	16%	33,130,051	4%	35,076,132	4%	-6%
Total Current Liabilities	31,529,083	**4%**	27,292,599	3%	16%	33,130,051	4%	35,076,132	**4%**	**-6%**
Non-current Liabilities										
Advance Rent	1,130,281	0%	1,141,103	0%	-1%	1,793,621	0%	1,793,621	0%	0%
Security Deposits	133,932	0%	1,505,128	0%	-91%	2,378,029	0%	2,378,029	0%	0%
Due to a related party		0%		0%	0%	412,662	0%	50,367	0%	719%
Deferred credits		0%		0%	0%	16,649	0%	75,338	0%	-78%
Deferred tax liability										
Total Non-current Liabilities	1,264,213	**0%**	2,646,231	0%	-52%	4,600,961	1%	4,297,525	**1%**	**7%**
TOTAL LIABILITIES	32,793,296	**4%**	29,938,830	4%	10%	37,731,012	4%	39,373,657	**5%**	**-4%**
STOCKHOLDERS' EQUITY										
Capital Stock	456,057,609	54%	456,057,609	54%	0%	456,057,609	54%	456,057,609	55%	0%
Additional Paid-in Capital	299,519,764	35%	299,519,764	35%	0%	299,519,764	35%	299,519,764	36%	0%
Retained Earnings	59,296,583	7%	59,765,177	7%	-1%	59,644,262	7%	37,503,914	5%	59%
TOTAL STOCKHOLDERS' EQUITY	**814,873,956**	**96%**	815,342,550	96%	0%	812,221,635	96%	793,081,287	**95%**	**2%**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**847,667,252**	**100%**	845,281,380	100%	0%	849,952,647	100%	832,454,944	**100%**	**2%**

Assets

The Company has total assets of Php 847.67 Million and Php 845.28 Million as of 31 December 2022 and 2021, respectively, increase of which is primarily to the results of operation.

Current Assets

- The Company has Total Current Assets of Php 372.80 Million and Php 331.89 Million as of December 31, 2022 and 2021, respectively.

- Cash and cash equivalents amounted to Php 106.76 Million and Php 73.57 Million as of December 31, 2022 and 2021, respectively. Cash and cash equivalents include unused proceeds from the IPO which are part of Cash in bank and the same earns interest at the respective bank deposit rates. Cash equivalents which are made for varying periods of up to three months depending on the immediate cash requirement of the Company and the same earn annual interest of 2.91%.

- Trade and other receivables of the Company amounted to Php 7.9 million and Php 5.10 million as of 31 December 2022 and 2021, respectively. The total trade receivables of the Company are 2.12% of the total current asset. Trade Receivables are non-interest bearing and are generally collectible in the succeeding month.

Non-Current Assets

- Of the Company's total assets, noncurrent assets comprise only of 56.02% as of 31 December 2022 up from 60.74% as of 31 December 2021 due to depreciation of investment property and amortization of deferred input tax.

- The Company's Investment Property consists mainly of condominium units and parking slots at Kepwealth Center (previously Keppel Center) located in Cebu Business Park, Cebu City. These units are being leased-out to third parties with lease terms ranging from one to ten years. Leasing revenues are earned from the Investment Property and will be discussed in detail below.

- Property and equipment includes office equipment and improvements.

- Net deferred tax asset is the net between deferred tax assets such as advance rent and allowance for estimated credit loss ("ECL") and deferred tax liabilities which are initial leasing cost and accrued rent. The Net deferred tax asset of the Company is Php 4.58 million and P3.02 million as of 31 December 2022 and 2021, respectively.

Liabilities

- The Company has total liabilities of Php 32.79 million and Php 29.94 million as of 31 December 2022 and 2021, respectively.

- Accounts and other payable comprises 96% (P31 Million) and 91% (P27 Million) of the total liabilities as of 31 December 2022 and 2021, respectively.

- Other items of liabilities include income tax payable, advance rent – net of current portion, security deposits – net of current portion and deferred credits – net of current portion.

Equity

- The Company has total equity of Php 814.87 million and Php 815.34 million as of 31 December 2022 and 2021, respectively.

- On 07 March 2019, the Commission approved the Company's change in authorized capital structure from 8,800,000 common shares at P10 par value a share and 53,200,000 preferred shares at P10 par value a share to 365,000,000 common shares at P1 par value a share and 255,000,000 preferred shares at P1 par value a share, respectively. The change in par value in the Company's authorized capital resulted to an increase in common shares by 76,522,500 and an increase in preferred shares by 229,500,000.

- The Company's Board of Directors and stockholders declared stock dividends of 49,000,000 common shares at P1 par value per share equivalent to P49.0 Million from the resulting increase in authorized common shares on 30 January 2019. The stock dividends were issued upon the approval of the change in authorized capital structure by the Commission.

The Company is a public company under Section 17.2 of the Securities Regulation Code (SRC) and its shares of stock were officially listed for trading in the PSE on 19 August 2019. The Company's IPO consisted of 67 million common shares at an offer price of P5.74 per share.

Key Performance Indicators

	31 December 2022	31 December 2021
Current ratio	**11.82:1**	12.16:1
Debt-to-equity ratio	**0.04:1**	0.04:1
Asset-to-equity ratio	**1.04:1**	1.04:1

Notes:

Current ratio	=	*Current Assets / Current Liabilities*
Debt-to-equity ratio	=	*Total Liabilities / Total Equity*
Asset-to-equity ratio	=	*Total Assets / Total Equity*

B. RESULTS OF OPERATIONS

The Group's consolidated operating results for the years ended 31 December 2022, 2021, and 2020 in absolute terms and expressed as a percentage of total sales are compared below:

For the years ended December 31
All amounts in Philippine Peso, except percentages

	2022	**% of Sales**	**2021**	**% of Sales**	**% Change 2022 vs 2021**	**2020**	**% of Sales**	**% Change 2021 vs 2020**
Revenues	49,788,191	100%	55,128,026	100%	-10%	81,408,329	100%	-32%
Cost of Services	39,902,290	80%	39,959,968	72%	0%	44,512,587	55%	10%
Gross Profit	9,885,901	20%	15,168,058	28%	-35%	36,895,742	45%	-59%
Other Income	7,738,289	16%	7,360,813	13%	5%	6,762,747	8%	9%
Gross Income	17,624,190	35%	22,528,871	41%	-22%	43,658,489	54%	48%
Operating Expenses	19,542,737	39%	19,502,477	35%	0%	17,830,102	22%	9%

Income before Income Taxes	(1,918,547)	-4%	3,026,394	5%	-163%	25,828,387	32%	-88%
Income Tax Expense	(1,449,953)	-3%	-94,521	-.17%	1434%	6,688,039	8%	-101%
Net Income	-468,594	-1%	3,120,915	5.66%	-115%	19,140,348	24%	-84%
Other Comprehensive Income		0%		0%			0%	
Total Comprehensive Income	**-468,594**	**-1%**	**3,120,915**	**5.66%**	**-115%**	**19,140,348**	**24%**	**-84%**

Notes:

Return on Equity = Net Income / Total Equity

Return on Total Assets = Net Income / Total Assets

2022 vs 2021

Sales

The Company generated sales of Php 49.79 million for the year ended 31 December 2022, down by 9.69% on year on year basis.

Costs of Services

Costs of services for the year ended 31 December 2022 closed at Php 39.90 million, resulting in a gross profit of P9.88 million.

The Company's cost of services primarily consists of depreciation, commission, salaries, wages and employee benefits, taxes and licenses and repairs and maintenance which are directly attributable to the leasing and asset management revenue of the Company's cost of services in 2022 was up to 80% of the total revenue as compared to 72% in 2021 or a cost of services increase of 8%.

Gross Profit

The Company's gross profit has decreased to 20% of the total revenue in 2022 as compared to 28% in 2021 or a decrease of P5.3 Million in 2022.

Operating expenses

Operating expenses, composed of general and administrative expenses, amount to P19.50 Million for the year ended 31 December 2022. This translates to 39% of revenues from 35% of revenues the year prior.

Interest Income

Interest income in 2022 represents mainly interest earned from the Company's cash and cash equivalents and short-term investments. The Company's cash and cash equivalents have earned interest income of P.724 Million in 2022 as compared to P.751 Million in 2021.

Other Income

Other income represents Management fees, Dividend Income, Unrealized Gain earned from a related party for a fixed Management income amounted, preferred shares, and money market fund respectively to P7 Million in 2022 and 6.6 Million in 2021.

Income Tax Expense

Income tax expense for the year totaled P(1.45) Million.

Net Income

Net income for the year ended 31 December 2022 reached P(.469) Million for a net income margin of -1%, which decreased by 115% from last year's net income of P3.1 Million for a net income margin of 6%.

2021 vs 2020

Sales

Revenues for the year ended 31 December 2021 amounted to P55.13 Million, a decrease of 32% as compared to P81.41 Million for the year ended 31 December 2020. The total revenue in 2021 were all earned from third parties.

Cost of Services

Costs of services for the year ended 31 December 2021 closed at P39.96 Million, resulting in a gross profit of P15.17 Million.

The Company's costs of services primarily consist of depreciation, commission, taxes and licenses and repairs and maintenance which are directly attributable to the leasing revenue of the Company.

Costs of services in 2021 were up to 72% of the total revenue as compared to 55% in 2020, or an increase of 18%.

Gross Profit

The Company's gross profit is down to 28% of the total revenue in 2021 as compared to 45% in 2020, or a decrease of P21.73 Million in 2021.

Operating expenses

Operating expenses, composed of general and administrative expenses, amounting to P19.50 Million for the year ended 31 December 2021. This translates to 35% of the revenues from 22% of revenues the year prior.

Interest Income

Interest income in 2021 represents mainly interest earned from the Company's cash and cash equivalents. The Company's cash and cash equivalents have earned interest income of P.751 Million in 2021 as compared to P6.2 Million in 2020.

Other Income

Other income represents management fee, dividend income, unrealized gain earned from a related party for a fixed management income, preferred shares, and money market fund amounting to P6.6 Million in 2021 and P0.3 Million in 2020.

Income Tax Expense

Income tax expense for the year 2021 totaled P(.09) Million. In 2020, income tax expense totaled P6.69 Million, which consisted of P6.7 Million current tax expense and a deferred tax asset of P0.044 Million.

Net Income

Net income for the year ended 31 December 2021 reached P1.1 Million for a net income margin of 6%, a 18% decrease from last year's net income of P19.1 Million for a net income margin of 24%.

B. Cash flows

Cash flows generated from operating activities in 2022 amounted to P28.04 Million which is 16% lower than P33.4 Million generated in 2021.

Net cash used in investing activities totaled P5.15 Million in 2021 mainly due to income received from investment in money market fund; for 2021, Php 241.96 million was used mainly due to acquisition of short-term investments

Overall, net cash flows for the year ended 31 December 2022 amounted to P33.19 Million resulting to cash and cash equivalents balance of P106.76 Million as of 31 December 2022.

The Effect of COVID-19 Pandemic to the Business

The Company announced the termination of the Asset Management Agreements with the various related parties (i.e., Gallipoli Real Estate, Inc., Ortigia Property Holdings, Inc., Melbury Property Holdings, Inc., and Gallipoli Two Real Estate, Inc.) for the management of certain commercial units located across Metro Manila effective 31 December 2020 because of the COVID-19 pandemic. The termination of the Asset Management Agreements resulted to a decrease on the actual revenue of the Company by ten percent (10%) for the year 2022.

Interim Period

1. FINANCIAL CONDITION

As of 31 March 2023 compared to as of 31 December 2022

The total assets of the Company decreased by P2.1 Million or by 0.24% from 31 December 2022.

Material changes in asset accounts are analyzed as follows:

a. The net increase in cash and cash equivalents of P6.7 Million (7%) is mainly due to the cash inflows for the collections of receivables and decrease in other noncurrent assets of P8.4 Million (2%) mainly pertaining to the increase in life of investment properties.

b. The decrease in trade and other receivables by P1.5 Million (-19%) is due to decrease in trade receivables from leasing operations.

c. Other current assets decreased by P35 Thousand (0%) is mainly due to the current portion of deferred input VAT on the acquisition on investment in properties.

d. Net decrease in investment properties of P7.8 Million (-2%) is due to amortization for the year.

e. Net decrease of P25 Thousand (-2%) in property and equipment is due to adjustment in amortization for the year.

f. Net increase of P0.46 Million (10%) in net deferred tax asset is due to effect of changes in leasing costs, accrued rent, unrealized gain, advance rent, NOLCO and MCIT.

The total liabilities of the Company decreased by P1.9 Million (-6%) due primarily to advance rentals and security deposit and accruals of expenses for the quarter.

Total equity stood at P814.7 Million as of 31 March 2023 compared to P814.9 Million as of 31 December 2022, a decrease by -P0.158 Million (-0.02%) representing the net loss for the quarter.

The movements in the Company's retained earnings account represents the net loss recognized during the three-month period ended 31 March 2023 amounting to P0.158 Million.

Relevant financial ratios related to the Company's financial position are liquidity ratio, solvency ratio, debt-to-equity ratio and asset-to-equity ratio.

The Company's liquidity ratio decreased to 12.79:1 as at 31 March 2023 from 11.82:1 as at 31 December 2022 due mainly to termination of asset management segment.

The solvency ratio decreased to 0.25:1 as of 31 March 2023 from 0.95:1 as of 31 December 2022 due to the increased accruals as at period-end.

The debt-to-equity ratio remained the same 0.04:1 as at 31 March 2023 and 31 December 2022.

The asset-to-equity ratio remained the same 0.96:1 as of 31 March 2023 and 31 December 2022.

2. RESULTS OF OPERATIONS

For the three (3)-month Period Ended 31 March 2023 Compared to the three (3)-month Period Ended 31 March 2022

The Company generated a total of P11.9 Million in revenues from its business segments for the three-month period ended 31 March 2023 which is P0.4 Million (-3%) lower than the revenue generated for the same period in the prior year, mainly attributed to the decrease of occupancy.

Consequently, gross income is lower by P0.2 Million (-7%). The total comprehensive income of the Company for the three-month period ended 31 March 2023 registered at -P0.158 Million which is P0.458 Million (-74%) higher than that of the previous year for the same period.

Key factors to the changes of the items above are as follows:

a. Revenue decreased mainly as a result of termination of asset management operations of the Company which commenced on January 2021.

b. Cost of services decreased by P0.2 Million (-2%) due to the decrease in commission recognized from amortization of initial leasing costs and payment of taxes.

c. General and administrative expenses increased by P1.2 Million (26%). This increase is mainly attributed to the payment of condominium dues, professional fees, and other misc. expenses.

d. Interest income increased by P1.8 Million (136%) due to interest earned in investments in short-term investments and cash equivalents, dividends, unrealized gain from investment. The unapplied proceeds of the IPO were temporarily placed in short-term time deposits which earn up to 2.75% interest per annum.

e. Income tax expense is calculated at MCIT rate using the itemized deductions amounted to P26.0 Thousand for the three-month period ended 31 March 2023 vs. P29.0 Thousand for the same period last year.

The resulting basic and diluted earnings per share of the Company remained the same to 0.00 per share.

Relevant profitability ratios related to the Company's financial performance are return on equity, return on total assets, net income margin, gross margin, and operating margin.

The return on equity of the Company decreased from -0.08% to -0.02% due to the increase in net income and increase in the average balance of equity.

The return on assets also increased from -0.07% to -0.02% due also to the increase in net income and increase in the average total asset base.

Net income margin has increased to -1.33% from -5.04% while the gross margin decreased to 17.03% from 17.85% when compared to the same period last year.

Operating margin for the period decreased to -32.45% from -20.38% for the same period last year resulting from no revenue generated from the Asset management segment due to termination of agreement.

The leasing operations of the Company accounted for 100% of the total segment net income while the asset management operations accounted for 0%.

3. OTHER DISCLOSURES

There were no material events subsequent to the end of the interim period that have not been reflected in the unaudited interim financial statements.

There were no effects of changes in the composition of the Company during the interim period, including business combinations, acquisitions or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

The Company has no contingent liabilities or contingent assets as of 31 March 2023.

There are no material contingencies and any other events or transactions that are material to the understanding of the current interim period.

There are no known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

There are no events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There are no material commitments for capital expenditures which are out of the scope of the use of proceeds from the IPO.

All significant elements of income or loss were generated from the Company's registered and continuing business operations.

The country is currently experiencing a pandemic virus crisis resulting in a slowdown in the Philippine economy because of mandated lockdowns all over the country. The National Capital Region and the Metropolitan Cebu were placed under the Enhanced Community Quarantine from 17 March 2020.

DTI Memorandum Circular 20-12 provides concession for the deferral of collection of rentals subject to the qualification that the tenants are MSMEs. We are in the process of collating proofs from tenants that they are indeed MSMEs thus a reasonable estimate of the financial effect cannot be made and that the expected effect is only on the timing of cash flows and not a decrement on the amount.

Apart from the above, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net revenues or income from continuing operations.

Management, however, believes that with the Company's strong financial position, it can really meet its maturing obligations and continue as a going concern.

DIRECTORS AND EXECUTIVE OFFICERS

The overall management and supervision of the Company is undertaken by its Board of Directors. The Board of Directors is empowered to direct, manage and supervise, under its collective responsibility, the affairs of the Company. The Articles of Incorporation of the Company, as amended ("Articles of Incorporation"), currently provide for a Board of Directors of not more than seven (7) Directors, at least four (4) of whom must be citizens of the Philippines, and at least two (2) of whom must be independent directors. Directors are elected at the annual meeting of shareholders which is, in accordance with the Company's by-laws, as amended ("By-Laws"), held on the second Wednesday of July of every year. The seven (7) candidates receiving the highest number of votes through cumulative voting shall be declared elected. Each elected Director has a term of office of one (1) year and is eligible for re-election the following year. Currently, the Board consists of seven (7) Directors.

The table below sets out the members of the Board of Directors as of 30 June 2022:

Name	Age	Gender	Citizenship	Type/Position	Date First Elected
Restituto T. Lopez	73	Male	Filipino	Chairman / Non-exec	January 2019
August Pablo A. Corpus, Jr.[7]	66	Male	Filipino	Director / Exec	June 2020
Edmundo G. Las	71	Male	Filipino	Director / Exec	November 2017
Robert Ivan F. Olanday	42	Male	Filipino	Director / Exec	2017
John F. Catindig[8]	53	Male	Filipino	Director / Exec	2017
Ignacio Salvador Gimenez, III[9]	43	Male	Filipino	Director / Exec	January 2019
Mark Anthony C. Migallos	69	Male	Filipino	Director / Non-exec	January 2019

Executive Officers of the Company

The executive officers ("Executive Officers") of the Company, subject to control and supervision of the Board, collectively have direct charge of all business activities of the Company. They are responsible for the implementation of the policies set by the Board of Directors.

The Executive Officers are appointed/elected by the Board of Directors at the organizational meeting following the stockholders' meeting, each to hold office for a period of one year.

The table below sets out the Company's Executive Officers as of 31 March 2023:

Name	Age	Gender	Citizenship	Position
Augusto Pablo A. Corpus, Jr.[6]	66	Male	Filipino	President
Ignacio Salvador Gimenez III[8]	43	Male	Filipino	Treasurer and Investment Relations Officer
John F. Catindig[10]	53	Male	Filipino	Chief Information Officer and Compliance Officer
Rosa Michele C. Bagtas[11]	49	Female	Filipino	Corporate Secretary
Eric T. Dykimching[12]	39	Male	Filipino	Assistant Corporate Secretary

7 Mr. Augusto Pablo A. Corpus, Jr. was elected as President effective 19 June 2020.

8 Mr. John F. Catindig was appointed as Chief Information Officer and Compliance Officer effective 19 June 2020.

9 Mr. Ignacio Salvador R. Gimenez, III was appointed as the Corporate Treasurer and Investment Relations Officer effective 19 June 2020.

10 Mr. John F. Catindig was appointed as Chief Information Officer and Compliance Officer effective 19 June 2020.

11 Ms. Rosa Michele C. Bagtas was appointed as Corporate Secretary effective 28 August 2020.

12 Mr. Eric T. Dykimching was appointed as Assistant Corporate Secretary effective 25 September 2020.

The following is a brief description of the business experience of each of the Directors and Officers:

MR. RESTITUTO T. LOPEZ, Filipino, 73 years old, joined as one of the Company's Independent Director in January 2019. He earned from the University of the East his Bachelor of Science degree in Business Administration and Accountancy in 1972. He then obtained a Master's degree in Management from the Asian Institute of Management in 1981 and completed the KPMG International Partner Program from Wharton School, University of Pennsylvania in 1992. He is likewise a registered auditor under the United Kingdom Act of 1985 and an accredited consultant of the Asian Development Bank. Practicing as a Certified Public Accountant ("CPA") for over 30 years, Mr. Lopez has extensive experience in auditing and consultancy. Prior to joining the Company, he served as the President of Transnational Construction Corporation which is involved in the construction business, management services, and in the leasing of commercial spaces. He also served as an Independent Director of Draka Phils, Inc. from 2009 to 2012 and President and Director of KPMG Peat Marwich Management Consultants, Phils. From 1990 to 2000. He was a member of the board of trustee of the Metropolitan Club, Inc. from 1998 to 2013. Currently, he is serving as the Chairman and Senior Partner of Lopez and Co., CPAs, Vice Chairman and Partner of KPMG – Fernandez Santos & Lopez, President and Chairman of RTL Holdings, Inc., and Chairman of LFC Solutions.net, Inc. and Spencers Landholdings, Inc. He is not connected with any government agency or instrumentality.

MR. AUGUSTO PABLO A. CORPUS, JR., Filipino, 66 years old, is the President of the Company. He was elected as President on 19 June 2020. He earned his Bachelor of Science degree in Hotel and Restaurant Management in 1978 from the University of the Philippines in Diliman. He then obtained a Master's of Business Administration in Management from the Texas A&M University, College Station, Texas in 1983. Mr. Corpus has almost 40-years' experience in management of restaurants, resorts, hotels and office buildings. Prior to joining the Company, he served for 20 years as the Chief Executive Officer of Hotel Sogo which is involved in the construction, management and operation (including leasing of all commercial areas for rent) of the largest hotel chain in the Philippines. Mr. Corpus was key to growing the company from 3 hotels in 1999 to 41 hotels in 2019. He also served as the General Manager of Montevista Resorts and Convention Center from 1997 to 1999. From 1995 to 1997, Mr. Corpus was the General Manager of City Garden Hotel, Manila. From 1983 to 1995, he was the Vice President of Rosario Investments that constructed and operated 12 Hotels as well as managed and operated the King's Court Buildings, Makati. He is not connected with any government agency or instrumentality.

MR. EDMUNDO G. LAS, Filipino, 71 years old, was the former President of the Company until June 2020 and has been a Director of the Company since November 2017. Prior to joining the Company, he served as a Director and Chief Executive Officer of Hotel Sogo, Inc. for 24 years and a director of Eurotel hotel chain. A previous banker, he has accumulated 40 years' experience in the hotel and lodging industry. He is presently the President of Edsa I Real Estate Corporation, Las Tuazon and Sons Realty, Inc., Golden Quick Food, Inc., Dormsuites, Inc., Manhattan Residences, Inc., Northwalk Inn, Inc., and Hilton House, Inc. Mr. Las is the head of the Company's Business Development Division and has been very instrumental in the Company's expansion of its business, particularly in negotiating and managing the Company's acquisitions. He attended Notre Dame University Cotabato from 1969 to 1972 and Polytechnic University of the Philippines from 1972 to 1974. He is not connected with any government agency or instrumentality.

MR. ROBERT IVAN F. OLANDAY, Filipino, 42 years old, has been a Director since 2017. He is currently serving as the Corporate Secretary of Surprise Inc., Treasurer of We Serve 24 Hrs Inc. and EuroCapital Land, Inc., and Vice President for Finance and Authorized Managing Officer of New City Builders, Inc. He is also a director in LUC Foods, Inc. and Great Freshness Inc. He attended Thames International School in 2002. He is not connected with any government agency or instrumentality.

MR. JOHN F. CATINDIG, Filipino, 53 years old, has served as a Director of the Company since 2017 and is also the Chief Information Officer and Chief Compliance Officer of the Company. He used to work as the Support Operation of Metropolitan Bank and Trust Company from 1991 to 1994 and Account Support of Zuellig Group of Companies from 1994 to 1996. At present, he is the General Manager of Drugcheck Philippines, Inc. and Associated Person/Compliance Officer of IB Gimenez Securities, Inc. He received a Bachelor of Science degree in Commerce from the University of Santo

Tomas in 1991. He also completed trainings on Anti-Money Laundering and Principle of Risk Management, The Net Capital and Risk board Capital Adequacy Requirements conducted by the PSE in 2010 and SEC in 2006, respectively. He is not connected with any government agency or instrumentality.

MR. IGNACIO SALVADOR GIMENEZ, III, Filipino, 43 years old, was elected director of the Company on 09 January 2019 and as Treasurer and Investment Relations Officer on 19 June 2020. He is currently the President of I.B. Gimenez Securities, Inc.; Managing Director of J. Rosario Foods Corp. (a Jollibee franchisee); and Vice President for business development of China Philippines United Enterprises, Inc. Mr. Gimenez has a master's degree in strategic marketing from the University of Greenwich. He obtained a Bachelor of Arts in International Business (with Mandarin Chinese) from European Business School, London and Nanjing University, China. Mr. Gimenez is a member of JCI Manila and The Tower Club since 2010 and 2012, respectively. He is not connected with any government agency or instrumentality.

MR. MARK ANTHONY C. MIGALLOS, Filipino, 69 years old, joined as one of the Independent Directors of the Company in January 2019. He previously worked for PruLife UK as the Vice President General Agencies from 1998 to 2018. He also worked for Insular Life as the Senior Assistant Vice President for Metro Manila Sales from 1983 to 1997. He obtained his Bachelor of Arts degree in English from the University of the Philippines in 1976. In 2007, he obtained his Master's degree in Business Administration from the Ateneo de Manila University. He is not connected with any government agency or instrumentality.

ATTY. ROSA MICHELE C. BAGTAS, Filipino, 49 years old, is the Corporate Secretary of the Company. She was elected as Corporate Secretary on 28 August 2020. She graduated with a degree of Bachelor of Science Major in Legal Management from the Ateneo de Manila University in 1994. She also earned her Juris Doctor degree from the Ateneo Law School in 1998. Ms. Bagtas is currently a Senior Partner at Cruz Marcelo & Tenefrancia, where she heads the Property Development and Immigration Practice Groups. Ms. Bagtas has handled a wide range of commercial or corporate transactions, including mergers and acquisitions, joint ventures, foreign investments, tax and immigration matters, among others. Ms. Bagtas has extensive experience in acting as corporate secretary of various private corporations and in handling corporate governance issues. She is not connected with any government agency or instrumentality.

ATTY. ERIC T. DYKIMCHING, Filipino, 39 years old, is the Assistant Corporate Secretary of the Company. He was elected as Assistant Corporate Secretary on 25 September 2020. He graduated with a degree of Bachelor of Science Major in Legal Management from De La Salle University in 2004. He obtained his Juris Doctor degree from Ateneo Law School in 2008. Mr. Dykimching is also a Certified Public Accountant since 2013. He earned his Bachelor of Science in Accountancy from La Consolacion College Manila in 2011. Mr. Dykimching is a Partner at Cruz Marcelo & Tenefrancia. His practice areas include infrastructure, transport and public utilities, corporate and commercial law, tax, mergers and acquisitions, strategic and developmental projects, property development, and real estate transactions. He is not connected with any government agency or instrumentality.

MARKET PRICE OF, AND DIVIDENDS ON, COMMON SHARES

The common shares of the Company first listed on the PSE on 19 August 2019, are traded on the Philippine Stock Exchange ("PSE") under the symbol of KPPI. The closing price of the said shares on 31 March 2023 is P1.60.

The table below sets outs the high and low share prices for the Company's common shares as reported on the PSE:

Year		1Q	2Q	3Q	4Q
2022	High	3.97	3.10	2.45	2.21
	Low	2.34	2.25	1.91	1.46
2023	High	1.97	-	-	-
	Low	1.53	-	-	-

Holders

As of 31 March 2023, the Company's total outstanding common shares totaled 201,057,609 with a par value of P1.00 per share. Further, based on the report submitted by its Stock Transfer Agent, the Company had 11 shareholders of record with a public ownership percentage of 33.19%.

As of 31 March 2023, the Company has 16 shareholders of its common shares of stock, set out in the following table:

	Name of Stockholder	No. of Shares Subscribed	% Ownership
1	CROWN CASTLE HOLDINGS.COM, INC.	75,590,090	37.596
2	PCD NOMINEE CORP. (FILIPINO)	66,840,897	33.245
3	WE SERVE 24 HOURS, INC.	34,310,390	17.065
4	EURO CAPITAL PTE. LTD.	16,082,980	7.999
5	LAS TUAZON AND SONS REALTY, INC.	8,041,490	4.000
6	PCD NOMINEE CORP. (NON-FILIPINO)	184,700	0.092
7	MYRA P. VILLANUEVA	6,000	0.003
8	NERO MORADA YAP MORENO	1,000	0.000
9	GERARD JOSEPH B. ALAVA	10	0.000
10	JOHN F. CATINDIG	10	0.000
11	AUGUSTO PABLO A. CORPUS, JR.	10	0.000
12	EDMUNDO G. LAS	10	0.000
13	IGNACIO SALVADOR GIMENEZ, III	10	0.000
14	ROBERT IVAN F. OLANDAY	10	0.000
15	RESTITUTO T. LOPEZ	1	0.000
16	MARK ANTHONY C. MIGALLOS	1	0.000
	TOTAL	201,057,609	100.00

As of 31 March 2023, the Company has four (4) shareholders of its preferred shares of stock, set out in the following table:

	Name of Stockholder	No. of Shares Subscribed	% Ownership	Beneficial Owner
1	CROWN CASTLE HOLDINGS.COM, INC.	143,820,000	56.400	Ignacio B. Gimenez
2	WE SERVE 24 HOURS, INC.	65,280,000	25.600	Roberto B. Olanday
3	EURO CAPITAL PTE. LTD.	30,600,000	12.000	Roberto B. Olanday
4	LAS TUAZON AND SONS REALTY, INC.	15,300,000	6.000	Edmundo G. Las
	TOTAL	255,000,000	100.00	

Dividend Policy

Under Philippine law, dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stock to all stockholders on the basis of outstanding stock held by them. "Unrestricted Retained Earnings" refer to "the undistributed earnings of a corporation which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends." The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose.

The Revised Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors, or when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without their consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is a need for special reserve for probable contingencies.

Limitations and Requirements

Under Philippine law, a corporation can only declare dividends to the extent that it has Unrestricted Retained Earnings that represent the undistributed earnings of the corporation which have not been allocated for any managerial, contractual or legal purpose and which are free for distribution to the shareholders as dividends. A corporation may pay dividends in cash, by the distribution of property or by the issuance of shares. Stock dividends may only be declared and paid with the approval of shareholders representing at least two-thirds of the outstanding capital stock of the corporation voting at a shareholders' meeting duly called for the purpose.

The Revised Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion plans approved by the board of directors of the corporation, (ii) when the required consent of any financing institution or creditor to such distribution has not been secured, (iii) when retention is necessary under special circumstances, such as when there is a need for special reserves for probably contingencies, or (iv) when the non-distribution of dividends is consistent with the policy or requirement of a Government office.

Record Date

Pursuant to existing SEC rules, cash dividends declared by the Company must have a record date not less than 10 nor more than 30 days from the date of declaration. For stock dividends, the record date should not be less than 10 nor more than 30 days from the date of the shareholders' approval, provided however, that the set record date is not to be less than 10 trading days from receipt by the PSE of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date is to be fixed by the SEC.

Dividend Policy

The Company, pursuant to a board approval on 09 January 2019, intends to pay dividends annually in the amount of up to 25% of its audited net income after tax of the previous year subject to compliance with the requirements of applicable laws and regulations and subject to investment plans and financial condition of the Company.

The Board of Directors will review the amount of dividends periodically in light of the Company's earnings, financial condition, cash flows, capital requirements, and other considerations. The declaration of dividends shall also take into account the need to maintain a level of capitalization that is commercially sound and sufficient to ensure that the Company can operate on a stand-alone basis.

Dividends shall be declared and paid out of the Company's unrestricted retained earnings in cash, property or stock, which shall be payable to all shareholders on the basis of outstanding stock held by them. Unless otherwise required by law, the Board of Directors, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the Company's earnings, cash flow, return on equity and retained earnings;
- the Company's results and financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- the Company's projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on it by any future financing arrangements and current or prospective debt service requirements; and
- such other factors as the Board of Directors deems appropriate.

The Company's dividend policy on preferred shares is to declare and pay dividends in accordance with the terms and conditions of its issuance. With regard to the preferred shares, the Board has the power to determine such other features of the preferred shares. Under the Company's amended AOI, the Board has the power to determine such other features of the preferred shares. Currently and pursuant to a board resolution approved and passed on 22 May 2019, holders of the currently issued and outstanding preferred shares do not enjoy dividend rights and only enjoy preference in the event of liquidation.

For the year 2017, the Board of Directors declared a cash dividend of P31,273,394.00 or P0.92 per share for all shareholders as of 30 September 2017 payable on 27 October 2017.

No dividends were declared in 2022 and 2021 and 2020.

Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction

As of the date hereof, the Company has not undertaken any recent sale of unregistered or exempt securities, including issuances of securities constituting an exempt transaction.

DISCUSSION ON COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

The Company adopted its Revised Manual on Corporate Governance (the "Manual") on 05 April 2022. The Company and its respective directors, officers and employees have complied with the best practices and principles on good corporate governance as embodied in the Manual. The directors and officers have likewise attended the mandatory seminar on updates in corporate governance as required under the SEC regulations. An evaluation system has been established by the Company to measure or determine the level of compliance of the BOD and top-level management with the Manual. The Company also has established board committees, including the audit committee, corporate governance committee, and related party transaction committee, as part of its commitment to the best practices of corporate governance and has a Compliance Officer to monitor compliance with the Manual. The Company's BOD is likewise composed of two Independent Directors as required under the Manual. The Independent Directors possess all the qualifications required by law and the Manual and likewise serve as chairpersons of the board committees as part of best practices.

As of the date of this report, the Company is not aware of any deviation from the Manual and has substantially complied with all provisions of the Manual.

Pursuant to SEC Memorandum Circular 15, Series of 2017, the Integrated Annual Corporate Governance Report (I-ACGR) of the Company for 2022 was filed with the SEC on 19 May 2023.

THE COMPANY UNDERTAKES TO PROVIDE WITHOUT CHARGE, UPON WRITTEN REQUEST, A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FORM 17-A, ADDRESSED TO THE OFFICE OF THE CORPORATE SECRETARY BY EMAIL TO [asm@kepwealth.com].