



**DoubleDragon Properties Corp.
Shelf Registration of Fixed Rate Bonds
in the Aggregate Principal Amount of
up to PhP15,000,000,000
to be Offered in One or Several Tranches
within a period of three (3) years**

**First Tranche:
PhP5,000,000,000
with an over-subscription option
of up to PhP5,000,000,000
5.9721% Ten-Year Bonds Due 15 December 2026
To be Listed and Traded through
The Philippine Dealing & Exchange Corp.
Offer Price: 100% of Face Value**

Joint Issue Managers and Joint Lead Underwriters for the First Tranche



Participating Underwriter: United Coconut Planters Bank

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.

This Prospectus is dated 25 November 2016.

**DoubleDragon Properties Corp.
DD Meridian Park Bay Area
Brgy 76 Zone10, San Rafael
Pasay City
Philippines
Telephone number (+632) 856-7111**

**16th Floor, 6750 Building
Ayala Avenue, Makati City
Philippines
Telephone number (+632) 856-7111
<http://www.doubledragon.com.ph>**

DoubleDragon Properties Corp. (“DD”, the “Issuer”, or the “Company”) is offering fixed rate bonds (the “Bonds”) with an aggregate principal amount of up to PhP15,000,000,000, to be offered in one or several tranches. For the first tranche, an aggregate principal amount of up to PhP5,000,000,000, with an over-subscription option of up to PhP5,000,000,000 (the “Offer”). Any remaining balance of the aggregate principal amount of the Bonds, including any amount remaining if the over-subscription option is not or is not fully exercised, shall be lodged under a shelf registration and will be raised in future tranches. For the first tranche, the Bonds shall be issued on the Issue Date and shall have a term ending ten (10) years from the Issue Date, or on 15 December 2016, with a fixed interest rate of 5.9721% per annum. Interest on the Bonds shall be payable quarterly in arrears on March 15, June 15, September 15, and December 15 of each year while the Bonds are outstanding, or the subsequent Banking Day without adjustment if such Interest Payment Date is not a Banking Day. The last Interest Payment Date shall fall on the relevant Maturity Date while the Bonds are outstanding (see “Description of the Bonds” – “Interest” on page 57 of this Prospectus).

The Bonds shall be repaid at maturity at par (or 100% of face value) on the relevant Maturity Date, unless the Company exercises its early redemption option according to the conditions therefore (see “Description of the Bonds” – “Redemption and Purchase” on page 58 of this Prospectus).

Upon issuance, the Bonds shall constitute direct, unconditional, unsecured, and unsubordinated Peso denominated obligations of the Issuer and shall rank *pari passu* and ratably without any preference or priority amongst themselves and at least *pari passu* in priority of payment with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, (ii) any obligation incurred by the Issuer pursuant to Section 5.02 (a)] of the Trust Agreement or as may be allowed by the Trust Agreement, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee as of Issue Date]. The Bonds shall effectively be subordinated in right of payment to, among others, all of DD’s secured debts to the extent of the value of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines (see “Description of the Bonds” – “Ranking” on page 57 of this Prospectus).

The Bonds have been rated PRS Aa by PhilRatings on September 21, 2016. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

The Bonds are offered to the public at face value through the Joint Issue Managers and Joint Lead Underwriters and the Participating Underwriter named below with the Philippine Depository & Trust Corp. (PDTC) as the Registrar of the Bonds. The Bonds shall be issued in minimum denominations of PhP50,000 each, and in integral multiples of PhP10,000 thereafter. The Bonds shall be traded in denominations of PhP10,000 in the secondary market.

DD intends to cause the listing of the Bonds on a securities exchange licensed with the SEC and has initiated discussions with the Philippine Dealing & Exchange Corp. (PDEX) for this purpose. However, there can be no assurance that such a listing will actually be achieved either before or after the Issue Date or whether such a listing will materially affect the liquidity of the Bonds on the secondary market. Such listing would be subject to the Company's execution of a listing agreement with PDEX that may require the Company to make certain disclosures, undertakings and payments on an ongoing basis.

DD expects to raise gross proceeds of PhP5,000,000,000, and if the over-subscription option is exercised in full, PhP10,000,000,000, from the first tranche. The net proceeds from the issue is estimated to be PhP4,935,306,875 for a PhP5,000,000,000 Issue Size, and 9,876,444,375 for a PhP10,000,000,000 Issue Size. Proceeds of the Offer shall be used to finance the development of any of the Company's real estate projects in 2016 and 2017 and for other general corporate requirements, which are discussed further in the section entitled "Use of Proceeds" on page 44 of this Prospectus. The Joint Lead Underwriters shall receive a fee of 0.65% on the final aggregate nominal principal amount of the Bonds issued, which is inclusive of underwriting fees, selling commissions, and other professional fees.

The Fixed Rate Bonds in aggregate principal amount of PhP15,000,000,000.00 is expected to fully cover the total capital expenditure requirements of the Company to complete its 2020 vision of 1,000,000 square meters of leasable space.

On September 21, 2016, DD filed a Registration Statement with the Securities and Exchange Commission ("SEC"), in connection with the Offer and the Bonds. The SEC is expected to issue an order rendering the Registration Statement effective, and a corresponding permit to offer securities for sale covering the offer.

DD confirms that this Prospectus contains all material information relating to the Company, its affiliates, and subsidiaries, as well as all material information on the issue and offering of the Bonds as may be required by the applicable laws of the Republic of the Philippines. No facts have been omitted that would make any statement in this Prospectus misleading in any material respect. DD confirms that it has made all reasonable inquiries with respect to any information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Prospectus. The Joint Issue Managers and the Joint Lead Underwriters and the Participating Underwriters

assume no liability for any information supplied herein by DD. Accordingly, DD accepts responsibility.

The prices of securities can and do fluctuate. Any individual security may experience upward or downward movements, and may lose all or part of its value over time. The future performance of a security may defy the trends of its past performance, and there may be a significant difference between the buying price and the selling price of any security. As such, there is an inherent risk that losses may be incurred, rather than profit made, as a result of buying and selling securities. Thus, an investment in the Bonds described in this Prospectus involves a certain degree of risk.

In deciding whether to invest in the Bonds, a prospective purchaser of the Bonds (“Prospective Bondholder”) should, therefore, carefully consider all the information contained in this Prospectus, including but not limited to, several factors inherent to the Company, which includes significant competition, exposure to risks relating to the performance of the economies of other countries, and other risks relating to customer default (detailed in “Risk Factors and Other Considerations” section on page 35 of this Prospectus), and those risks relevant to the Philippines vis-à-vis risks inherent to the Bonds.

Neither the delivery of this Prospectus nor any sale made pursuant to the Offering shall, under any circumstances, constitute a representation or create any implication that the information contained or referred to in this Prospectus is accurate, complete or correct as of any time subsequent to the date hereof or that there has been no change in the affairs of DD since the date of this Prospectus.

The contents of this Prospectus are not to be considered as definitive legal, business, or tax advice. Each Prospective Bondholder receiving a copy of this Prospectus acknowledges that he has not relied on the Joint Issue Managers and the Joint Lead Underwriters and the Participating Underwriter or any person affiliated with the each of them, in his investigation of the accuracy of any information found in this Prospectus or in his investment decision. Prospective Bondholders should consult their own counsel, accountants or other advisors as to legal, tax, business, financial and related aspects of the purchase of the Bonds, among others. It bears emphasis that investing in the Bonds involves certain risks. It is best to refer again to the section on “Risk Factors and Other Considerations” on page 35 of this Prospectus for a discussion of certain considerations with respect to an investment in the Bonds.

No person nor group of persons has been authorized by DD, the Joint Issue Managers and the Joint Lead Underwriters and the Participating Underwriter to give any information or to make any representation concerning DD or the Bonds other than as contained in this Prospectus and, if given or made, any such other information or representation should not be relied upon as having been authorized by DD or the Joint Issue Manager, the Joint Lead Underwriters, the Co-Lead Underwriters, and the Participating Underwriters.

DD is organized under the laws of the Philippines. Its principal offices are at DD Meridian Park Bay Area, Brgy 76 Zone10, San Rafael, Pasay City, Philippines, with telephone

number (+632) 856-7111, and at 16th Floor, 6750 Building, Ayala Avenue, Makati City, Philippines, with telephone number (+632) 856-7111.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.

DOUBLEDragon PROPERTIES CORP.

By:



Ferdinand J. Sia
President

SUBSCRIBED AND SWORN to before me this NOV 25 2016 in MAKATI CITY
City, affiant exhibiting to me his Passport No. EC1251976 expiring on May 28, 2019 as
competent evidence of identity.

Doc No. 276
Page No. 57
Book No. 1
Series of 2016.



KRISTIANNE S. MAGAT
NOTARY PUBLIC FOR MAKATI CITY
Appointment No. M-182
Commission Expires on December 31, 2017
Roll No. 64416
IBP LRN 013790 / 04-08-2015/Makati City
PTR No. 5323326/01-04-2016/Makati City
10F 8 Rockwell, Hidalgo corner Plaza Drive
Rockwell Center, Makati City

Table of Contents

TABLE OF CONTENTS.....	8
FORWARD-LOOKING STATEMENTS.....	9
DEFINITION OF TERMS	11
EXECUTIVE SUMMARY	16
SUMMARY OF FINANCIAL INFORMATION	23
CAPITALIZATION	27
SUMMARY OF THE OFFER	31
RISK FACTORS AND OTHER CONSIDERATIONS.....	35
USE OF PROCEEDS.....	44
DETERMINATION OF OFFER PRICE	50
PLAN OF DISTRIBUTION	51
DESCRIPTION AND TERMS AND CONDITIONS OF THE BONDS	55
THE COMPANY.....	69
DESCRIPTION OF PROPERTY	99
LEGAL PROCEEDINGS	105
MARKET PRICE OF AND DIVIDENDS ON THE COMMON SHARES AND PREFERRED SHARES OF DD AND RELATED SHAREHOLDER MATTERS.....	112
OWNERSHIP AND CAPITALIZATION	114
SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT	116
DIRECTORS AND EXECUTIVE OFFICERS.....	117
CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	121
MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION ..	126
EXTERNAL AUDIT FEES AND SERVICES.....	152
CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE	154
INTEREST OF NAMED EXPERTS AND COUNSEL	155
TAXATION	156
REGULATORY FRAMEWORK	159
APPENDICES	164

Forward-looking Statements

This Prospectus contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties and should not in any way be confused or considered as statements of historical fact. Some of these statements can be identified by “forward looking terms,” such as “anticipate,” “believe,” “can,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “should,” “will,” and “would” or other similar words. These words, however, are not the exclusive means of identifying forward-looking statements. These forward-looking statements include, without limitation, statements relating to:

- Known and unknown risks;
- Uncertainties and other factors which may cause the Company’s actual results, performance or achievements to deviate significantly from any future results;
- Performance or achievements expressed or implied by forward-looking statements;
- The Company’s overall future business, financial condition and results of operations, including, but not limited to, its financial position or cash flow;
- The Company’s goals for or estimates of its future operational performance or results;
- The Company’s dividend policy; and
- Changes in the Company’s regulatory environment including but not limited to, policies, decisions and determinations of governmental or regulatory authorities.

Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company’s will operate in the future. Important factors that could cause some or all of the assumptions not to occur or cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- the Company’s ability to successfully implement its strategy;
- the Company’s ability to anticipate and respond to consumer trends;
- the Company’s ability to successfully manage aggressive growth;
- the Company’s ability to maintain its reputation for on-time project completion;
- the condition and changes in the Philippine, Asian or global economies;
- general political, social and economic conditions in the Philippines;
- changes in interest rates, inflation rates and the value of the peso against the U.S. dollar and other currencies;
- changes in government regulations, including tax laws, or licensing in the Philippines; and competition in the property investment and development industries in the Philippines;
- changes in the Philippine real estate market and the demand for the Company’s retail, office, commercial and residential developments; and
- changes in the amount of remittances received from overseas Filipino workers (“OFWs”).

Additional factors that could cause the Company’s actual results, performance or achievements to differ materially from those in the forward-looking statements include, but are not limited to, those disclosed under “Risk Factors.” These forward-looking statements speak only as of the date of this Prospectus. The Company, the Joint Issue Managers and the Joint Lead Underwriters, and Participating Underwriters expressly disclaim any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement

is based. In the light of all the risks, uncertainties and assumptions associated with forward-looking statements, investors should be aware that the forward-looking events and circumstances discussed in this Prospectus might not occur in the way the Company expects or even at all. Investors should not place undue reliance on any such forward-looking information.

Definition of Terms

“Applicant”	A person who wishes to purchase the Bonds and has submitted a duly executed Application to Purchase which the Company has accepted
“Banking Day”	Any day other than Saturday, Sunday and public holidays, on which commercial banks and the Philippine Clearing House Corporation are generally open for the transaction of business in Makati City and the City of Pasay; provided, that all other days otherwise specified herein shall mean calendar days which shall be construed as successive periods of twenty-four (24) hours each
“BIR”	Bureau of Internal Revenue of the Republic of the Philippines
“Basis Point” or “bps”	A unit of measurement for interest rates, as used herein 1 bps is equivalent to 1/100 th of 1%, or 0.01%
“Board”	The Board of Directors of the Company, unless context clearly provides otherwise
“Bondholder”	A Person whose name appears, at any time, as a holder of the Bonds in the Register of Bondholders
“Bonds”	The unsecured fixed-rate peso retail bonds in the aggregate principal amount of up to PhP15,000,000,000, to be issued in one or more tranhes, with the first tranche to be issued in the aggregate principal amount of PhP5,000,000,000, with an over-subscription option of up to PhP5,000,000,000. The remaining balance of the aggregate amount, including any amount remaining if the over-subscription option is not or is not fully exercised, shall be lodged under a shelf registration and will be raised in future tranches.
“BSP”	Bangko Sentral ng Pilipinas, the central banking authority of the Republic of the Philippines.
“Civil Code”	Republic Act No. 386, otherwise known as the Civil Code of the Philippines, as amended and may be amended from time to time, including the rules and regulations issued thereunder
“CM”	CityMall Commercial Centers, Inc.
“Common Shares”	The common shares of the Company
“Company” or “DD” or “Issuer”	DoubleDragon Properties Corp.
“Constitution”	The 1987 Constitution of the Philippines.
“Control”	The possession, directly, or indirectly, by a Person of the power to direct or cause the direction of the management and policies of another Person whether through the ownership of voting securities or otherwise; provided, however, that the direct or indirect ownership of over fifty percent (50.0%) of the voting capital stock, registered capital or other equity interest of a

Person is deemed to constitute control of that Person, and “Controlling” and “Controlled” have corresponding meanings

“Corporation Code”	Batas Pambansa Blg. 68, otherwise known as the Corporation Code of the Philippines, as may be amended from time to time, and including the rules and regulations issued thereunder
“DDHH”	DD Happy Homes Residential Centers Inc.
“DDMP”	DD Meridian Park Development Corp.
“DDPMC”	DD Property Management Corp.
“DDSC”	DoubleDragon Sales Corp.
“Debt-to-Equity Ratio”	means, as of the date of determination, (a) the Borrower’s total Debt, divided by (b) total Equity, each as reflected in the Borrower’s audited consolidated financial statements as of the last day of the immediately preceding fiscal year; provided, that for purposes of computing the Debt-to-Equity Ratio, the Borrower’s total Debt means, without duplication all short-term and long-term interest-bearing obligations of the Borrower, direct or contingent, for borrowed money including, for avoidance of doubt, the Borrower’s obligations arising from the issuance of any class or series of capital stock that by its terms or otherwise is (a) required to be redeemed, or (b) redeemable at the option of the holder of such class or series of capital stock.
“Debt Service Coverage Ratio”	means the (a) Company’s EBITDA utilizing the Company’s audited consolidated financial statements as of the last day of the immediately preceding fiscal year, divided by (b) the aggregate amount of all Indebtedness, interest, and other financial charges in respect of borrowed money payable by the Company for the year when the determination is made; provided, that for purposes of computing the Debt Service Coverage Ratio, the Company’s aggregate amount of Indebtedness means, without duplication, all short-term and long-term interest-bearing obligations of the Company, direct or contingent, for borrowed money, including, for avoidance of doubt, the Company’s obligations arising from the issuance of any class or series of capital stock that by its terms or otherwise is (a) required to be redeemed, or (b) redeemable at the option of the holder of such class or series of capital stock.
“DENR”	Department of Environment and Natural Resources of the Republic of the Philippines
“Government”	The government of the Republic of the Philippines.
“Government Authority”	The Republic of the Philippines, or any political subdivision or agency thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to the said government, and any national agency or body vested with jurisdiction or authority over any Person
“Honestar”	Honestar Holdings Corporation
“Injap Investments”	Injap Investments Inc.

“Indebtedness”	<p>(1) All indebtedness or other obligations of the Issuer for borrowed money or for the deferred purchase price of property or services and similar arrangements;</p> <p>(2) All indebtedness or other obligations of any other Person, the payment or collection of which is guaranteed by the Issuer (except by reason of endorsement for collection in the ordinary course of business) or in respect of which the Issuer is liable, contingently or otherwise, including without limitation, any agreement to purchase, to provide funds for payment, to supply funds to or otherwise invest in such Person; and</p> <p>(3) Capitalized lease obligations of the Issuer</p>
“JFC”	Jollibee Foods Corp.
“Joint Issue Manager” and/or “Joint Lead Underwriters”	BPI Capital Corporation and RCBC Capital Corporation
“Lien”	With respect to any Person, any lien, pledge, mortgage, charge, hypothecation, encumbrance or other security or preferential arrangement, with similar effect, on or with respect to any asset or revenue of such Person
“Local Government Code”	Republic Act No. 7160, otherwise known as the Local Government Code, as may be amended from time to time, and including the rules and regulations issued thereunder
“Majority Bondholders”	At any time, the Bondholders who hold, represent or account for at least fifty percent (50%) plus one peso (PhP1) of the aggregate outstanding principal amount of the Bonds
“Mang Inasal”	Mang Inasal Philippines, Inc.
“Material Adverse Effect”	means, in relation to the Issuer, a material and adverse effect on (a) the business, operations, property, condition (financial or otherwise), or prospects of the Issuer and its Subsidiaries taken as a whole, or (b) the ability of the Issuer to perform its obligations under the Trust Agreement or under any other instrument or agreement required thereunder, or (c) the legality, validity or enforceability of the Trust Agreement or the rights, power and remedies of the Bondholder under the Trust Agreement.
“Offer”	The offer of the Bonds
“Offer Period”	The period commencing at 9:00 a.m. on November 29, 2016 and ending at 12:00 noon, Manila time, on December 7, 2016 unless extended by agreement between the Company, the Joint Issue Managers and Joint Lead Underwriters.
“Offer Price”	100% of the Bonds’ Face Value
“Over Subscription Option”	Shall mean the over-subscription option exercisable by the Issuer, in consultation with the Joint Lead Underwriters of up to PhP5,000,000,000

“PCLI” or “Piccadilly”	Piccadilly Circus Landing, Inc., a company 50% owned by DoubleDragon.
“PDEx”	Philippine Dealing & Exchange Corp.
“PDTC”	Philippine Depository & Trust Corporation (formerly Philippine Central Depository, Inc.)
“Person”	Individual corporation, partnership, joint venture, unincorporated association, trust or other juridical entity, or any Government Authority
“Pesos” or “Php”	Philippine Pesos
“Philippines”	The Republic of the Philippines
“PhilRatings”	Philippine Rating Services Corporation
“Pricing Date”	One (1) Business Day before the start of the Offer Period
“Prospectus”	This document together with all its annexes and attachments.
“PSE”	Philippine Stock Exchange, Inc.
“RA”	Republic Act
“RCBC”	Rizal Commercial Banking Corporation
“Register of Bondholders”	The electronic register which shows the legal title to the Bonds, maintained by the Registrar, pursuant to and under the terms of the Registry and Paying Agency Agreement
“Registrar and Paying Agent”	Philippine Depository & Trust Corporation
“Registry and Paying Agency Agreement”	The Agreement dated 25 November 2016 entered into between the Company and the Registrar and Paying Agent in relation to the Bonds
“Registry Book”	The electronic record of the issuances, sales and transfers of the Bonds to be maintained by the Registrar, pursuant to and under the terms of the Registry and Paying Agency Agreement
“SEC”	The Securities and Exchange Commission of the Philippines.
“SRC”	Republic Act No. 8799, otherwise known as the Securities Regulation Code of the Philippines, as amended and may be amended from time to time, including the rules and regulations issued thereunder
“Shares”	The shares of the Company representing its authorized capital stock
“Shareholders” or “Stockholders”	The holders of the Shares.
“SME Board”	The PSE’s Small, Medium, and Emerging Board
“SMIC”	SM Investments Corp.

“Tax Code”	Presidential Decree No. 1158, otherwise known as the National Internal Revenue Code, as amended and may be further amended from time to time, including the rules and regulations issued thereunder
“Trading Day”	A day when the PDEX is open for business.
“Trust Agreement”	The Trust Agreement dated 25 November 2016 entered into between the Company and the Trustee in relation to the Bonds
“Trustee”	Rizal Commercial Banking Corporation Trust and Investment Group
“Underwriters”	The Joint Lead Underwriters and the Participating Underwriter
“Underwriting Agreement”	The Underwriting Agreement dated 25 November 2016 entered into between the Company and the Joint Lead Underwriters in relation to the Bonds

Executive Summary

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and audited financial statements, including notes thereto, found in the appendices of this Prospectus. Prospective investors should read this entire Prospectus fully and carefully, including the section on "Risk Factors".

Brief Background on the Company

DoubleDragon Properties Corp. ("DD", the "Company", or the "Issuer"), established in 2009, was originally registered with the Securities and Exchange Commission ("SEC") as Injap Land Corporation to serve as the real estate development arm of Injap Investments Inc. ("Injap Investments"). The Company has undertaken several vertical and horizontal developments since it started its commercial operations in April 2010. In 2012, DD became a 50/50 joint venture between Injap Investments Inc., headed by Mr. Edgar J. Sia II who is also the Founder of Mang Inasal Philippines, Inc. ("Mang Inasal"), and Honeystar Holdings Corporation ("Honeystar"), headed by Mr. Tony Tan Caktiong, who is also the Chairman and Founder of Jollibee Foods Corp. ("JFC").

Honeystar, incorporated in 2012, is the holding company of the Tan and Ang Families. Injap Investments, incorporated in 2007, on the other hand, serves as the holding company of Edgar J. Sia II and his siblings. Prior to the entry of Honeystar, the Company served as the real estate development arm of Injap Investments. The Company was originally established to hold the Sia family's private real estate investments all of which were focused in Iloilo City at the time. It was not until 2012, when the Company became a joint venture between Injap Investments and Honeystar Holdings and was consequently renamed to DoubleDragon that the Company's development priorities shifted towards the vision that it has today.

The Company currently has six (6) subsidiaries, namely, DoubleDragon Sales Corp., DoubleDragon Property Management Corp., DD HappyHomes Residential Centers, Inc., DD-Meridian Park Development Corp., CityMall Commercial Centers Inc. and Piccadilly Circus Landing Inc. Please refer to "The Company" on page 69 for a detailed discussion on the subsidiaries.

The Company's shares debuted at PSE's Small, Medium, and Emerging Board ("SME Board") on April 7, 2014 under the stock symbol "DD" through an initial public offering of twenty-six percent (26%) of its outstanding common shares. On July 6, 2015, DD transferred from the SME Board and started trading in the PSE Main Board. On November 30, 2015, DD shares were included in the Morgan Stanley Capital International (MSCI) Small Cap Philippine Index. On April 14, 2016, the Company issued PhP10,000,000,000 worth of preferred shares, which were subsequently listed in the PSE Main Board on July 26, 2016.

The Company's vision is to accumulate One Million (1,000,000) square meters of leasable space by 2020 primarily through the rollout of one hundred (100) community malls across provincial areas in the Philippines through its community mall chain brand "CityMall" under its subsidiary CityMall Commercial Centers Inc. ("CM"), and through the development of two major commercial office projects, DD Meridian Park and Jollibee Tower, both of which are located in prime properties in Metro Manila. The development of these projects will be partly financed from the proceeds of the Offer.



Core Projects

CityMall

The Company will be rolling out one hundred (100) community malls over the next four (4) years under its community mall chain brand “CityMall” through its sixty-six percent (66%) owned subsidiary CityMall

Commercial Centers Inc. ("CM"). SM Investments Corp. ("SMIC"), the PSE listed holding company of Henry Sy and family, owns the other thirty-four percent (34%) of CM. The partnership between DD and SMIC in the roll out of community malls across the Philippines will bring a great combination of strong retail brands in CityMall and will further cement its position in becoming the dominant leader in this space.

As of September 6, 2016, the Company has been able to secure 53 CityMall sites out of the one hundred (100) it intends to develop over the next five (5) years. 8 CityMalls are already operational, namely CityMall Arnaldo-Roxas, CityMall Consolacion-Cebu, CityMall Anabu-Imus, CityMall Tetuan-Zamboanga CityMall Tagbak-Jaro, CityMall Kalibo-Aklan, CityMall Tiaong-Quezon and CityMall Parola-Iloilo. 25 CityMalls are currently under construction and expected to be operational within the next twelve (12) months.

The business model of CityMall is premised on location at the heart of each provincial city to integrate the brand within the natural daily movement of the general population. CityMalls are intended to become the venue for modern retail concepts to thrive in the provincial setting as the transition from traditional to modern retail is envisioned to complete itself in these second & third tier cities over the next few years.

DD Meridian Park

DD Meridian Park is located in a 4.75-hectare prime commercial block located at the corner of EDSA, Roxas Boulevard and Macapagal Avenue in the Bay Area of Pasay City adjacent to SM Mall of Asia complex. DD Meridian Park is a project of DD Meridian Park Development Corp. ("DDMP"), which is seventy percent (70%) owned by the Company and thirty percent (30%) by Benedicto V. Yujuico and Teresita M Yujuico. Located in a reclamation area, the project site was acquired by DDMP from Benedicto Yujuico, an individual not prohibited by law from acquiring lands of the public domain, including government reclaimed lands.

DD Meridian Park will be developed in several phases with a total leasable space area of about 280,000 square meters, all of which is scheduled to be completed and form part of the Company's leasable portfolio by 2020.

Currently, the first phase of DD Meridian Park, DoubleDragon Plaza, is already under full-swing construction. The general construction contract of DoubleDragon Plaza was awarded to Megawide Construction Corporation last March 17, 2015. DoubleDragon Plaza will consist of four (4) office towers on top of a retail podium and is expected to contribute one hundred and thirty thousand (130,000) square meters of leasable space to the Company's portfolio by 2018. The balance of one hundred fifty thousand (150,000) square meters of leasable space will be developed in separate phases, and is expected to be completed by 2020.

Jollibee Tower

On August 26, 2015, the Company signed a joint venture agreement with JFC to develop a 40-storey commercial and office tower on a three thousand and two (3,002) square meter prime commercial lot. The property is located at the corner of F. Ortigas Jr. Road (formerly Emerald Avenue) and Garnet Road in the heart of the Ortigas Central Business District.

Pursuant to the joint venture agreement, JFC will contribute the land in exchange for fifteen percent (15%) of the project's resulting leasable floor area while the Company, as the developer of the project, will have the remaining eighty-five percent (85%) of the project's resulting leasable floor area. In addition to its 15% leasable floor area, JFC is expected to lease additional office space directly from the Company to accommodate their corporate office requirements.

On February 11, 2016, the Company awarded the general construction contract for the Jollibee Tower to Monolith Construction & Development Corporation. The project is expected to contribute close to forty-eight thousand (48,000) square meters of leasable space to the Company's portfolio by 2018.

Interim Projects

Due to the amount of time needed to build a sizable portfolio of leasable space, the Company has strategically acquired existing projects that have been pre-sold and partially completed by other developers. These acquisitions have enhanced the Company's profitability in the near-term as it builds on its leasable portfolio and shifts into a ninety-percent (90%) recurring revenue business model by 2020.

The SkySuites Tower

The Company acquired The SkySuites Tower last September 1, 2014 from Rizal Commercial Banking Corporation ("RCBC"), the financial institution that foreclosed the property from its original developer four years prior. The SkySuites Tower was planned as a 38-storey commercial, office and residential tower sitting on a two thousand eight hundred and twelve (2,812) square meter prime corner lot property at the corner of EDSA and Quezon Avenue, a few meters away from the Mass Rail Transit (MRT) station.

The SkySuites Tower is divided into two structures with dedicated lobbies; one dedicated to corporate offices while the other will serve as a residential tower comprising lofts that will cater to the mid to high-end market. The Company continues with both the construction and sale of the remaining inventory of residential units and parking, but intends to retain the unsold commercial and office spaces as part of the Company's leasable portfolio.

690 of the units in The SkySuites Tower were already pre-sold prior to the acquisition and majority of the previous buyers have already executed new contracts with the Company. The Company is currently in discussions with the remainder of the previous buyers for the execution of new contracts covering the delivery of their units by DD. The Company booked revenues from these sales based on the percentage of completion method. As of August 31, 2016, the overall completion of the project stands at 69%. The commercial/office units of The SkySuites Tower will be available for occupancy within 2016 while the residential units will be turned over within 2018.

Dragon8 Mall

Dragon8 Mall was a partially constructed project acquired by the Company on May 2, 2014 from its previous developer. The Company resumed the construction and renovation of the property upon acquisition and opened its doors to the public on June 30, 2015.

The project is located on a five thousand nine hundred and seventy-two (5,972) square meter prime corner lot at C.M. Recto Avenue corner Dagupan Street, Divisoria, Manila. In line with the area being synonymous to a micro retail destination, Dragon8 Mall offers micro retailers a modern version of the mall stall units currently being offered within the vicinity at relatively the same prices.

The Company sells sixteen- (16) year leasehold rights on the mall stall units, which gives locators the exclusive right to lease the said units for the duration of the leasehold contract. A portion of the development is also being leased out directly to tenants and form part of the leasable portfolio of the Company. Dragon8 Mall has close to nine thousand eight hundred (9,800) square meters of leasable space and houses approximately three hundred (300) parking spaces for the convenience of its shoppers.

As of August 31, 2016, 96% of Dragon8 Mall is occupied.

W.H. Taft Residences

In the last quarter of 2015, the Company completed W.H. Taft Residences, a residential tower adjacent to De La Salle University (DLSU) Taft Campus, one of the more prominent universities in the country. The development primarily caters to the growing student population in the area and consists of five hundred thirty-three (533) residential units and several commercial units.

W.H. Taft Residences was originally developed by Philtown Properties, Inc. and was acquired by the Company on November 7, 2012. As of August 31, 2016, 86% of the units of W.H. Taft Residences have been sold and only 75 residential units remain in the Company's inventory.

Other Projects

Hotel of Asia (Hotel 101)

On August 11, 2016, the Board of Directors of the Company approved and, thus, the Company signed an agreement to acquire a majority stake of seventy percent (70%) for PhP832.17M in Hotel of Asia, Inc. ("HOA"), which will serve as the Company's hospitality arm. HOA is a hospitality firm primarily engaged in the ownership, operation and development of hotel projects, including the Hotel 101 at the Mall of Asia Complex. HOA booked PhP113.4M in net income for the year ended 2015. The stake in HOA will now allow

DoubleDragon to benefit from the booming tourism prospects for the Philippines in the years to come as well as fully optimize the use and value of its string of prime properties in various strategic areas of the country.

HOA was initially created in 2011 as a joint venture between Injap Investments Inc., Chan C. Bros. Holdings, Inc. (“CCBHI”) of the Oishi Group, and Staniel Realty Development Corp. (“SRDC”). Upon closing of the transaction, Injap Investments Inc. will be fully divesting its interests in HOA and consolidating it at the DD level, while CCBHI and SRDC will retain 15% fifteen percent each in HOA. The ownership structure of HOA before and after the completion of the transaction is as follows:

Owner	Ownership			
	Before the Acquisition:		After the Acquisition:	
	Number of Shares (Par Value: PhP1,000 per share)	Percentage	Number of Shares (Par Value: PhP1,000 per share)	Percentage
Injap Investments Inc.	40,000	40%	0	0%
Chan C. Bros. Holdings	30,000	30%	15,000	15%
Staniel Realty Development Corp.	30,000	30%	15,000	15%
DoubleDragon Properties Corp.	0	0%	70,000	70%
Total	100,000	100%	100,000	100%

The consideration of Injap Investments Inc. (“III”) for its shares in HOA will be paid in DD shares priced at a 5% premium over the 30-day weighted average of the closing prices of DD common shares preceding closing date of the transaction. Injap Investments Inc. opted that the consideration would be DD shares instead of cash as a sign of its long-term solid commitment to DoubleDragon. The closing date will be set after the completion of due diligence. The Company engaged PricewaterhouseCoopers Philippines to advise it on the proper valuation of the acquisition. The Company valued HOA, taking into consideration the growth of HOA amid the continued increase in tourist arrivals in the Mall of Asia complex and in the Philippines. HOA has established its own brand called Hotel 101 and its subsidiary holds the master franchise for the Philippines of JinJiang Inn, one of the largest hotel brands in Asia. HOA currently has two (2) operating JinJiang Inns in the Philippines, the first located along San Miguel Ave. in Ortigas followed by JinJiang Inn-Makati which recently opened along Pasay Road. In totality, HOA has 866 operating hotel rooms under its wing, which also include Hotel 101 in the Bay Area near Mall of Asia, a condotel concept that was fully sold out prior to opening mid this year and Injap Tower Hotel in Iloilo City. HOA will soon be adding another 608 rooms to its portfolio with the development of Hotel 101-Fort located adjacent to C5 nearly across SM Aura and Market Market. The valuation was also compliant with applicable policies and rules on related party transactions, since III is a related party of the Company. A copy of HOA’s 2015 Audited Financial Statements is attached to this Prospectus.

On October 13, 2016, the Company has completed the due diligence for the acquisition of a majority stake of seventy percent (70%) of Hotel of Asia, Inc. However, the required approvals from the Securities and Exchange Commission (in relation to the valuation of the shares of the Company to be paid to III) and the Certificates Authorizing Registration (“CAR”) have not yet been secured. Once these are secured, only then can the transaction be officially completed, the transaction be recorded in the Company’s books, and HOA be officially classified as a subsidiary of HOA. Until then, any income, asset, and liability of HOA shall be for HOA, and, effectively, for III, CCBHI, and SRDC.¹

Others

¹ The acquisition of HOA has been duly accounted for by the Company in its financial projections, which may have been used as basis by the Underwriters and PhilRatings.

Other projects of the Company include those initially started by the Sia family in Iloilo City. These include People's Condominium, FirstHomes Subdivision, Injap Tower and The Uptown Place, which have all been completed.

The development of its core projects will transition the Company from a non-recurring revenue business model to a ninety percent (90%) recurring revenue model. The remaining ten percent (10%) of revenues from non-recurring sources will include affordable housing projects that are currently being developed by its seventy percent (70%) owned subsidiary DD HappyHomes Residential Centers Inc. ("DDHH"). The remaining thirty percent (30%) is held by the then shareholders of Zion Land Development Phils., Inc. ("Zion Land"), who agreed to a 70-30 joint venture with the Company by increasing the authorized capital stock of Zion Land and allowing the Company to subscribe to up to seventy percent (70%) of the outstanding shares.

For a more detailed overview on the Company's projects please refer to on page 76 of this Prospectus.

Risks of Investing

Before making an investment decision, investors should carefully consider the risks associated with an investment in the Company's Offer for the Bonds. These risks include:

Risks Relating to DD and the industry

- Ability to obtain financing at favorable interest rates;
- Availability of land for use in the Company's future projects;
- Adverse claims over lands acquired or leased by the Company;
- Environmental laws that could adversely affect the Company's business;
- Delays in the completion of projects and failure to meet customers' expectation and standards;
- Several tenants are related parties;
- The Company's major shareholders also serve as directors and officers;
- No assurance of successful implementation of business plans and strategies;
- Significant competition in the real estate industry;
- Risks of a domestic asset bubble;
- Change in accounting principles for real estate sales;
- No assurance that all the insurance policies will be renewed;

Risks relating to the Philippines

- Slowdown in the Philippine economy;
- Political or social instability or acts of terrorism;
- Occurrence of natural catastrophes;
- Philippine credit rating downgrade;
- Foreign exchange risk;

Risks relating to the Bonds

- Liquidity risk;
- Reinvestment risk;
- Pricing risk;
- Retention of ratings risk; and
- Bonds have no preference under Article 2244 (14) of the Civil Code.

A detailed discussion on the above-enumerated risks appears on the "Risk Factors" section on page 35 of this Prospectus.

Use of Proceeds

The gross proceeds of the offer of Bonds are expected to reach approximately PhP5,000,000,000, or if the Oversubscription Option is exercised in full, PhP10,000,000,000. The net proceeds from the Offer, estimated to be at PhP4,935,206,875, or should the Oversubscription Option be exercised in full, PhP9,876,444,375, determined by deducting from the gross proceeds the underwriting and selling fees, registration and listing fees, taxes and other related fees, and out-of-pocket expenses. A detailed discussion on the use of proceeds appears on the "Use of Proceeds" section on page 44 of this Prospectus.

The Fixed Rate Bonds in aggregate principal amount of PhP15,000,000,000.00 is expected to fully cover the total capital expenditure requirements of the Company to complete its 2020 vision of 1,000,000 square meters of leasable space.

Plan of Distribution

The Company plans to offer the Bonds to institutional and retail investors through a public offering to be conducted through the Underwriters. For a more detailed discussion, see “Plan of Distribution” section on page 51 of this Prospectus.

Summary of Financial Information

The following tables set forth the summary consolidated financial information for the Company and should be read in conjunction with the auditors' reports, the Company's consolidated financial statements including the notes thereto included elsewhere in this Prospectus, and the section entitled "MANAGEMENT'S DISCUSSION & ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS". The selected financial information set forth in the following table has been derived from the Company's financial statements for the fiscal years ended December 31, 2012, 2013, 2014 and 2015, including the related notes, as examined and audited by KPMG R.G. MANABAT & CO., CPAs in accordance with Philippine Financial Reporting Standards ("PFRS"). All these information should be read in conjunction with the financial statements and notes thereto found on Appendix "A" of this Prospectus.

Also detailed below is a comparison of the six (6) months ended June 30, 2016 and 2015 derived from the unaudited financial statements of the Company, including notes thereto which are found as Appendix "B" of this Prospectus. These financial statements, including the related notes, have been examined and reviewed by KPMG R.G. MANABAT & CO., CPAs in accordance with Philippine Financial Reporting Standards ("PFRS").

The summary of financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date. All figures are in thousands of Philippine Pesos except per share figures, and where otherwise indicated.

	For the years ended				For the six months	
	December 31,				ended	
	2012	2013	2014	2015	2015	2016
	(Audited)				(Unaudited)	
Consolidated Statements of Income Data						
Sales.....	PhP596,500	PhP511,070	PhP1,213,502	PhP781,184	PhP573,146	PhP538,627
Cost of sales	446,485	373,755	597,412	378,969	281,273	263,030
Gross profit	150,015	137,315	616,090	402,215	291,873	275,597
Selling and administrative expenses.....	(30,187)	(108,581)	(271,510)	(541,633)	(147,534)	(220,469)
Interest expense and other financing charges	-	(9,123.00)	(37,502.00)	(114,353)	(5,658)	(48,749)
Interest income	11,813	18,868	30,644	120,858	12,645	25,057
Unrealized gain from change in fair values of investment property	-	127,162	455,732	811,064	-	-
Other income (rent and others) – Net.....	15	4,837	10,624	215,829	26,151	142,147
Income before income tax.....	131,656	170,478	804,078	893,980	177,478	173,583
Income tax expense.....	39,435	48,423	243,231	271,197	53,243	29,380
Net income.....	PhP92,221	PhP122,055	PhP560,847	PhP622,783	PhP124,235	PhP144,203
Attributable to:						
Equity holders of the Parent Company	PhP92,221	PhP106,649	PhP555,890	PhP559,406	PhP122,844	PhP131,550
Non-controlling interests	-	15,406	4,957	63,377	1,391	12,653
	PhP92,221	PhP122,055	PhP560,847	PhP622,783	PhP124,235	PhP144,203
Earnings per common share attributable to equity holders of the Parent Company basic	PhP2.05	PhP0.86	PhP0.28	PhP0.25	PhP0.05	PhP0.06
Earnings per common share attributable to equity holders of the Parent Company diluted	PhP2.05	PhP0.86	PhP0.28	PhP0.25	PhP0.05	PhP0.06

	For the years ended				For the six
	December 31,				months
	(Audited)				ended
	2012	2013	2014	2015	June 30,
	(Unaudited)				2016
Consolidated Statements of Financial Position Data					
Assets					
Total current assets	PhP735,195	PhP1,309,198	PhP7,422,312	PhP5,661,260	PhP10,533,205
Total noncurrent assets	124,932	487,343	11,095,737	22,102,068	28,498,125
Total assets.....	<u>PhP860,127</u>	<u>PhP1,796,541</u>	<u>PhP18,518,049</u>	<u>PhP27,763,328</u>	<u>PhP39,031,330</u>
Liabilities and Equity					
Current liabilities					
Total current liabilities	PhP316,211	PhP613,431	PhP2,012,758	PhP6,489,428	PhP3,489,268
Total noncurrent liabilities	<u>71,454</u>	<u>568,022</u>	<u>8,675,116</u>	<u>12,629,423</u>	<u>16,706,901</u>
Equity					
Equity attributable to equity holders of the Parent Company.....	472,462	589,895	2,243,034	2,752,933	12,702,661
Non-controlling interests	-	25,193	5,587,141	5,891,544	6,132,500
Total equity	<u>472,462</u>	<u>615,088</u>	<u>7,830,175</u>	<u>8,644,477</u>	<u>18,835,161</u>
Total liabilities and equity	<u>PhP860,127</u>	<u>PhP1,796,541</u>	<u>PhP18,518,049</u>	<u>PhP27,763,328</u>	<u>PhP39,031,330</u>

	For the years ended December 31,				For the six months ended June 30,	
	2012	2013	2014	2015	2015	2016
	(Audited)				(Unaudited)	
Cash Flow Data						
Net cash provided by (used in):						
Operating activities	(PhP283,090)	(PhP664,492)	(PhP1,059,833)	(PhP727,052)	(PhP203,018)	(PhP875,528)
Investing activities	(58,359)	(99,384)	(4,426,055)	(9,066,124)	(3,695,652)	(5,939,417)
Financing activities	352,000	860,166	9,189,775	6,936,445	4,431,457	10,538,141
Net increase/(decrease) in cash and cash equivalents	10,551	96,290	3,703,887	(2,856,731)	532,787	3,723,196
Cash and cash equivalents at beginning of year.	6,463	17,014	113,304	3,817,191	3,817,191	960,460
Cash and cash equivalents at end of period	17,014	113,304	3,817,191	960,460	4,349,978	4,683,656

Capitalization

As at 30 June 2016, the authorized capital stock of the Issuer was P20.5 billion divided into 5 billion common shares each with P0.10 par value per share and 200,000,000 Preferred shares with P100.00 par value per share, and its issued capital stock was P10,222,973,000 consisting of 2.2973 billion common shares of P0.10 par value per share and 100,000,000 Preferred shares with P100.00 par value per share.

The following table sets forth the consolidated capitalization and indebtedness of the Issuer as at 30 June 2016 and as adjusted to give effect to the issue of the Bonds (assuming the Oversubscription Option is not exercised). This table should be read in conjunction with the Issuer's unaudited interim condensed consolidated financial statements as at 30 June 2016 and for the six-month periods ended 30 June 2015 and 2016 and notes thereto, included elsewhere in this Prospectus.

Table 1.0 Capitalization at Base Issue Size P5.0 Billion

(in ₱ Thousands)	As of June 30, 2016 (Unaudited)	Adjustments	Notes	As of June 30, 2016 (Unaudited)
Current Liabilities				
Accounts payable and other liabilities.....	₱1,952,103			₱1,952,103
Short-term notes payable.....	874,000			874,000
Customers' deposit.....	65,818			65,818
Due to related parties.....	586,389			586,389
Income tax payable.....	10,958			10,958
Total Current Liabilities	₱3,489,268			₱3,489,268
Noncurrent Liabilities				
Long-term notes payable.....	₱15,085,954	₱5,000,000	1	₱20,085,954
Customer's Deposit - net of current portion	135,748			135,748
Other noncurrent payable.....	688,708			688,708
Retirement Benefits liability	4,984			4,984
Deferred tax liability – net.....	791,507			791,507
Total Non-current Liabilities	₱16,706,901			₱21,706,901
Equity				
Common stock – ₱0.10 par value....	₱222,973			₱222,973
<i>Authorized – 5,000,000,000 shares</i>				
<i>Issued – 2,229,730,000 shares</i>				
Preferred stock – ₱100.00 par value...	10,000,000			10,000,000
<i>Authorized – 200,000,000 shares</i>				
<i>Issued – 100,000,000 shares</i>				
Additional paid-in capital.....	1,176,415			1,176,415
Retained earnings				
Appropriated	-			-
Unappropriated.....	1,305,875			1,305,875
...				
Retirement Benefits liability	(2,602)			(2,602)

Treasury Stock	-	-
Non-controlling interests.....	6,132,500	6,132,500
Total Equity.....	₱18,835,161	₱18,835,161
Total Capitalization.....	₱39,031,330	₱44,031,330

Notes: (1) Adjusted amount as at 30 June 2016 includes proceeds of P5.0 billion principal amount of the Bonds offered hereunder (assuming the Oversubscription Option is not exercised).

The following table sets forth the consolidated capitalization and indebtedness of the Issuer as at 30 June 2016 and as adjusted to give effect to the issue of the Bonds (assuming the Oversubscription Option is exercised). This table should be read in conjunction with the Issuer's unaudited interim condensed consolidated financial statements as at 30 June 2016 and for the six-month periods ended 30 June 2015 and 2016 and notes thereto, included elsewhere in this Prospectus.

Table 2.0 Capitalization at Base Issue Size + Oversubscription, Total of P10.0 Billion

(in ₱ Thousands)	As of June 30, 2016 (Unaudited)	Adjustments	Notes	As of June 30, 2016 (Unaudited)
Current Liabilities				
Accounts payable and other liabilities.....	₱1,952,103			₱1,952,103
Short-term notes payable.....	874,000			874,000
Customers' deposit.....	65,818			65,818
Due to related parties.....	586,389			586,389
Income tax payable.....	10,958			10,958
Total Current Liabilities	₱3,489,268			₱3,489,268
Noncurrent Liabilities				
Long-term notes payable.....	₱15,085,954	P10,000,000	1	₱25,085,954
Customer's Deposit - net of current portion	135,748			135,748
Other noncurrent payable.....	688,708			688,708
Retirement Benefits liability	4,984			4,984
Deferred tax liability – net.....	791,507			791,507
Total Non-current Liabilities	₱16,706,901			₱26,706,901
Equity				
Common stock – ₱0.10 par value....	₱222,973			₱222,973
<i>Authorized – 5,000,000,000 shares</i>				
<i>Issued – 2,229,730,000 shares</i>				
Preferred stock – ₱100.00 par value....	10,000,000			10,000,000
<i>Authorized – 200,000,000 shares</i>				
<i>Issued – 100,000,000 shares</i>				
Additional paid-in capital.....	1,176,415			1,176,415
Retained earnings				

Appropriated	-	-
Unappropriated.....	1,305,875	1,305,875
Retirement Benefits liability	(2,602)	(2,602)
Treasury Stock	-	-
Non-controlling interests.....	6,132,500	6,132,500
Total Equity.....	₱18,835,161	₱18,835,161
Total Capitalization.....	₱39,031,330	₱49,031,330

Notes: (1) Adjusted amount as at 30 June 2016 includes proceeds of P10.0 billion principal amount of the Bonds offered hereunder (assuming the Oversubscription Option is exercised).

The following table sets forth the consolidated capitalization and indebtedness of the Issuer as at 30 June 2016 and as adjusted to give effect to the issue of the Bonds (assuming the entire shelf amount is issued). This table should be read in conjunction with the Issuer's unaudited interim condensed consolidated financial statements as at 30 June 2016 and for the six-month periods ended 30 June 2015 and 2016 and notes thereto, included elsewhere in this Prospectus.

Table 3.0 Issuance of Total Shelf Registration, Total of P15.0 Billion

(in ₱ Thousands)	As of June 30, 2016 (Unaudited)	Adjustments	Notes	As of June 30, 2016 (Unaudited)
Current Liabilities				
Accounts payable and other liabilities.....	₱1,952,103			₱1,952,103
Short-term notes payable.....	874,000			874,000
Customers' deposit.....	65,818			65,818
Due to related parties.....	586,389			586,389
Income tax payable.....	10,958			10,958
Total Current Liabilities	₱3,489,268			₱3,489,268
Noncurrent Liabilities				
Long-term notes payable.....	₱15,085,954	P15,000,000	1	₱30,085,954
Customer's Deposit - net of current portion	135,748			135,748
Other noncurrent payable.....	688,708			688,708
Retirement Benefits liability	4,984			4,984
Deferred tax liability – net.....	791,507			791,507
Total Non-current Liabilities	₱16,706,901			₱31,706,901
Equity				
Common stock – ₱0.10 par value....	₱222,973			₱222,973
Authorized – 5,000,000,000 shares				
Issued – 2,229,730,000 shares				
Preferred stock – ₱100.00 par value....	10,000,000			10,000,000
Authorized – 200,000,000 shares				
Issued – 100,000,000 shares				

Additional paid-in capital.....	1,176,415	1,176,415
Retained earnings		
Appropriated	-	-
Unappropriated.....	1,305,875	1,305,875
.....		
Retirement Benefits liability	(2,602)	(2,602)
Treasury Stock	-	-
Non-controlling interests.....	6,132,500	6,132,500
Total Equity.....	₱18,835,161	₱18,835,161
Total Capitalization.....	₱39,031,330	₱54,031,330

Notes: (1) Adjusted amount as at 30 June 2016 includes proceeds of P15.0 billion principal amount of the Bonds offered hereunder (assuming the entire Shelf Registration is issued).

Summary of the Offer

The following summary is qualified in its entirety by, and should be read in conjunction with the more detailed information appearing elsewhere in the Prospectus to which it relates.

Prospective Bondholders are enjoined to perform their own independent investigation and analysis of the Company and the offer of Bonds. Each prospective bondholder must rely on its own appraisal of the Company and the Offer and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to invest in the Offer and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective bondholder's independent evaluation and analysis.

Issuer	:	DoubleDragon Properties Corp.
Joint Issue Managers	:	BPI Capital Corporation and RCBC Capital Corporation
Joint Lead Underwriters	:	BPI Capital Corporation and RCBC Capital Corporation
Participating Underwriter	:	United Coconut Planters Bank
Trustee	:	Rizal Commercial Banking Corporation Trust and Investment Group
Registrar and Paying Agent	:	Philippine Depository & Trust Corporation
Issue / Issue Amount	:	SEC-registered fixed rate, Peso-denominated bonds constituting the direct, unconditional, unsecured and general obligations of the Issuer (the "Bonds") in the aggregate amount of minimum of PhP5,000,000,000.00 and maximum of PhP10,000,000,000.00
Use of Proceeds	:	Described in detail in the section entitled "Use of Proceeds" on page 44 of this Prospectus
Issue Price	:	100% of face value
Manner of Distribution	:	Public Offering
Offer Period	:	The Offer shall commence on November 29, 2016 and end on December 7, 2016.
Issue Date	:	December 15, 2016
Maturity Date or Redemption Date	:	December 15, 2026
Interest Rate²	:	5.9721%

The interest rates were determined subject to the results of bookbuilding among qualified institutional buyers.

² The following were used as basis for determining the Interest Rate: Simple average of the 10Y PDST-R2 plus [150-225 bps]. Using the PDST-R2 closing rate as a benchmark rate is a standard and customary method of pricing bond instruments. Applying the 3-day simple average is a means to address market volatility, which can abnormally affect the pricing of the final interest rate. The margins are included to account for the credit risk profile of the Issuer and the general market environment at the time of bookbuilding. The final interest rate is determined based on a combination of the following factors:

1. General movements of the financial markets;
2. Results of the bookbuilding exercise; and
3. Issuer's commercial considerations.

Interest Payment Date : Interest shall be paid quarterly in arrears on beginning on such date that is one quarter from Issue Date, or on March 15, June 15, September 15, and December 15, or the next Banking Day if such dates fall on a non-Banking Day, of each year commencing on March 15, 2017, until and including the Maturity Date (each, a “Interest Payment Date”).

Interest on the Bonds shall be calculated on a 30/360-day basis.

Form and Denomination : The Bonds shall be issued in scripless form in minimum denominations of Php50,000.00 each, and in multiples of Php10,000.00 thereafter.

Early Redemption : The Issuer shall have the option, but not the obligation, to redeem in whole (and not in part), the outstanding Bonds before the relevant Maturity Date and on each of the relevant dates indicated below. The amount payable to the Bondholders upon the exercise of the Early Redemption Option by the Issuer shall be calculated, based on the principal amount of Bonds being redeemed, as the sum of: (i) accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Option Date; and (ii) the product of the principal amount of the Bonds being redeemed and the Early Redemption Price in accordance with the following schedule:

Early Redemption Option Dates	Early Redemption Price
7 years from Issue Date	101.5%
8 years from Issue Date	101.0%
9 years from Issue Date	100.5%

The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds on the Early Redemption Date stated in such notice.

Redemption for Taxation Reasons : If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, (having given not more than sixty (60) nor less than thirty (30) days prior written notice to the Trustee) at par or 100% of face value plus accrued interest.

Negative Pledge : The Bonds shall have the benefit of a negative pledge on all existing and future assets of the Issuer and its Subsidiaries, subject to certain permitted liens, as provided under Section 7.02(a) of the Trust Agreement.

Purchase and Cancellation : The Issuer may purchase the Bonds at any time in the open market or by tender or by contract at the best available price under prevailing market conditions, in accordance with PDEX rules and/or the Securities and Regulation Code, as may be amended from time to time, without any obligation to make pro rata purchases from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued. Upon

listing of the Bonds in the PDEX, the Issuer shall disclose any such transaction in accordance with the applicable disclosure rules of the PDEX.

- Status of the Bonds** : The Bonds constitute direct, unconditional, unsecured, and unsubordinated Peso denominated obligations of the Issuer and shall rank pari passu and rateably without any preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, and (ii) any obligation incurred by the Issuer pursuant to Section 5.02 (a) of the Trust Agreement or as may be allowed by the Trust Agreement. The Bonds shall effectively be subordinated in right of payment to, among others, all of the Issuer's secured debts to the extent of the assets securing such debt and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code of the Philippines.
- Rating** : The Bonds are rated PRS Aa by PhilRatings.
- Listing** : The Issuer intends to list the Bonds in the PDEX on Issue Date.
- Non-Reliance** : Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or wilful misconduct.
- Own Risk** : Investment in the Bonds is not covered by the Philippine Deposit Insurance Corporation ("PDIC"). Any loss or depreciation in the value of the assets of the Bondholders, resulting from the investments or reinvestment in the Bonds and the regular conduct of the Trustee's trust business shall be for the account of the Bondholder.
- Governing Law** : Philippine law

Contact Details of Registrar and Trustee : Registrar and Paying Agent

PHILIPPINE DEPOSITORY & TRUST CORP.
37th Floor Enterprise Centre Tower 1
Ayala Avenue, Makati City, Metro Manila

Telephone No.: (632) 884-4425
Fax No.: (632) 757-6025
E-mail: baby_delacruz@pds.com.ph
Attention: Josephine "Baby" Delacruz
Director

Trustee

RCBC TRUST AND INVESTMENTS GROUP
9th Floor Yuchengco Tower 1, RCBC Plaza
6819 Ayala Avenue, Makati City, Metro Manila

Telephone No.: (632) 894-1278
Fax No.: (632) 878-3377
E-mail: rwsinaon@rcbc.com
Attention: Ryan Roy W. Sinaon
Vice President

Risk Factors and Other Considerations

General Risk Warning

An investment in the Bonds described in this Prospectus involves a number of risks. The price of the securities can and does fluctuate, and any individual security may experience upward or downward movements, and may even become valueless. There is inherent risk that losses may be incurred rather than profit made as a result of buying and selling securities. There is an extra risk of losing money when securities are bought from smaller companies. Past performance is not a guide to future performance and there may be a large difference between the buying price and the selling price of these securities. Investors deal with a range of investments, each of which may carry a different level of risk. Investors should carefully consider all the information contained in this Prospectus, including the risk factors described below before deciding to invest in the Bonds.

This section entitled “Risk Factors and Other Considerations” does not purport to disclose all the risks and other significant aspects of investing in these securities. Investors should undertake independent research and study the trading of these securities before commencing any trading activity. Investors should seek professional advice regarding any aspect of the securities such as the nature of risks involved in trading of securities, and specifically those high-risk securities. Investors may request publicly available information on the Bonds and the Company from the SEC.

The risks factors discussed in this section are of equal importance and are only separated into categories for easy reference.

Prudence Required

The risk disclosure does not purport to disclose all the risks and other significant aspects of investing in the Bonds. Investors should undertake independent research and study on the trading of these securities before commencing any trading activity. Investors may request publicly-available information on the Bonds and DD from the SEC and PSE. Publicly-available information are also found in the Company’s website (www.doubledragon.com.ph) and in the PSE’s Electronic Disclosure Generation Technology’s website (www.edge.pse.com.ph).

Professional Advice

An investor should seek professional advice if he or she is uncertain of, or has not understood, any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially high risk securities.

Risk Factors

This Prospectus contains forward-looking statements that involve risks and uncertainties. DD adopts what it considers conservative financial and operational controls and policies to manage its business risks. The actual results may differ significantly from the results discussed in the forward-looking statements. See section “Forward-Looking Statements” on page 9 of this Prospectus. Factors that might cause such differences, thereby making the offering speculative or risky, may be summarized into those that pertain to the business and operations of DD, in particular, and those that pertain to the over-all political, economic, and business environment, in general. These risk factors and the manner by which these risks shall be managed are presented below. The risk factors discussed in this section are of equal importance and are only separated into categories for easy reference.

Investors should carefully consider all the information contained in this Prospectus including the risk factors described below, before deciding to invest in the Bonds. The business, financial condition and results of operations of the Company could be materially and adversely affected by any of these risk factors

Risks relating to the Company and its Business

Ability to obtain financing at favorable interest rates

The Company obtains long-term financing with fixed interest rates at favorable levels to cover the capital expenditures needed to develop its projects. There is no assurance that the Company can continue to raise the additional financing needed to execute its future plans at the current terms. Aside from this, higher inflation and interest rates could have a material adverse effect on the Company's and its customers' ability to obtain financing.

Higher interest rates, and factors that affect interest rates, such as the Government's fiscal policy, inflation, foreign exchange rates, could have a material adverse effect on the Company and on demand for its products. For example:

- Higher interest rates will make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects and will affect the levered return margins of the Company;
- Higher interest rates will make it more expensive for prospective and current customers who procure financing to fund their property purchases, and therefore could adversely affect demand for the Company's residential projects;
- Further government tightening of allowable industry exposure for banks and other financial institutions may reduce the amount of bank financing available to real estate developers including the Company, and drive up interest rates charged by banks and other financial institutions; and
- Higher inflation rates could result in an increase in raw materials costs, which the Company may not be able to pass on to its customers as increased prices. Higher inflation rates may also result in higher interest rates.

The occurrence of any of the foregoing events, or any combination of them, or of any similar events could have a material adverse effect on the Company's business, financial condition and results of operations.

While these risks are uncontrollable, the Company practices prudent financial management to minimize any adverse effects. Total project costs included in construction contracts are also typically fixed, which mitigates the impact of inflationary pressures. Likewise, collections from pre-selling activities minimize the Company's need for additional financing which reduces its exposure to interest rate movements.

Availability of land for use in the Company's future projects

There is a high level of scarcity covering prime commercial property in the Philippines. The Company needs to accumulate a sizable portfolio of prime properties across the country to complete its 2020 plan of developing 1 million square meters of leasable space, 70% coming from the development of 100 CityMalls across provincial city centers and the balance of 30% coming from two Metro Manila office projects, namely, DD Meridian Park and Jollibee Tower.

In order to mitigate the risks related to the limited availability of land for its projects, the Company has prioritized the acquisition of lands needed for its 2020 plan and in most cases ahead of the scheduled requirement to minimize potential delays in the scheduled completion of its projects. Within a little more than two (2) years from its initial public offering, the Company has secured approximately close to 72 hectares of land as of the date of this Prospectus. The current landbank is estimated to deliver approximately 72 hectares of leasable space once fully developed thus allowing the Company to achieve at least 72% of its targeted portfolio by 2020. The Company still has four years to complete the balance of its landbank requirement for the 2020 plan although it aims to prioritize the completion of this within the near term.

Risks associated with its in-house financing activities, including the risk of customer default

In several of the Company's interim residential projects, it offers in-house financing schemes to its buyers, typically during the construction period, offering of up to twenty-four (24) months of monthly amortizations. The Company has mitigated any risk of customer defaults by ensuring that at the end of the deferred payment period, there is at least one bank which has accredited the Company's project and is willing to provide bank financing to the buyers of the Company's projects. At present, majority of the buyers of the Company's projects is financed by banks at the end of their deferred payment term or upon turnover of their units. To mitigate the risk that buyers may default during the deferred payment period, buyers are given

sufficient grace period and are served the appropriate notices, in accordance with the law, to allow them to update their payments on the purchase.

Risk on sale cancellations

From time to time, the Company has had buyers who have indicated their intent to cancel their previous purchases of the Company's interim residential projects. For such cases, the Company complies with Republic Act No. 6552, otherwise known as the Maceda Law, with regard to the grace periods and appropriate notices to be served and the right to refund of the buyers, as in applicable cases. In compliance with the Maceda Law, if the contract is cancelled after two years of installment, the Company shall refund to the buyer the cash surrender value of the payments on the property, which is equivalent to 50% of the total payments made. After five years of installments, an additional five percent for every year of payments will be added, but not to exceed 90% of the total payments made.

Historically, the Company has booked a net gain / income from sale cancellations as the forfeited payments have far exceeded any refunds that were given to the buyers who cancelled.

Risk of bond redemption for tax reasons

If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, (having given not more than sixty (60) nor less than thirty (30) days prior written notice to the Trustee) at par or 100% of face value plus accrued interest. Given that the option is exercisable by the Issuer, the Issuer shall ensure that it has cash resources sufficient to redeem the Bonds, before exercising such option.

Titles over land owned or leased by the Company may be contested by third parties

While the Philippines has adopted a system of land registration which is intended to conclusively confirm land ownership, and which is binding on all persons (including the Government), it is not uncommon for third parties to claim ownership of land which has already been registered and over which a title has been issued.

Although it has not had to defend itself in the past, the Company, which owns land with various titles under its name and leases land from various landowners, from time to time, may be required to defend itself against third parties who claim to be the rightful owners of such land. As such, the Company's management may be required to devote significant time and incur significant costs in defending the Company against such claims.

The Company has projects located on some government-reclaimed lands. Government-reclaimed lands form parts of the land of the public domain and are subject to the following restrictions: (1) lands of the public domain cannot be disposed by the State to any private person until such reclaimed lands are (a) reclassified as disposable or alienable, and (b) declared to be no longer needed for public purpose, by law or presidential proclamation; (2) alienable public lands cannot be disposed of by the State to private persons by sale or lease without public bidding; and (3) lands of the public domain cannot be disposed of to private corporations, except by lease, in accordance with the constitutional ban on private corporations acquiring lands of the public domain. Section 3 of Article XII of the Constitution provides that private corporations or associations may not hold alienable lands of the public domain except by lease, for a period not exceeding twenty-five years, renewable for not more than twenty-five (25) years, and not to exceed one thousand hectares in area. Citizens, on the other hand, may lease not more than five hundred (500) hectares, or acquire not more than twelve (12) hectares by purchase, homestead or grant. The Company's project located on reclaimed land was acquired from a valid individual title holder; however, the Company cannot guarantee that no third party will question its title over said land.

To mitigate the risk, the Company conducts comprehensive due diligence and extensive title searches before it acquires or leases any parcel of land.

Environmental laws could adversely affect the Company's business.

Real estate developers are required to follow strictly the guidelines of the DENR. Any changes in the current environmental laws and regulations applicable to the Company may increase the Company's operating expenses. The Company complies with environmental laws and will keep abreast of any changes in such

laws which may have an impact on its business. Please refer to “Regulatory Matters” on page 159 of this Prospectus for a detailed discussion.

Delays in the completion of projects and failure to meet customers’ expectations and standards could adversely affect the Company’s reputation and its business and financial performance.

The Company’s reputation will be negatively affected if any of its projects experience construction or infrastructure failures, design flaws, significant project delays, and quality control issues. Any of these may consequently make it more difficult for the Company to attract new customers for its future projects. Any negative effect that would stain the Company’s reputation may pose difficulties in selling or leasing its projects and may have a domino effect to both its other current and future projects. Delays in the roll out plan of CityMalls may affect the Company’s cashflows and expected profitability on such relevant years that suffer delays. This will adversely affect the Company’s ability to raise its capital as well as the results of its operations and financial performance.

The Company engages the services of reputable project managers and general contractors to ensure that its projects are constructed in accordance with plans and specifications and in accordance with the agreed schedules. The selection of project managers and general contractors passes through a prequalification process and competitive bidding. Contracts will include provisions for warranties, penalties and liquidated damages for delay and unsatisfactory workmanship. The Company likewise maintains its own technical team that monitors the progress and construction quality to ensure that the project is executed in accordance with set standards. Questions and/or requests from customers are addressed by the Company’s customer care department within a reasonable time. Complaints, if any, are addressed on a case-to-case basis, depending on the merits of the claims.

Several tenants from whom the Company derives rental revenue from are related parties.

CM is thirty-four percent (34%) owned by SMIC and sixty-six percent (66%) owned by the Company. SMIC likewise holds direct and indirect ownership in the following brands and businesses, which are also tenants in various projects of the Company:

- SaveMore Market
- Ace Hardware
- China Bank Savings
- Simply Shoes
- BDO Unibank
- Watsons
- SM Appliance Center

The Tan and Ang Family, through Honeystar, owns thirty-seven percent (37%) of the Company. The Tan and Ang Family has significant direct and indirect ownership in JFC which owns and operates several fast food concepts who also serve as tenants in various investment projects in which the Company derives income. These fast food concepts include:

- Jollibee
- Mang Inasal
- Greenwich
- Chowking
- Highlands Coffee
- Red Ribbon

The abovementioned retail brands, businesses and fast food concepts as a group are the source of significant leasing revenue received by the Company. The interest of these related parties may differ from those of the Company and there may be a perceived risk that related parties might receive favorable terms from the Company. The Company ensures arms length transactions with lessees that are owned either directly or indirectly by parties related to the Company.

The Company’s major shareholders also serve as directors and officers of the Company

At present, the Sia and Tan families directly and indirectly own over two-thirds (2/3) of the outstanding shares of the Company. The members of the families hold various positions within the group. The interests of the families may differ from the Company’s interests.

To manage this risk, the Company has appointed its two (2) independent directors, Mr. Gary Cheng and Mr. Vicente Perez, Jr., who both sit as members of the Board of Directors' of the Company. The two (2) independent officers are also members of the nomination and compensation committee. The nomination committee likewise reviews and monitors the Company's compliance with the corporate governance standards established by the Company in compliance with the regulations set forth by the SEC and PSE.

No assurance of successful implementation of business plans and strategies

Every business is susceptible to the failure of the implementation of the business plans and strategies, especially with respect to new projects and undertakings.

The Company will continue to strive to transform its plans into reality through the careful formation of its strategies and overall organization of its departments. Weekly Executive Committee Meetings, Management Committee Meetings and Monthly Business Review Meetings are held between top management and the respective department / business unit heads to ensure that goals are on track and remain achievable. Where synergies will be beneficial, the Company will take advantage of structures and partnerships already in place to help mitigate this risk.

Significant competition in the real estate industry

The Company's ability to sell or lease its projects may be adversely affected by the competition from other real estate developers; some with greater financial and developmental resources, more attractive locations of projects, and a more aggressive approach to prospective projects and clients.

To mitigate this risk, the Company continues to focus on acquiring the land required to build the balance of its planned projects in prime locations. The Company believes in the strength of its chosen locations, competitive pricing, and the ideal and unique offering each of its projects have in relation to the targeted market.

Risks of a domestic asset price bubble could adversely affect the Company's business.

One of the risks inherent in any real estate property market, including the Philippines, is the possibility of a domestic asset price bubble, which occurs when there is a gross imbalance between the supply and demand in the domestic property market, causing asset prices to be unsustainably and artificially high. The growth of the Philippine real estate sector is mainly driven by low interest rates, robust OFW remittances, and the fast growing BPO sector which are vulnerable to shocks in the global economy. To mitigate this risk, the Company is diversifying its portfolio of projects to achieve a balanced mix of both developmental and investments projects, providing the Company with a diversified earnings base hedging against down cycles in the property industry. For instance, the CityMall projects to be established in various parts of the country will provide the Company with a steady stream of recurring income from less saturated provincial markets that are less dependent on economic cycles since the business model of CityMall involves the modern replacement of traditional retailers currently servicing existing demand.

Change in accounting principle for real estate sales (Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate) will change the Company's revenue recognition for sale of condominium units.

This new interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under Philippine Accounting Standard 11, construction contracts, which are based on stage of completion. The SEC and the Financial Reporting Standards Council have deferred the effectivity of this interpretation until a final revenue standard is issued by the International Accounting Standards Board and an evaluation of the requirements of the final revenue standard against Philippine real estate industry practices is completed. Adoption of this interpretation will result to a change in the revenue recognition of the Company on sale of residential units and accounting for certain pre-selling costs.

The Company continues to assess the impact of this change in principle on its financial results. This risk has been minimized substantially by the recent completion of The Uptown Place and W.H. Taft Residences. The only remaining vertical residential development of the Company, which is currently under construction, is The SkySuites Tower which is expected to be completed by 2018. The horizontal residential developments of the Company have a substantially shorter turnover cycle than vertical residential developments.

No assurance that all the insurance policies will be renewed

The Company maintains comprehensive property and liability insurance policies with coverage features and insured limits that it believes are consistent with market practices in the retail industries in the Philippines from insurance providers. Nonetheless, the scope of insurance coverage that the Company can obtain or the Company's ability to obtain such coverage at reasonable rates may be limited.

Insurance policies and terms of coverage will be subject to renewals and negotiations on a periodic basis and there is no assurance that adequate insurance coverage will be available on commercially reasonable terms in the future. Any material increase in insurance rates, decrease in available coverage or any failure to maintain adequate insurance in the future could adversely affect the business, financial condition and results of operations.

The Company may be subject to labor unrest, slowdowns and increased wage costs.

The Company has not experienced labor unrest in the past that resulted in the disruption of its operations. While the Company has not had to defend itself in the past, there can be no assurance that it will not be required to defend against labor claims or that it will not experience future disruptions to its operations due to labor disputes in the future. In addition, any changes in labor laws and regulations could result in the Company having to incur substantial additional costs.

To mitigate the risk, the Company complies with labor laws and adopts policies to ensure a healthy working environment for its employees.

Risks relating to the Philippines

The Company is exposed to risks related to the slowdown in the Philippine economy.

The Philippine economy remains exposed to significant economic and political risks. The performance of the Philippine economy may influence, in general, the results of the Company's operations. Any deterioration in the economic conditions in the Philippines may adversely affect consumer sentiment. There can be no assurance that current or future Governments will adopt economic policies conducive to sustaining economic growth. The Company's results of operations depend in large part on the performance of the Philippine economy. Movement in interest rates will affect the Company's cost of capital as well as the financial viability of its projects. Any deterioration in the Philippine economy could materially and adversely affect the Company's financial condition and results of operations.

The Company derives all of its sales and operating profits from its development activities in the Philippines and its business is highly dependent on the state of the Philippine economy and the Philippine property market. Demand for, and prevailing prices of, developed land, and house and lot units are directly related to the economic, political and security conditions in the Philippines. The relatively low interest rate environment in recent years, as well as the favorable demographics (i.e. demographic sweet spot or majority of the population or at least 50 million Filipinos reaching working age) has partly sustained the growth in the local property market. While the Philippine real estate sector presently shows no signs of slowdown and is experiencing resurgence, there is no guarantee that this trend will continue. Over different periods, the Philippines has faced declining economic growth rate with high inflation rate, especially during economic downturns brought about by external and local risk factors. For instance, the Philippine property market suffered a sharp downturn as a result of the Asian financial crisis in 1997 and the political crisis in 2000 brought about by the impeachment proceedings against, and eventual resignation, of former President Joseph Estrada. These crises led to a steep drop in real estate demand and consequently to an oversupply in the property market, depressed property prices and reduced demand for new residential projects. Another example of an external risk factor is the global economic recession and financial market turmoil in 2008, which led to some slowdown in the local economy and property market. However, growth in the local property market continued to be resilient and sustained by the country's improved economic and credit fundamentals, as attested by the country's first-ever investment grade ratings in 2013, the continued growth in OFW remittances and BPO revenues that supported consumer spending and demand for property, as well as the relatively low interest rate environment since the latter part of 2010 that reduced the cost of financing property purchases.

While the risks related to the Philippine economy in general and to the Philippine real estate industry in particular are uncontrollable, the Company practices prudent financial management to minimize their possible effects.

Political and social instability or acts of terrorism could adversely affect the financial results of the Company.

Like any other country, it is materially significant to position the Philippines as an appealing place to invest. Any political and terrorist threats could adversely affect the general conditions and business environment in the Philippines, which could have a material effect on the operations and financial performance of the Company.

The Philippines has, from time to time, experienced political and military instability. In the past 15 years, there has been political instability in the Philippines, including impeachment proceedings against two (2) former presidents, the chief justice of the Supreme Court of the Philippines, and public and military protests arising from alleged misconduct by previous administrations. In addition, a number of officials of the Philippine government are currently under investigation on corruption charges stemming from allegations of misuse of public funds. The Company also cannot rule out any such isolated incidents from happening in the localities where it is operating.

The Philippines has also been subject to a number of terrorist attacks since 2000, and the Armed Forces of the Philippines has been in conflict with groups which have been identified as being responsible for kidnapping and terrorist activities in the Philippines. In addition, bombings have taken place in the Philippines mainly in cities in the southern part of the country. In September 2013, for example, a faction of the Moro National Liberation Front allegedly led by Nur Misuari, a former governor of the Autonomous Region of Muslim Mindanao, staged an armed uprising in Zamboanga City. The incident resulted in, among others, hostage situations and renewed tension between the Philippine Armed Forces and the Moro National Liberation Front. Moreover, in an operation to capture wanted international terrorist Zulkifli Bin Hir alias Marwan on January 25, 2015, 44 police commanders were killed in a 12-hour fight with two (2) Muslim rebel groups: Moro Islamic Liberation Front and Bangsamoro Islamic Freedom Fighters in the Southern Philippines. An increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of the Philippine economy.

There can be no assurance that acts of political violence will not occur in the future and any such events could negatively impact the Philippine economy. An unstable political environment, whether due to the imposition of emergency executive rule, martial law or widespread popular demonstrations or rioting or election-related violence, could negatively affect the general economic conditions and operating environment in the Philippines, which could have a material adverse effect on the business, operations, and financial condition of the Company.

Occurrence of natural catastrophes could adversely affect the business of the Company.

The Philippines has experienced a significant number of major natural catastrophes over the years, including typhoons, volcanic eruptions, earthquakes, storm surges, mudslides, fires, droughts, and floods related to El Niño and La Niña, respectively. In the latter part of 2015, two (2) typhoon, Nona and Onyok, brought floods and displaced thousands in the areas affected, while death tolls reached hundreds. Natural catastrophes will continue to affect the Philippines and the Company may incur losses for such catastrophic events which could materially and adversely affect its business, financial condition and results of operations.

There is no assurance that the insurance coverage that the Company maintains for these risks will adequately compensate it for all damages and economic losses resulting from natural calamities.

Occurrence of a Philippine credit rating downgrade could adversely affect the business of the Company.

International credit rating agencies issue credit ratings for companies with reference to the country in which they are resident. At present, the sovereign credit ratings of the Philippines are all investment grade. Moody's rates the Philippines as BAA2 with a stable outlook while S&P rates the Philippines as BBB, also with a stable outlook.

The Philippine sovereign credit ratings directly affect companies that are resident in the Philippines, such as DD. There is no assurance that Moody's, S&P, or other international credit rating agencies will not downgrade the credit rating of the Philippines in the future. Any such downgrade could have a material adverse effect on liquidity in the Philippine financial markets and the ability of the Philippine government and Philippine companies, including DD, to raise additional financing, and will increase borrowing and other costs.

The Company is exposed to foreign exchange risk.

Any change in the value of the Peso against the U.S. dollar could affect the dollar value of a foreign investor's return on an investment in the Bonds. Foreign exchange required for the repatriation of capital or remittance of interest payments may be sourced from the Philippine banking system provided that the foreign investor registers his investment with the Bangko Sentral ng Pilipinas. However, the Monetary Board of the Bangko Sentral ng Pilipinas has statutory authority, with the approval of the President of the Philippines, during a foreign exchange crisis or in times of national emergency, to: (i) suspend temporarily or restrict sales of foreign exchange; (ii) require licensing of foreign exchange transactions; or (iii) require the delivery of foreign exchange to the BSP or its designee banks for the issuance and guarantee of foreign currency-denominated borrowings. The Philippine government has, in the past, instituted restrictions on the conversion of Pesos into foreign currency and the use of foreign exchange received by Philippine residents to pay foreign currency obligations.

As the revenues and expenses of the Company are in Peso denomination, DD is not directly affected by foreign exchange risk. The Company's foreign exchange risk exposure is limited to the cost of materials, which, although locally sourced, may be imported.

RISKS RELATED TO THE OFFER

Liquidity Risk

The Philippine securities markets are substantially smaller, less liquid, and more concentrated than major global securities markets. As such, the Company cannot guarantee that the market for the Bonds will always be active or liquid. Even if the Bonds are listed on the PDEX, trading in securities such as the Bonds, may sometimes be subject to extreme volatility in response to interest rates, developments in local and international capital markets and the overall market for debt securities and other factors. There is no assurance that the Bonds may be disposed at prices, volumes or at times deemed appropriate by the Bondholders.

Refinancing Risk

Prior to the relevant Maturity Dates, the Issuer shall have the option, but not the obligation, to redeem in whole (and not in part), any series of the outstanding Bonds on the relevant Optional Redemption Dates (see "Description and Terms and Conditions of the Bonds – Optional Redemption" on page 58 of this Prospectus). In the event that the Company exercises this early redemption option, all Bonds will be redeemed and the Company would pay the amounts to which Bondholders would be entitled. Following such redemption and payment, there can be no assurance that investors in the redeemed Bonds will be able to re-invest such amounts in securities that would offer a comparative or better yield or terms, at such time.

Interest Rate Risk

The Bond's market value moves (either up or down) depending on the change in interest rates. The Bonds when sold in the secondary market are worth more if interest rates decrease since the Bonds have a higher interest rate relative to the market. Conversely, if the prevailing interest rate increases the Bonds are worth less when sold in the secondary market. Therefore, an investor faces possible loss if he decides to sell.

Retention of Ratings Risk

There is no assurance that the rating of the Bonds will be retained throughout the life of the Bonds. The rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, or withdrawal at any time by the assigning rating organization. There is no assurance that the rating will be maintained throughout the life of the Bonds.

Bonds have no Preference under Article 2244(14) of the Civil Code.

Use of Proceeds

The net proceeds from the issue, without the Oversubscription Option (after deducting the fees and expenses) amount to approximately PhP4,935,206,875.00 and are intended to be used for the development of various projects and general corporate requirements.

Assuming the Over-Subscription Option of is fully exercised, the Company expects to have net proceeds of approximately PhP9,876,444,375.00, after deducting fees, commissions and expenses.

The computation of the net proceeds is as follows:

Based on the base issue size

PhP5,000,000,000 Issue	Total
Estimated proceeds from the Offer	PhP5,000,000,000.00
Less: Estimated fees, commissions and expenses	
Gross Underwriting Fees	32,500,000.00
Documentary Stamp Taxes to be paid by the Company	25,000,000.00
Philippines SEC filing and legal research fee	1,833,125.00
Professional fees	2,960,000.00
PDEX Listing Application	100,000.00
Other expenses	2,400,000.00
Total estimated fees, commissions and expenses	64,793,125.00
Estimated net proceeds	PhP4,935,206,875.00

Based on the maximum issue size with oversubscription

PhP10,000,000,000 Issue	Total
Estimated proceeds from the Offer	PhP10,000,000,000.00
Less: Estimated fees, commissions and expenses	
Gross Underwriting Fees	65,000,000.00
Documentary Stamp Taxes to be paid by the Company	50,000,000.00
Philippines SEC filing and legal research fee	3,095,625.00
Professional fees	2,960,000.00
PDEX Listing Application	100,000.00
Other expenses	2,400,000.00
Total estimated fees, commissions and expenses	123,555,625.00
Estimated net proceeds	PhP9,876,444,375.00

The PDEX Annual Maintenance Fee shall be PhP150,000.00 for the life of the bonds.

The net proceeds will be used to finance the development of any of the Company's real estate projects in 2016 and 2017 based on the following estimated amounts:

Based on the base issue size

Purpose	Amount (Php) (In Billions)	Disbursement Schedule			
		2016-Q4	2017-Q1	2017-Q2	Total
CM	PhP2.53	PhP0.83	PhP0.85	PhP0.85	PhP2.53
Land	1.20	0.40	0.40	0.40	1.20
Construction	1.33	0.43	0.45	0.45	1.33
DD Meridian Park	0.46	-	-	0.46	0.46

Jollibee Tower	0.44	-	0.22	0.22	0.44
General corporate requirements	1.51	0.93	0.33	0.25	1.51
Total	PhP4.93	PhP1.75	PhP1.40	PhP1.78	PhP4.93

Based on the maximum issue size with oversubscription

Purpose	Amount (Php) (In Billions)	Disbursement Schedule					
		2016-Q4	2017-Q1	2017-Q2	2017-Q3	2017-Q4	Total
CM	PhP4.77	PhP0.87	PhP1.20	PhP1.05	PhP1.05	PhP0.60	PhP4.77
Land	1.95	0.45	0.60	0.45	0.45	-	1.95
Construction	2.82	0.42	0.60	0.60	0.60	0.60	2.82
DD Meridian Park	1.38	-	-	0.46	0.46	0.46	1.38
SkySuites Tower	0.18	-	-	-	0.09	0.09	0.18
Jollibee Tower	0.88	-	0.22	0.22	0.22	0.22	0.88
General corporate requirements	2.66	1.43	0.33	0.25	0.33	0.33	2.66
Total	PhP9.87	PhP2.30	PhP1.75	PhP1.98	PhP2.15	PhP1.70	PhP9.87

CityMalls Project

The Company, through its subsidiary CM, intends to use a portion of the proceeds of the Offer to fund the construction of the various CityMalls currently under development across the Philippines, as well as the acquisition of CityMall sites to be secured by the Company based on its plan to develop one hundred (100) CityMalls by 2020. The portion of the proceeds allocated for the CityMall Projects will be absorbed by CM through a debt infusion that it will repay the Issuer.

The proceeds from the Offer will be used to partly finance the construction of five (5) to ten (10) CityMalls and acquisition of twelve (12) to nineteen (19) CityMall sites. The 10 CityMalls under construction are located in (1) Isulan, Sultan Kudarat (2) Surigao City (3) San Jose Antique (4) Catadman, Ozamiz City (5) Pagadian City (6) Calamba, Laguna (7) Palo, Leyte (8) Ormoc City (9) San Carlos, Pangasinan and (10) Sorsogon City while the potential sites for acquisitions are located in the following cities and provinces:

City	Province	City	Province
Butuan City	Agusan del Norte	San Pablo	Laguna
Cabadbaran	Agusan del Norte	San Pedro	Laguna
Bayugan	Agusan del Sur	Santa Rosa	Laguna
Legazpi	Albay	Iligan	Lanao del Norte
Ligao	Albay	Marawi	Lanao del Sur
Tabaco	Albay	Baybay	Leyte
Lamitan	Basilan	Masbate	Masbate
Balanga	Bataan	Oroquieta	Misamis Occidental
Batangas City	Batangas	Tangub	Misamis Occidental
Lipa	Batangas	El Salvador	Misamis Oriental
Tanauan	Batangas	Gingoog	Misamis Oriental
Baguio	Benguet	Bago	Negros Occidental
Malaybalay	Bukidnon	Escalante	Negros Occidental
Valencia	Bukidnon	Himamaylan	Negros Occidental
Malolos	Bulacan	La Carlota	Negros Occidental
Meycauayan	Bulacan	Sagay	Negros Occidental
San Jose Del Monte	Bulacan	Silay	Negros Occidental
Iriga	Camarines Sur	Sipalay	Negros Occidental
Naga	Camarines Sur	Talisay	Negros Occidental
Bacoor	Cavite	Bais	Negros Oriental
Cavite	Cavite	Bayawan	Negros Oriental
Dasmariñas	Cavite	Canlaon	Negros Oriental
Tagaytay City	Cavite	Guihulngan	Negros Oriental
Trece Martires	Cavite	Tanjay	Negros Oriental
Bogo	Cebu	Cabanatuan	Nueva Ecija

Carcar	Cebu	Gapan	Nueva Ecija
Lapu-Lapu	Cebu	Muñoz	Nueva Ecija
Mandaue	Cebu	Palayan	Nueva Ecija
Naga	Cebu	San Jose	Nueva Ecija
Talisay	Cebu	Puerto Princesa	Palawan
Toledo	Cebu	Angeles	Pampanga
Isabela	City of Isabela	San Fernando	Pampanga
Kidapawan	Cotabato	Alaminos	Pangasinan
Panabo	Davao Del Norte	Urdaneta	Pangasinan
Island Garden City of Samal	Davao Del Norte	Lucena	Quezon
Digos	Davao Del Sur	Tayabas	Quezon
Mati	Davao Oriental	Antipolo	Rizal
Borongan	Eastern Samar	Calbayog	Samar (Western Samar)
Batac	Ilocos Norte	Catbalogan	Samar (Western Samar)
Laoag	Ilocos Norte	General Santos	South Cotabato
Candon	Ilocos Sur	Maasin	Southern Leyte
Vigan	Ilocos Sur	Tacurong	Sultan Kudarat
Cauayan	Isabela	Bislig	Surigao del Sur
Iligan	Isabela	Tandag	Surigao del Sur
Santiago	Isabela	Olongapo	Zambales
Tabuk	Kalinga	Dapitan	Zamboanga del Norte
San Fernando	La Union		
Biñan	Laguna		
Cabuyao	Laguna		

DD-Meridian Park

DD Meridian Park is a 4.75-hectare project in the Bay Area of Pasay City located at the corner of Diosdado Macapagal Boulevard and EDSA Extension. The Company's subsidiary DDMP will develop the project.

The project will feature a commercial compound for business process outsourcing ("BPOs"), corporate offices and an area intended for future development. Phase 1 of the project relates to the construction of DoubleDragon Plaza, an 11-storey complex with a mall on the ground floor and BPO offices from the 5th to the 11th levels. DoubleDragon Plaza will provide over one hundred thirty thousand (130,000) square meters of leasable space.

The portion of the proceeds allocated for the DD Meridian Park will be absorbed by DDMP through equity infusion. The Company expects to be compensated through dividend declarations if and when DDMP is already in a position to declare dividends. DDMP is expected to become profitable by 2018 once Phase 1 of the development is fully completed and commences leasing operations.

The proceeds allocated to DD Meridian Park will be used to fund the general construction contracts awarded for the development of the project. Phase 1 has already been awarded to Megawide for PhP5.7 Billion during the first half of 2015 and Phase 2, DoubleDragon Center North and DoubleDragon Center West, has also been awarded to the same contractor for PhP1.3 Billion during first half of 2016. The proceeds allocated to this project will be used to fund the progress billings of the project. Of the total estimated project costs amounting to PhP12.5Billion for the entire DD Meridian Park, close to 4% of the total project costs will be funded from the proceeds of the Offer, to be increased to approximately 11% of the total project costs should the oversubscription option be exercised in full.

Jollibee Tower

Last August 26, 2015, the Company signed a Memorandum of Agreement with JFC to develop a 40-storey commercial and office tower on a three thousand and two (3,002) square meter prime commercial lot owned by JFC located at the corner of F. Ortigas Jr. Road (formerly Emerald Avenue) and Garnet Road at the heart of the Ortigas Central Business District in Metro Manila. JFC will contribute the land of the project in exchange for fifteen percent (15%) of the project's resulting leasable floor area while the Company will be the developer of the project in exchange for eighty-five percent (85%) of the project's resulting leasable floor area. In addition to the floor area, JFC is expected to lease additional office space directly from the Company to accommodate their corporate office requirements.

The portion of the proceeds allocated for the Jollibee Tower project will be paid by the Company directly to the general contractor. In exchange for the construction of Jollibee Tower, the Company will receive condominium title to approximately forty-seven thousand nine hundred and nine (47,909) square meters once fully developed by the end of 2018. The Company will then lease out this space to locators and will derive sufficient rental revenue. On February 11, 2016, the Company awarded the general construction contract to Monolith Construction & Development Corporation. The proceeds allocated to this project will be used to partially fund the progress billings of the project.

The SkySuites Tower

The Company acquired The SkySuites Tower last September 1, 2014 from RCBC, the financial institution that foreclosed the property from its original developer four years prior. The SkySuites Tower was planned as a 38-storey commercial, office and residential tower sitting on a two thousand eight hundred and twelve (2,812) square meter prime corner lot property at the corner of EDSA and Quezon Avenue a few meters away from the Mass Rail Transit (MRT) station.

The SkySuites Tower is divided into two structures; one dedicated to corporate offices while the other will serve as a residential tower comprising lofts that will cater to the mid to high-end market. The Company has continued both the construction and sale of the remaining inventory of the residential units and parking but intends to retain the unsold commercial and office spaces as part of the Company's leasable portfolio.

Assuming the oversubscription is taken up, a portion of the proceeds will be allocated to the SkySuites Tower to partially fund construction billings of the project.

General Corporate Requirements

The balance of the proceeds shall be used, primarily for general corporate purposes which include but are not limited to working capital requirements, corporate office overhead, administrative expenses and other costs shouldered by Company in the course of normal business operations not specifically related to any single project.

The completion of existing projects is the top priority of the Company. Hence, the portion of proceeds allocated to the above-mentioned Projects will be immediately disbursed to ensure completion of such Projects.

Should the amount raised through the Offer be less than the amounts stated in the above uses of proceeds, priority shall be given to the Company's ongoing projects. The balance of the amounts stated in the uses of proceeds shall be funded through internally generated funds, existing credit lines, and other potential borrowings to finance the expected use of proceeds.

Should the amount raised through the Offer be more than the amount needed for a particular period, the Company will invest these unutilized funds in relatively safe liquid investments that will achieve the highest possible yield at moderate risk. These investments will include various time deposits with tenor of no more than six (6) months offered by reputable banks in the Philippines as well as trust and other investment management accounts which are limited to invest only in a combination of special depository accounts guaranteed by the Republic of the Philippines as well as other time deposit placements offered by the same reputable banks.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event that there is any change in the Company's development plan, including force majeure and circumstances such as failure to obtain requisite approvals, changes in government policies that would render any of the above plans and property developments commercially not viable, the Company will carefully evaluate the situation and may reallocate the proceeds for future property developments and/or hold such funds on short-term deposit whichever is better for the Company's and its shareholders' interest taken as whole. In such event, the Company will issue an announcement if there is any material change in the above proposed use of proceeds.

No amount of the proceeds is to be used to reimburse any officer, director, employee, or shareholder, for services rendered, assets previously transferred, money loaned or advanced, or otherwise. Neither will any amount of the proceeds from the offer be used to finance the acquisition of other businesses or the acquisition of assets from affiliates or associates, other than disclosed. Likewise, no amount of the net proceeds shall inure to the benefit of the Joint Lead Underwriters and their parent companies.

In the event of any substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC, PDEx, the PSE, and the Bondholders in writing at least thirty (30) days before such deviation, adjustment, or reallocation is implemented. Any material or substantial adjustments in the use of proceeds, as indicated above, should be approved by the Board.

Projects Funded from the Preferred Shares Offering and the Bonds Offering

CM (Land Acquisition)	
Funded from Preferred Shares	Status
CM Baler, Aurora	Acquired
CM Ormoc, Leyte	Acquired
CM Sorsogon	Acquired
CM San Carlos, Pangasinan	Acquired
CM Palo, Leyte	Acquired
CM Cadiz City, Negros Occidental	Acquired
CM Tuguegarao	Acquired
CM General Trias	Acquired
CM Tagbilaran, Bohol	Acquired
CM Bongabon, Nueva Ecija	Acquired
CM Aparri, Cagayan	Acquired
CM Los Baños, Laguna	Acquired

The sites to be acquired from the proceeds of the Bond Offer are different from the sites identified above, which were funded from the previous offer of Preferred Shares.

Funded from Preferred Shares	Status		
	% of Completion	Amount Disbursed	Expected Completion
DD-Meridian Park	37%	1.39	Phase 1 DD Plaza (Tower 1) - 2017-Q4 DD Plaza (Tower 2-4) - 2018-Q4 Phase 2 DD Center North & West - 2018-Q4 Phase 3 TBA
Jollibee Tower	3%	0.50	2018 – Q4
The SkySuites Tower	81%	0.43	Corporate – 2016 – Q4 Residential – 2018 – Q4
General Corporate Requirements		0.34	

	Total Project Cost	Sources of External Funding			Total External Funding	Internally Generated Cash
		Bank Loans	Preferred Shares	Bonds		
DD Meridian Park	12.48	3.56	3.45	1.38	8.39	4.09
SkySuites	2.59	0.70	0.98	0.18	1.86	0.73
Jollibee Tower	2.99	0.26	0.98	0.88	2.12	0.87

CM Construction to be funded from Preferred Shares			
CityMall	Percentage of Completion	Amount Disbursed	Expected Completion
CM Goldenfields	51.52%	0.13	2017-Q1
CM Guiwan	14.47%	0.04	2018-Q1
CM Macarthur Tarlac	61.44%	0.15	2017-Q1
CM Roxas Ave	23.78%	0.04	2017-Q2

CM Passi	17.94%	0.05	2017-Q1
CM Ungka, Pavia	11.23%	0.08	2017-Q1
CM Bacalso, Cebu	3.46%	0.06	2018-Q1
CM Dau, Pampanga	33.07%	0.13	2016-Q4
CM SCTEX, Tarlac	37.13%	0.11	2016-Q4
CM Dagupan	18.85%	0.06	2017-Q2
CM Victorias	39.63%	0.15	2016-Q4
CM Bulua, CDO	10.00%	0.06	2017-Q2
CM Dipolog	2.46%	0.08	2017-Q4
CM Iponan, CDO	12.26%	0.07	2017-Q2
CM Kabankalan	55.53%	0.15	2016-Q4

CM Construction to be funded from Bonds Offering			
CityMall	Percentage of Completion	Estimated Start of Construction	Expected Completion
CM Isulan, Sultan Kudarat	Construction to commence	TBD	TBD
CM Calamba, Laguna	minimal - Foundation Works	May 2016	TBD
CM Pagadian, Zamboanga del Sur	Construction to commence	TBD	TBD
CM Surigao	Construction to commence	TBD	TBD
CM Antique	Construction to commence	TBD	TBD
CM Catadman, Ozamiz	Construction to commence	TBD	TBD
CM Ormoc, Leyte	Construction to commence	TBD	TBD
CM San Carlos, Pangasinan	minimal - Foundation Works	July 2016	TBD
CM Palo, Leyte	Construction to commence	TBD	TBD
CM Sorsogon	Construction to commence	TBD	TBD

Sources of internally generated cashflow are rental revenues from leasable properties such as the completed CityMalls and Dragon8 Mall, as well as the first and second phase of DD Meridian Park, when they are completed. Further, a major source of cashflow is the collections on real estate sales from The Uptown Place, SkySuites Tower, WH Taft Residences, and DD Happy Homes.

The Fixed Rate Bonds in aggregate principal amount of PhP15,000,000,000.00 is expected to fully cover the total capital expenditure requirements of the Company to complete its 2020 vision of 1,000,000 square meters of leasable space.

Determination of Offer Price

The Bonds shall be issued on a fully paid basis and at an issue price that is 100% of its face value.

Plan of Distribution

The Offer

The Bonds covered and described by this Prospectus is the first tranche, to be issued of up to an aggregate principal amount of up to PhP5,000,000,000, with an over-subscription option of up to PhP5,000,000,000. Any remaining balance of the aggregate principal amount of the Bonds, including any amount remaining if the over-subscription option is not or is not fully exercised, shall be lodged under a shelf registration and will be raised in future tranches, under Rule 8.1.2 of the Implementing Rules and Regulations of the SRC. Any subsequent offering under such rule requires the Issuer to submit the relevant updates and amendments to the registration statement and the issuance of the corresponding Permit to Sell by the SEC. There can be no assurance in respect of: (i) whether the Company would issue the future tranches at all; (ii) the size and timing of any such issuance; or (iii) the specific terms and conditions of such issuance. Any decision by the Company to issue such future tranches will depend on a number of factors, which may be outside of the control of the Company, including but not limited to prevailing interest rates, market liquidity, and the general economic conditions in the Philippines.

Joint Lead Underwriters

BPI Capital Corporation and RCBC Capital Corporation, the (“Joint Lead Underwriters”) have agreed to distribute and sell the first tranche of the Bonds at the Offer Price, pursuant to an Underwriting Agreement with DoubleDragon Corp. (the “Underwriting Agreement”). Subject to the fulfillment of the conditions provided in the Underwriting Agreement, the Joint Lead Underwriters have committed to underwrite the following amounts on a firm basis:

Joint Lead Underwriter	Underwriting Commitment
BPI Capital Corporation	PhP2,500,000,000.00
RCBC Capital Corporation	PhP2,500,000,000.00
Total	PhP5,000,000,000.00

The Oversubscription Option is exercisable by the Issuer, after discussions with the Joint Lead Underwriters. Upon exercise, the amount of Oversubscription Option, so exercised, shall be underwritten on a firm basis by any of the Joint Lead Underwriters and be divided between them, based on mutual agreement.

The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to DD of the net proceeds of the Subscription payments. In case the Underwriting Agreement is terminated, the Company shall notify SEC of the termination and its subsequent course of action.

The underwriting, any selling fees, and other related fees to be paid by the Company to the Joint Lead Underwriters in relation to the Offer shall be equivalent to sixty five (65) bps of the gross proceeds of the Offer.

The Joint Lead Underwriters are duly licensed by the SEC to engage in the underwriting or distribution of the Bonds. The Joint Lead Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of its business, for DD or any of its Subsidiaries.

The Joint Lead Underwriters have no direct relations with DD in terms of ownership by either of their respective major shareholder/s, and have no right to designate or nominate any member of the Board of Directors of DD. However, Chief Justice Artemio Panganiban, who sits as independent director of the Bank of the Philippine Islands, the parent company of BPI Capital, is an adviser to the Board of Directors of DD.

The Joint Lead Underwriters have no contract or other arrangement with DD by which it may return to DD any unsold Bonds.

BPI Capital Corporation (“BPI Capital”) offers investment banking services in the areas of financial advisory, mergers and acquisitions, debt and equity underwriting, private placements, project finance and loan syndication. Founded in December of 1994, BPI Capital Corporation is duly licensed by the SEC to engage in the underwriting and distribution of securities. As of September 30, 2016, BPI Capital had total assets of PhP5.8 billion and total capital funds of PhP5.7 billion. The firm operates as a wholly-owned subsidiary of the Bank of the Philippine Islands.

RCBC Capital Corporation ("RCBC Capital") is a licensed investment house providing a complete range of capital-raising and financial advisory services. Established in 1974, RCBC Capital has over 40 years of experience in the underwriting of equity, quasi-equity and debt securities, as well as in managing and arranging the syndication of loans, and in financial advisory. RCBC Capital is a wholly-owned subsidiary of the Rizal Commercial Banking Corporation and a part of the Yuchengco Group of Companies, one of the country's largest fully integrated financial services conglomerates. As of September 30, 2016, RCBC Capital's total assets were PhP3.63 billion while total capital was PhP3.59 billion.

UCPB was established in 1963 as a commercial bank and grew to become the first private Philippine universal bank in 1981, thus enabling it to invest in non-allied businesses. Today, with assets over Php200 billion, 188 branches throughout the country and over fifty years of banking experience, UCPB is confident in the core strengths it has developed. UCPB offers a full range of expanded commercial banking services. The bank has strong capabilities in corporate banking, commercial credit, international trade financing, treasury and money market operations, trust banking, and consumer banking.

Sale and Distribution

The distribution and sale of the Bonds shall be undertaken by the Underwriters who shall sell and distribute the Bonds to third party buyers/investors. The Joint Issue Managers are authorized to organize a syndicate of sub-underwriters, soliciting dealers and/or selling agents for the purpose of the Offer; provided, however, that the Joint Issue Managers shall remain solely responsible to the Issuer in respect of its obligations under the Underwriting Agreement entered into by it with the Issuer and the Issuer shall not be bound by any of the terms and conditions of any agreement entered into by the Joint Issue Managers with such other parties. Nothing herein shall limit the rights of the Underwriters from purchasing the Bonds for their respective accounts.

The obligations of each of the Underwriters will be several, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Underwriters. Unless otherwise expressly provided in the Underwriting Agreement, the failure by an Underwriter to carry out its obligations thereunder shall neither relieve the other Underwriters of their obligations under the same Underwriting Agreement, nor shall any Underwriter be responsible for the obligation of another Underwriter.

Term of Appointment

The engagement of the Underwriters shall subsist so long as the SEC Permit to Sell remains valid, unless otherwise terminated pursuant to the Underwriting Agreement.

Offer Period

The Offer Period shall commence at 9:00 am of November 29, 2016 and end at 12:00 pm of December 7, 2016.

Application to Purchase

Applicants may purchase the Bonds during the Offer Period by submitting to the Underwriters properly completed and signed Applications to Purchase, together with two (2) fully executed signature cards authenticated by the Corporate Secretary with respect to corporate and institutional investors, and shall be accompanied by the payment in full of the corresponding purchase price of the Bonds applied for, in the manner provided in the said Application to Purchase.

Each corporate and institutional purchaser must also submit, in addition to the foregoing, a certified true copy of the SEC Certificate of Registration of its latest Articles of Incorporation and By-laws, BIR Certificate of Registration, or such other relevant organizational or charter documents, and the duly notarized certificate of the Corporate Secretary attesting to the resolution of the board of directors and/or committees or bodies authorizing the purchase of the Bonds and designating the authorized signatory/ies therefore, including his or her specimen signature.

Individual Applicants must also submit, in addition to accomplished Applications to Purchase and the required attachments, a photocopy of any one of the following identification cards (ID), subject to verification

with the original ID: passport, driver's license, postal ID, company ID, SSS/GSIS ID and/or Senior Citizen's ID or such other ID and documents as may be required by or acceptable to the selling bank, which must be valid as of the date of the Application.

An Applicant who is exempt from or is not subject to withholding tax, or who claims reduced tax treaty rates shall, in addition, be required to submit the following requirements to the Underwriters (together with their Applications) who shall then forward the same to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) certified true copy of the original, current, valid and subsisting tax exemption certificate, ruling or opinion issued by the BIR on file with the Applicant as certified by its duly authorized officer; (ii) with respect to tax treaty relief, a copy of the tax treaty relief application (TTRA) accompanied by the mandatory attachments required under prevailing revenue regulations, certified true and correct by an authorized officer of the Applicant, including, but not limited to proof to support the applicability of reduced treaty taxes, proof of tax domicile issued by the relevant tax authority of the Bondholder and authenticated by the Philippine consul, and confirmation from the SEC that the relevant entity is not doing business in the Philippines; (iii) an original of the duly notarized undertaking, in the prescribed form, declaring and warranting its tax-exempt status or entitlement to reduced tax rates under existing tax treaties, undertaking to immediately notify the Issuer, of any suspension or revocation of its tax-exempt status and agreeing to indemnify and hold the Issuer, the Underwriters, the Registrar and Paying Agent free and harmless against any tax assessment claims, actions, suits, and liabilities resulting from the non-withholding or reduced withholding of the required tax; and (iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities, or by the Issuer in accordance with its internal policies.

Completed Applications to Purchase and corresponding payments must reach the Underwriters prior to the end of the Offer Period, or such earlier date as may be specified by the Underwriters. Acceptance by the Underwriters of the completed Application to Purchase shall be subject to the availability of the Bonds and the acceptance by the Company. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically cancelled and any prior acceptance of the Application to Purchase is deemed revoked.

Minimum Purchase

A minimum purchase of Fifty Thousand Pesos (PhP50,000.00) shall be considered for acceptance. Purchases in excess of the minimum shall be in integral multiples of Ten Thousand Pesos (PhP10,000.00).

Allotment of the Bonds

If the Bonds are insufficient to satisfy all Applications to Purchase, the available Bonds shall be allotted in accordance with the chronological order of submission of properly completed Applications to Purchase on a first-come, first-served basis, without prejudice and subject to DD's exercise of its right of rejection.

Acceptance of Applications

DD and the Joint Issue Managers and Underwriters reserve the right to accept or reject applications to subscribe in the Bonds, and in case of oversubscription, the Joint Issue Managers (in consultation with the Issuer) reserve the right to allocate the Bonds available to the applicants in a manner it deems appropriate. If any application is rejected or accepted in part only, the application money or the appropriate portion thereof will be returned without interest by the relevant Underwriters.

Refunds

In the event an Application is rejected or the amount of Bonds applied for is scaled down, the relevant Underwriter, upon receipt of such rejected and/or scaled down applications, shall notify the Applicant concerned that his application has been rejected or the amount of Bonds applied for is scaled down, and refund the amount paid by the Applicant with no interest thereon. With respect to an Applicant whose application was rejected, refund shall be made by the relevant Underwriter by making the check payment of the Applicant concerned available for his retrieval. With respect to an Applicant whose application has been scaled down, refund shall be made through the issuance by the relevant Underwriter of its own check payable to the order of the Applicant and crossed "Payees' Account Only" corresponding to the amount in

excess of the accepted Application. All checks shall be made available for pick up by the Applicant concerned at the office of the relevant Underwriter to whom the rejected or scaled down Application was submitted within ten (10) Banking Days after the last day of the Offer Period. The Issuer shall not be liable in any manner to the Applicant for any check payment corresponding to any rejected or scaled-down application which is not returned by the relevant Underwriter; in which case, the Underwriter concerned shall be responsible directly to the Applicant for the return of the check or otherwise the refund of the payment.

Payments

The Philippine Depository & Trust Corporation is the paying agent (the "Paying Agent") for the Bonds. The Paying Agent shall open and maintain a Payment Account, which shall be operated solely and exclusively by the said Paying Agent in accordance with the Registry and Paying Agency Agreement, provided that beneficial ownership of the Payment Account shall always remain with the Bondholders. The Payment Account shall be used exclusively for the payment of the relevant interest and principal on each Payment Date.

The Paying Agent shall maintain the Payment Account for six (6) months from Maturity Date or date of early redemption. Upon closure of the Payment Account, any balance remaining in such Payment Account shall be returned to the Issuer and shall be held by the Issuer in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments.

Secondary Market

DD intends to list the Bonds at the PDEX. The Issuer may purchase the Bonds at any time in the open market or by tender or by contract at the best available price under prevailing market conditions, in accordance with PDEX Rules and/or the SRC, as may be amended from time to time, without any obligation to make pro rata purchases from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Registry of Bondholders

The Bonds shall be issued in scripless form and will be eligible for trading under the scripless book-entry system of PDTC. Master Certificates of Indebtedness representing the Bonds sold in the Offer shall be issued to and registered in the name of the Trustee, on behalf of the Bondholders.

Legal title to the Bonds shall be shown in the Registry Book to be maintained by the Registrar. Initial placement of the Bonds and subsequent transfers of interests in the Bonds shall be subject to applicable Philippine selling restrictions prevailing from time to time. DD will cause the Registry Book to be kept at the specified office of the Registrar. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Registry Book.

Description and Terms and Conditions of the Bonds

The following does not purport to be a complete listing of all the rights, obligations, or privileges of the Bonds. Some rights, obligations, or privileges may be further limited or restricted by other documents. Prospective investors are enjoined to carefully review the Articles of Incorporation, By-Laws, and resolutions of the Board of Directors and Shareholders of DD, the information contained in this Prospectus, the Trust Agreement, Registry and Paying Agency Agreement, and other agreements relevant to the Offer.

The issue of up to PhP15,000,000,000 aggregate principal amount of Bonds, in one or more tranches was authorized by a resolution of the Board of Directors of the Issuer dated September 21, 2016. Five Billion Pesos (PhP5,000,000,000) shall be issued for the first tranche, subject to the exercise of the Oversubscription Option. The Company has no outstanding bonds prior to the Offer of the Bonds.

The Bonds shall be constituted by a Trust Agreement executed on 25 November 2016 entered into between the Issuer and the Trustee, which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Agreement. The description of the terms and conditions of the Bonds set out below includes summaries of, and is subject to, the detailed provisions of the Trust Agreement.

The Registry and Paying Agency Agreement executed on 25 November 2016 in relation to the Bonds between the Issuer, and Philippine Depository & Trust Corporation as paying agent (the "Paying Agent") and as registrar (the "Registrar").

The Bonds shall be offered and sold through a general public offering in the Philippines, and issued and transferable in minimum principal amounts of Fifty Thousand Pesos (PhP50,000.00) and in multiples of Ten Thousand Pesos (PhP10,000.00) thereafter, and traded in denominations of Ten Thousand Pesos (PhP10,000.00) in the secondary market.

The Bonds shall mature on 15 December 2026, unless earlier redeemed by the Issuer pursuant to the terms thereof and subject to the provisions on redemption and payment below.

The Paying Agent and Registrar has no interest in or relation to DD which may conflict with its role as Registrar for the Offer. The Trustee has no interest in or relation to DD which may conflict with the performance of its functions as Trustee.

Copies of the Trust Agreement and the Registry and Paying Agency Agreement are available for inspection during normal business hours at the specified offices of the Trustee. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Agreement and are deemed to have notice of those provisions of the Registry and Paying Agency Agreement applicable to them.

Form and Denomination

The Bonds are in scripless form, and shall be issued in denominations of Fifty Thousand Pesos (PhP50,000.00) each as a minimum and in multiples of Ten Thousand Pesos (PhP10,000.00) thereafter and traded in denominations of Ten Thousand Pesos (PhP10,000.00) in the secondary market.

Title

Legal title to the Bonds shall be shown in the Registry Book maintained by the Registrar. A notice confirming the principal amount of the Bonds purchased by each applicant in the Offering shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any assignment, title to the Bonds shall pass by recording of the transfer from the transferor to the transferee in the electronic Registry Book maintained by the Registrar. Settlement in respect of such transfer or change of title to the Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

Bond Rating

Philippine Rating Services Corporation (“PhilRatings”) assigned an Issue Credit Rating of PRS Aa to the Bonds.

Obligations rated PRS Aa are of high quality and are subject to very low credit risk. The obligor’s capacity to meet its financial commitment on the obligation is extremely strong. PRS Aa is the second highest rating category on PhilRatings’ existing credit rating scale.

According to PhilRatings press release dated September 21, 2016, the rating reflects the following factors: DoubleDragon’s clear and well-planned growth strategies; its strong alliance with its partners, as well as the expected buildup of the Company’s recurring revenue base. PhilRatings added that given the projects that are in DoubleDragon’s pipeline, revenues and net income are expected to improve over the long-term. Furthermore, with synergies to be harnessed from Mr. Sia, Mr. Tan Caktiong and their companies and the SMIC Group, DoubleDragon is in a very good position to carry out its future plans. While Mr. Sia’s and Mr. Tan Caktiong’s experience is largely in the fastfood sector, growth in this industry is also mainly anchored on finding suitable property locations that will allow their companies to tap a bigger portion of the market.

PhilRatings has likewise assigned a Rating Outlook of Positive to Double Dragon’s credit rating for the Bonds. An outlook is an indication as to the possible direction of any rating change within a one-year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators, and the general public. A Positive Outlook is defined as: “There is a potential for the present credit rating to be upgraded in the next 12 months.”

PhilRatings’ ratings are based on available information and projections at the time that the rating process was on-going. PhilRatings shall continuously monitor developments relating to DoubleDragon and may change the rating at any time, should circumstances warrant a change.

Transfer of Bonds

Registry Book

The Issuer shall cause the Registry to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers of Bonds shall be entered into the Registry Book. As required by Circular No. 428-04 issued by the Bangko Sentral ng Pilipinas, the Registrar shall send each Bondholder, in the mode elected by such Bondholder in the Application to Purchase or the Registration Form, a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the Bonds that is effected in the Registrar’s system (at the cost of the relevant Bondholder). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfers of the Bonds may be made during the period commencing on a Record Date as defined in the section on “Interest Payment Date” on page 57 of this Prospectus.

Transfers; Tax Status

Transfers across tax categories shall not be allowed except on Interest Payment Dates that fall on a business day. Restricted transfers include, but are not limited to, transfers between taxable and non-taxable entities, between taxable entities of different tax categories (where tax-withheld entities with different final withholding tax rates (e.g. 20%, 25%, 30%) are considered as belonging to different tax categories), or between parties who claim the benefit of a tax treaty; provided, however, that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax-withheld series name to ensure that the computation is based on the final withholding tax rate of the taxable party to the trade. For such transactions, the tax-exempt entity shall be treated as belonging to the same tax category as its taxable counterpart for the interest period within which such transfer occurred.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Registry and Paying Agency Agreement within three days from the settlement date for such transfer.

Transfers taking place in the Register of Bondholders after the Bonds are listed on PDEX shall be allowed between tax-exempt and non-tax exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when so allowed and in accordance with the relevant rules, conventions, and guidelines of PDEX and PDTC.

Secondary Trading of the Bonds

The Issuer intends to list the Bonds at PDEX for secondary market trading or such other securities exchange as may be licensed as such by the SEC on which the trading of debt securities occurs. Secondary market trading in PDEX shall follow the applicable PDEX rules, conventions, and guidelines, including, among others, the rules and conventions on trading and settlement between bondholders of different tax status and shall be subject to the relevant fees of PDEX and PDTC. Upon listing of the Bonds with PDEX, investors shall course their secondary market trades through PDEX Brokering Participants for execution in the PDEX Public Market Trading Platform in accordance with PDEX Trading Rules, Conventions, and Guidelines, and shall settle such trades on a Delivery versus Payment (DvP) basis in accordance with PDEX Settlement Rules and Guidelines. The PDEX rules and conventions are available in the PDS website (www.pds.com.ph). An Investor Frequently Asked Questions (FAQ) discussion on the secondary market trading, settlement, documentation and estimated fees are also available in the PDS website.

Ranking

The Bonds constitute direct, unconditional, unsecured, and unsubordinated Peso denominated obligations of the Issuer and shall rank pari passu and rateably without any preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law, and (ii) any obligation incurred by the Issuer pursuant to Section 5.02 (a) of the Trust Agreement or as may be allowed by the Trust Agreement. The Bonds shall effectively be subordinated in right of payment to, among others, all of Issuer's secured debts, and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code.

Interest

Interest Payment Dates

The Bonds bear interest on its principal amount from and including Issue Date at the rate of 5.9721% p.a., payable quarterly, March 15, June 15, September 15, and December 15 of each year for each Interest Payment Date at which the Bonds are outstanding, or the subsequent Business Day, without adjustment, if such Interest Payment Date is not a Business Day. The last Interest Payment Date shall fall on the Maturity Date.

The cut-off date in determining the existing Bondholders entitled to receive interest or principal amount due shall be the day two (2) Business Days prior to the relevant Interest Payment Date (the "Record Date"), which shall be the reckoning day in determining the Bondholders entitled to receive interest, principal or any other amount due under the Bonds. No transfers of the Bonds may be made during this period intervening between and commencing on the Record Date and the relevant Interest Payment Date.

The following was used as basis for determining the Interest Rate: oc Using the PDST-R2 closing rate as a benchmark rate is a standard and customary method of pricing bond instruments. Applying the 3-day simple

average is a means to address market volatility, which can abnormally affect the pricing of the final interest rate. The margins are included to account for the credit risk profile of the Issuer and the general market environment at the time of bookbuilding. The final interest rate is determined based on a combination of the following factors: (1) General movements of the financial markets; (2) Results of the bookbuilding exercise; and (3) Issuer's commercial considerations.

Interest Accrual

Each Bond shall cease to bear interest from and including the Maturity Date, as defined in the discussion on “Final Redemption” on page 58 of this Prospectus, unless, upon due presentation, payment of the principal in respect of the Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see “Penalty Interest” on page 63 of this Prospectus) shall apply.

Determination of Interest Amount

The interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days.

Redemption and Purchase

Final Redemption

Unless previously purchased and cancelled, the Bonds shall be redeemed at par or 100% of face value on the respective Maturity Dates. However, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment, on the succeeding Business Day if the Maturity Date is not a Business Day.

Optional Redemption

The Issuer shall have the option, but not the obligation, to redeem in whole (and not in part), the outstanding Bonds before the relevant Maturity Date and on each of the relevant dates indicated below. The amount payable to the Bondholders upon the exercise of the Early Redemption Option by the Issuer shall be calculated, based on the principal amount of Bonds being redeemed, as the sum of: (i) accrued interest computed from the last Interest Payment Date up to the relevant Early Redemption Option Date; and (ii) the product of the principal amount of the Bonds being redeemed and the Early Redemption Price in accordance with the following schedule:

Early Redemption Option Dates	Early Redemption Price
7 years from Issue Date	101.5%
8 years from Issue Date	101.0%
9 years from Issue Date	100.5%

The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds on the Early Redemption Date stated in such notice.]

The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice of its intention to redeem the Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Bonds on the Early Redemption Date stated in such notice.

Redemption for Tax Reasons

If payments under the Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the

interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Bonds in whole, but not in part, on any Interest Payment Date (having given not more than 60 nor less than 30 days' notice) at par plus accrued interest, subject to the requirements of applicable law. For avoidance of doubt, the Issuer shall not be liable for the payment of the additional or increased taxes, which shall be for the account of the Bondholders.

Redemption due to Change in Law

The Company may also redeem the Bonds, in whole (not in part), at any time having given not less than 30 nor more than 60 days' written notice prior to the intended date of redemption, such notice to be deemed irrevocable upon issuance thereof, if any Change in Law (as defined below) will materially and adversely affect the ability of the Issuer to comply with its obligations under the Bonds or the Trust Agreement or the financial position or operations of the Issuer.

A change in law or circumstances ("Change in Law") as it refers to the obligation of the Issuer and to the rights and interests of the Bondholders and the Bonds shall occur if:

- (a) Any government and/or non-government consent, license, authorization, registration or approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Agreement or the Bonds shall be modified, withdrawn or withheld in a manner which shall materially and adversely affect the ability of the Issuer to comply with such obligations.
- (b) Any provision of the Trust Agreement or any of the related documents is or shall become, for any reason, invalid, illegal or unenforceable to the extent that it shall become for any reason unlawful for the Issuer to give effect to its rights or obligations thereunder, or to enforce any provisions of the Trust Agreement or any of the related documents in whole or in part; or any law shall be introduced to prevent or restrain the performance by the parties of their obligations under the Trust Agreement or any other related documents.

Purchase and Cancellation

The Issuer may purchase the Bonds at any time in the open market or by tender or by contract at the best available price under prevailing market conditions, in accordance with PDEX Rules and/or the SRC, as may be amended from time to time, without any obligation to make pro rata purchases from all Bondholders. Bonds so purchased shall be redeemed and cancelled and may not be re-issued.

Payments

The principal of, interest on, and all other amounts payable on the Bonds shall be paid to the Bondholders by crediting of the settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Bonds shall be payable in Philippine Pesos, net of final taxes and fees (if any). DD shall ensure that so long as any of the Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Bonds. DD may terminate the appointment of the Paying Agent, as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, DD shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place. The Paying Agent may not resign its duties or be removed without a successor having been appointed.

Payment of Additional Amounts - Taxation

Interest income on the Bonds is subject to a final withholding tax at rates of between twenty percent (20.0%) and thirty percent (30.0%) depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

- (a) The applicable final withholding tax applicable on interest earned on the Bonds prescribed under the Tax Code, as amended and its implementing rules and regulations as maybe in effect from time to time. An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) certified true copy of the current, valid, and subsisting tax exemption certificate, ruling or opinion issued by the BIR confirming the exemption or preferential rate; (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the Registrar free and harmless against any tax assessments, claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; and (iii) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty, such as proof of filing of a tax treaty relief application with the BIR ITAD prior to the first taxable event, and consularized proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar, as are acceptable to the Issuer;
- (b) Gross Receipts Tax under Section 121 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
- (d) Value Added Tax ("VAT") under Sections 106 to 108 of the Tax Code, and as amended by RA No. 9337. Documentary stamp tax for the primary issue of the Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer's account.

Financial Ratios

The Issuer shall maintain at all times a Debt-to-Equity Ratio of not more than 70:30 and Debt Service Coverage Ratio of not less than 1:1. Compliance with these financial ratios shall be tested on annual basis, pursuant to the procedure set forth in the Trust Agreement. Other than these financial ratios, the Issuer is not required to maintain any financial ratio. The Preferred Shares are classified as Equity, in accordance with its classification set by its independent auditors.

Negative Pledge

So long as any Bond or coupon remains outstanding (as defined in the Trust Agreement) the Issuer will not:

- (a) directly or indirectly, incur or suffer to exist, or permit any Subsidiary to directly or indirectly incur or suffer to exist, any Lien upon any assets and revenues, present and future, of the Issuer or any of its Subsidiaries, as the case may be, or
- (b) enter into, or permit any Subsidiary to enter into, any loan facility agreement secured by or to be secured by a Lien upon any assets and revenues, present and future, whether registered or unregistered, of the Issuer or any Subsidiary, as the case may be, unless the Issuer or a Subsidiary has made or will make effective provisions, satisfactory to the Bondholders in its absolute discretion, whereby the Lien thereby created will secure, on an equal first ranking and ratable basis, any and all the obligations of the Issuer hereunder and such other Debt which such Lien purports to secure; provided, that the foregoing restriction shall not apply to the following (the "**Permitted Liens**"):
 - (i) Liens created pursuant to any Indebtedness disclosed to the Lender in writing prior to the date of the Trust Agreement;

- (ii) Liens for taxes, assessments or governmental charges or levies not yet delinquent or which are being contested in good faith and in appropriate proceedings;
- (iii) other Liens incidental to the ordinary conduct of the business of the Issuer or the Subsidiary, as the case may be, the ownership of the properties and assets of the Issuer or the Subsidiary, as the case may be; provided, that: (1) such Liens are not incurred or granted in connection with incurring or maintaining Debt of any Person; and (2) such Liens do not, individually or in the aggregate, materially detract from the value of such properties or assets or materially impair the use thereof in the operation of the business of the Issuer or the Subsidiary, as the case may be, or materially interfere with the sale or other disposition of such properties or assets; and (3) such Liens shall in no event secure obligations or liabilities incurred by the Issuer or the Subsidiary, as the case may be, in the ordinary course of any real property development business;
- (iv) Liens arising by operation of law (other than any preference or priority under Article 2244, paragraph 14(a) of the Civil Code of the Philippines) on any property or asset of the Issuer, including, without limitation, amounts owing to a landlord, carrier, warehouseman, mechanic or materialman; and
- (v) Liens created with the prior written consent of the Bondholders.

Events of Default

Each of the following events constitutes an Event of Default.

- (a) **Payment Default.** The Company fails to pay any of the principal, interest and fees or any other sum payable by the Company under the Bonds, as and when due and payable at the place and in the currency in which it is expressed to be payable, except that the late payment of principal, interest and fees, or any other sum payable by the Company under the Bonds arising solely due to a technical reason not attributable to the fault or negligence of the Company affecting the transfer of funds despite timely instruction having given by the Company shall not result in an Event of Default, provided that such non-payment or late payment due to technical reason shall be remedied within three (3) Banking Days;
- (b) **Representation Default.** Any representation or warranty made or repeated by the Company in the Trust Agreement is incorrect or misleading in any material respect when made or deemed to have been made or repeated, and the same is not cured within a period of thirty (30) days (or such longer period as the Majority Bondholders shall approve) after written notice of such failure given by the Trustee is received by Issuer.
- (c) **Financial Covenant Default.** The Company fails to maintain Debt-to-Equity Ratio and the Debt Service Coverage Ratio; provided that with respect to the Debt Service Coverage Ratio, such breach is not remedied by the Company, through the infusion of additional equity or extension of shareholder advances, in amounts sufficient to maintain the Debt Service Coverage Ratio at 1:1, within two (2) months from the date of the breach. For avoidance of doubt, any breach of the Debt-to-Equity Ratio is not remediable. The Preferred Shares are classified as Equity, in accordance with its classification set by its independent auditors.
- (d) **Other Provisions Default.** The Company fails to perform or comply with any term, obligation or covenant contained in the Trust Agreement, or in any other document issued pursuant thereto or otherwise in connection therewith, and such failure is not remediable or, if remediable (in the reasonable opinion of the Trustee), shall continue unremedied during the applicable grace period or, in the absence of such grace period, within a period of thirty (30) days after written notice of such failure given by the Trustee is received by the Company, provided, however, that no additional grace period shall apply to the Events of Default specified in (a), (f), and (g).
- (e) **Cross-Default.** The Company violates any material term or condition of any contract executed by the Company with any bank, financial institution, or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Company within thirty (30) Business Days from receipt of notice by the Trustee provided that, no

event of default shall occur under this paragraph unless the aggregate amount of indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or exceeds Five Hundred Million Pesos (PhP500,000,000).

- (f) **Insolvency Default.** The Company becomes insolvent or is unable to pay its Indebtedness when due or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against the Company, in any bankruptcy, insolvency, administration, suspension of payment, rehabilitation, reorganization (other than a labor or management reorganization), winding-up, dissolution, moratorium or liquidation proceeding of the Company, or any other proceeding analogous in purpose and effect, unless for petition filed against the Company, it is contested in good faith by the Company in appropriate proceedings or otherwise dismissed by the relevant court within 60 days from the filing of such petition; (ii) the making of a general assignment by the Company for the benefit of the creditors; (iii) the admission in writing by the Company, through its President, Chief Executive Officer, Chief Operating Officer, Chief Finance Officer, of its general inability to pay its Indebtedness; (iv) the entry of any order of judgment of any competent court, tribunal or administrative agency or body confirming liquidation of the Company, unless withdrawn or revoked by the appropriate court, tribunal or lawful appointment of a receiver or trustee to take possession of a substantial portion of the properties of the Company, unless contested in good faith by the Company to authorize any of the foregoing, unless withdrawn or rescinded within sixty (60) calendar days from the taking of such action.
- (g) **Closure Default.** The Company voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except when due to fortuitous events or force majeure.
- (h) **Expropriation Default.** Any act or deed or judicial or administrative proceedings in the nature of an expropriation, confiscation, nationalization, acquisition, seizure, sequestration or condemnation of or with respect to all or at least seventy (70%) of the value of the Company's Total Consolidated Assets] as shown in the latest Audited Consolidated Financial Statements shall be undertaken or instituted by any Government Authority, and such act, deed or proceeding shall continue undismitted or unstayed for a period of more than sixty (60) calendar days.
- (i) **Judgment Default.** A final and executory judgment, decree or order for the payment of money, damages, fine or penalty or its equivalent shall be rendered against the Issuer which, together with all other judgments against the Company then outstanding and unsatisfied, exceeds Five Hundred Million Pesos (PhP500,000,000.00), and which may in the reasonable opinion of the Trustee materially and adversely affect the ability of the Borrower to comply with its obligations under the Offer Documents, and the Trustee has failed to demonstrate to the reasonable satisfaction of the Trustee within thirty (30) days of the judgment, decree or order being entered that the judgment, decree or order will be satisfied, discharged or stayed within thirty (30) days of the judgment, decree or order being entered, or (ii) is not paid, discharged, stayed or fully bonded within thirty (30) days after the date when payment of such judgment, decree or order is due.
- (j) **Writ and Similar Process Default.** An attachment or garnishment of or levy upon any of the properties of the Company which might have a Material Adverse Effect is made and is not discharged or stayed within thirty (30) days of having been so imposed.
- (k) **Cancellation of License.** Any Government Approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Agreement or required for the conduct of its business and operations shall be modified, withdrawn, withheld, revoked, cancelled or otherwise terminated in a manner which, in the reasonable opinion of the Trustee, would have a Material Adverse Effect on the Company and the same remains for a continuous period of thirty (30) calendar days except when due to fortuitous events or force majeure.

Consequences of Default

Declaration

- (a) If any one or more of the Events of Default shall occur and be continuing, either the Trustee, upon the written direction of the Majority Bondholders, by notice in writing delivered to the

Issuer, or the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, may declare the principal of the Bonds then outstanding, including all interest accrued and unpaid thereon and all amounts due thereunder, to be due and payable immediately, anything contained in the Trust Agreement or in the Bonds to the contrary notwithstanding.

- (b) The provision in (a) above, however, is subject to the condition that the Majority Bondholders, by written notice to the Issuer and to the Trustee, may rescind and annul such declaration made by the Trustee pursuant to a consequence of default and its consequences, upon such terms, conditions and agreements, if any, as they may determine including, in connection with a Cross Default, the fact that the non-payment of the obligation is contested in good faith by the Issuer; provided, that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereto. Any such waiver shall be conclusive and binding upon all the Bondholders and upon all future holders and owners of such Bonds, or of any Bond issued in lieu thereof or in exchange therefor, irrespective of whether or not notation of such waiver is made upon the Bonds.
- (c) At any time after an Event of Default shall have occurred, the Trustee may:
- (i) by notice in writing to the Issuer, the Paying Agent and the Registrar, require the Paying Agent and Registrar to:
 - act thereafter as agents of the Bondholders represented by the Trustee on the terms provided in the Registry and Paying Agency Agreement (with consequential amendments as necessary and save that the Trustee's liability under the provisions thereof for the indemnification, remuneration and payment of out-of-pocket expenses of the Paying Agent and the Registrar shall be limited to amounts for the time being held by the Trustee pursuant to the Trust Agreement in relation to the Bonds and available to the Trustee for such purpose) and thereafter to hold all sums, documents and records held by them in respect of the Bonds on behalf of the Trustee; and/or
 - deliver all evidence of the Bonds and all sums, documents and records held by them in respect of the Bonds to the Trustee or as the Trustee shall direct in such notice; provided, that, such notice shall be deemed not to apply to any document or record which the Paying Agent or Registrar is not obliged to release by any law or regulation; and
 - (ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn.

Notice of Default

The Trustee shall, within five (5) days after the occurrence of an Event of Default give to the Bondholders written notice of any such Event of Default known to it unless the same shall have been cured before the giving of such notice; provided, that, in the case of a Payment Default under paragraph (a) of Events of Default, the Trustee shall immediately notify the Bondholders upon the occurrence of such Payment Default. The existence of a written notice required to be given to the Bondholders under this Section shall be published in two (2) newspapers of general circulation in Metro Manila, Philippines for two (2) consecutive days, indicating in the published notice that the Bondholders or their duly authorized representatives may obtain an important notice regarding the Bonds at the principal office of the Trustee as indicated in the Trust Agreement upon presentation of sufficient and acceptable identification to the Trustee.

Penalty Interest

In case any amount payable by the Issuer under the Bonds, whether for principal, interest, fees due to the Trustee, Registrar or Paying Agent or otherwise, is not paid on due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay penalty fee on the defaulted amount(s) at the rate of two percent (2.0%) per annum (the "Penalty Interest") from the time the amount fell due until it is fully paid.

Payments in the Event of Default

The Issuer covenants that upon the occurrence of any Event of Default, the Issuer will pay to the Bondholders, through the Paying Agent, the whole amount which shall then have become due and payable on all such outstanding Bonds with interest at the rate borne by the Bonds on the overdue principal and with Penalty Interest, where applicable, and in addition thereto the Issuer will pay to the Trustee such further amounts as shall be determined by the Trustee to be sufficient to cover the cost and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, and any reasonable expenses or liabilities incurred without negligence or bad faith by the Trustee hereunder.

Upon the occurrence of an Event of Default and in accordance with the requirements of the Trust Agreement, the Bondholders shall have the right, but not the obligation, to require the Issuer to redeem the Bonds in full, by payment of the amounts stated above, plus the principal amount, by delivery of the relevant evidence of the Bonds to the Trustee.

Application of Payments

Any money collected by the Trustee in case of any Event of Default and any other funds held by it, subject to any other provision of the Trust Agreement relating to the disposition of such money and funds, shall be applied by the Trustee in the order of preference as follows:

First: To the payment of the costs, expenses, fees and other charges of collection, including reasonable compensation to the Trustee, Paying Agent, Registrar, and each such person's agents, attorneys and counsel, and all reasonable expenses and liabilities incurred or disbursement made by the Trustee, Paying Agent and Registrar without negligence or bad faith.

Second: To the payment of Penalty Interest.

Third: To the payment of the interest, in the order of the maturity of such interest.

Fourth: To the payment of the principal amount of the outstanding Bonds due and payable.

Fifth: The remainder, if any, shall be paid to the Issuer, its successors or assigns, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

Except for any interest and principal payments, all disbursements of the Paying Agent in relation to the Bonds shall require the conformity of the Trustee.

Remedies

All remedies conferred by the Trust Agreement to the Trustee and the Bondholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Bondholders of any legal remedy by judicial or extrajudicial proceedings appropriate to enforce the conditions and covenants of in the Trust Agreement.

No delay or omission by the Trustee or by any Bondholder to exercise any right or power arising from or on account of any default hereunder shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence thereto, and every power and remedy given in the Trust Agreement to the Trustee or to the Bondholder may be exercised from time to time and as often as may be necessary or expedient.

Ability to File Suit

No Bondholder shall have any right by virtue or by availing of any provision of the Trust Agreement to institute any suit, action or proceeding for the collection of any sum due from the Issuer hereunder on account of principal or interest, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (1) such holder previously shall have given to the Trustee written notice of default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Bondholders to take up matters related to their rights and interests under the Bonds, and (2) the Majority Bondholders shall have decided and made a written request upon the Trustee to institute such suit, action or proceeding in its own name, and (3) the Trustee for sixty (60) days after receipt of such notice and request shall have neglected or refused to institute any such suit, action or proceeding, and (4) no directions inconsistent with such written request or waiver of default by the Bondholders pursuant to the succeeding section shall have been made, it being understood and intended, and being expressly covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholder shall have any right in any manner

whatsoever by virtue of or by availing of any provision of the Trust Agreement to affect, disturb or prejudice the rights of the holders of any other such Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all Bondholders. For the protection and enforcement of the provisions of this Section, each and every Bondholder and the Trustee shall be entitled to such relief as can be given under the law.

Waiver of Default by Bondholders

The Majority Bondholders may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred upon the Trustee, or the Majority Bondholders may decide for and in behalf of the Bondholders to waive any past default except the Payment Default, Representation Default, Insolvency Default, Closure Default, Judgment Default, and Writ and Similar Process Default, and its consequences. In case of any such waiver, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, but no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Bondholders shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof, irrespective of whether or not any notation of such waiver is made upon the certificate representing the Bonds.

Meetings of Bondholders

Meetings

A meeting of Bondholders may be called at any time and from time to time pursuant to the provisions of this Section for the purpose of taking any action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of Bonds under any other provisions of the Trust Agreement or under applicable law and such other matters related to the rights and interests of the Bondholders under the Bonds.

Notice of Meetings

The Trustee may at any time call a meeting of the Bondholders, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of Bonds may direct the Trustee to call a meeting of the Bondholders, to take any action specified in herein, to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of Bondholders, setting forth the time and the place of such meeting and the purpose of such meeting in reasonable detail, shall be sent by the Trustee to the Issuer and to each of the registered Bondholders and published in two (2) newspapers of general circulation in Metro Manila, Philippines not earlier than forty-five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting. All reasonable costs and expenses incurred by the Trustee for the proper dissemination of the notices for the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported statement of account.

Failure of Trustee to Call a Meeting

In case at any time the Issuer, pursuant to a resolution of its board of directors, or the holders of at least twenty-five percent (25%) of the aggregate outstanding principal amount of the Bonds shall have requested the Trustee to call a meeting of the Bondholders by written request setting forth in reasonable detail the purpose of the meeting, and the Trustee shall not have mailed and published, the notice of such meeting within twenty (20) days after receipt of such request, then the Issuer or the holders of Bonds in the amount above specified may determine the time and place for such meeting and may call such meeting by mailing and publishing notice thereof, and the costs thereof shall be chargeable to the Trustee.

Quorum

The presence of the Majority Bondholders personally or by proxy shall be necessary to constitute a quorum to do business at any meeting of the Bondholders.

Procedure for Meetings

The Trustee shall preside at all the meetings of the Bondholders unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the

case may be, shall move for the election of the chairman and secretary of the meeting from among the Bondholders then present or represented during the meeting.

Any meeting of the Bondholders duly called pursuant to the provisions of this Section may be adjourned from time to time for a period or periods not to exceed in the aggregate one (1) year from the date for which the meeting shall originally have been called, and the meeting so adjourned may be held on another date without further notice. Any such adjournment may be ordered by persons representing a majority of the aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

Voting Rights

To be entitled to vote at any meeting of the Bondholders, a person shall be a registered holder of the Bonds or a person appointed by an instrument in writing as proxy by any such holder as of the date of such meeting. The only persons who shall be entitled to be present or to speak at any meeting of the Bondholders shall be the persons entitled to vote at such meeting and any representative of the Issuer and its legal counsel.

Voting Requirement

All matters presented for resolution by the Bondholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the majority of the Bondholders present or represented in a meeting at which there is a quorum, except as otherwise provided in the Trust Agreement.

Any resolution of the Bondholders which has been duly approved with the required number of votes of the Bondholders as herein provided shall be binding upon all the Bondholders and the Trustee as if the votes were unanimous.

Role of the Trustee in Meetings of Bondholders

Notwithstanding any other provisions of the Trust Agreement, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of the Bondholders, in regard to proof of ownership of Bonds, the appointment of proxies by registered holders of Bonds, the election of the chairman and the secretary, the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidences of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem fit.

Evidence Supporting Bondholders' Action

Wherever in the Trust Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of Bonds may take any action (including the making of any demand or request, the giving of any notice or consent, or the taking of any other action), the fact that at the time of taking any such action the holders of such specified percentage have joined therein may be evidenced by: (i) any instrument executed by the Bondholders in person or by the agent or proxy appointed in writing; (ii) the duly authenticated record of voting in favor thereof at the meeting of the Bondholders duly called and held in accordance herewith; or (iii) a combination of such instruments and any such record of meeting of the Bondholders.

Duties and Responsibilities of the Trustee

The Trustee shall act as trustee for and in behalf of the Bondholders and as such shall, in accordance with the terms and conditions of the Trust Agreement, monitor the compliance or non-compliance by the Issuer with all its representations and warranties, and the Issuer's observance of all its covenants and performance of all its obligations, under and pursuant to the Trust Agreement. The Trustee shall observe due diligence in the performance of its duties and obligations under the Trust Agreement. For the avoidance of doubt, notwithstanding any actions that the Trustee may take, the Trustee shall remain to be the party responsible to the Bondholders, and to whom the Bondholders shall communicate with in respect to any matters to be taken up with the Issuer.

The Trustee shall have custody of and hold in its name, for and in behalf of the Bondholders, the Master Certificates of Indebtedness for the total issuance of the Bonds.

The Trustee shall promptly and faithfully carry out the instructions or decisions of the Majority Bondholders issued or reached in accordance with the Trust Agreement.

The Trustee shall, from time to time, request the Issuer to submit such certification of its officers, reports of its external auditors, and other documents relating to the Issuer's ability to comply with its obligations under the Bonds and the Trust Agreement, as well as to examine such records of the Issuer as may be related to the Issuer's obligations under the Bonds and the Trust Agreement.

The request shall be reasonable, made not less than seventy-hours (72) hours prior to the intended date of examination and shall be in writing to the Issuer which shall include, in reasonable detail, the purpose for such request and the intended use of the requested documents or information. The Issuer may require the Trustee, its directors, officers, employees, representatives, agents, partners, consultants and advisors to hold in confidence such documents and information furnished to the Trustee pursuant to said request or to limit the use thereof for the purpose intended as stated in the request, provided such limitation shall not apply if in conflict with the duties and responsibilities of the Trustee under any provision of the Trust Agreement.

The Trustee shall, prior to the occurrence of an Event of Default or after the curing of all such defaults which may have occurred, perform only such duties as are specifically set forth in the Trust Agreement. In case of default, the Trustee shall exercise such rights and powers vested in it by the Trust Agreement, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs under similar circumstances.

The Trustee shall inform the Bondholders of any event which has a Material Adverse Effect on the ability of the Issuer to comply with its obligations to the Bondholders, breach of representations and warranties, and Events of Default within a reasonable period from the time that the Trustee learns of such events.

The Trustee shall perform such other powers and functions as provided for elsewhere under the Trust Agreement.

Supplemental Agreements

With the consent of the Majority Bondholders, the Issuer, when authorized by a resolution of its board of directors, and the Trustee may, from time to time and at any time, enter into an agreement or agreements supplemental hereto for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of the Trust Agreement; provided, however, that no such supplemental agreement shall -

- (a) Without the consent of each Bondholder affected thereby:
 - (i) extend the fixed maturity of the Bonds, or
 - (ii) reduce the principal amount of the Bonds, or
 - (iii) reduce the rate or extend the time of payment of interest and principal thereon;
- (b) Affect the rights of some of the Bondholders without similarly affecting the rights of all the Bondholders; or
- (c) Reduce the percentage required to be obtained of the Bondholders to consent to or approve any supplemental agreement or any waiver provided for in the Trust Agreement without the consent of all the Bondholders.

It shall not be necessary to obtain the consent of the Bondholders under this Section for the purpose of approving the particular form of any proposed supplemental agreement but such consent shall be necessary for the purpose of approving the substance thereof.

Any consent given pursuant to this Section shall be conclusive and binding upon all Bondholders and upon all future holders and owners thereof or of any Bonds issued in lieu thereof or in exchange therefor, irrespective of whether or not any notation of such consent is made upon the Bonds.

Promptly after the execution by the Issuer and the Trustee of any supplemental agreement pursuant to the provisions of this Section, the Issuer shall send a notice to the Bondholders setting forth in general terms the

substance of such supplemental agreement. Any failure of the Issuer to send such notice or any defect therein shall not, however, in any way impair or affect the validity of any supplemental agreement.

Miscellaneous

Notice

Any notice or demand authorized by the Trust Agreement to be given to the Issuer and the Trustee shall be sufficiently given for all purposes hereof, if delivered or mailed at their respective addresses mentioned herein or at such address designated by them subsequently in writing.

Notices to the Bondholders shall be sent to their mailing address as set forth in the Registry Book. Except where a specific mode of notification is provided for herein, notices to Bondholders shall be sufficient when made in writing and transmitted in any of the following modes: (i) registered mail; (ii) surface mail; (iii) electronic mail to the email address designated by the Bondholder in the Application to Purchase (iv) by one-time publication in a newspaper of general circulation in the Philippines; or (iv) personal delivery to the address of record in the Registry Book. The Trustee shall rely on the Registry Book provided by the Registrar, in determining the Bondholders entitled to notice.

All notices shall be deemed to have been received (i) ten (10) days from posting if transmitted by registered mail; (ii) fifteen (15) days from mailing, if transmitted by surface mail; (iii) on the date of publication, or (iv) on the date of delivery, for personal delivery or electronic mail, as the case may be.

Binding and Conclusive Nature

All notifications, opinion, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained by the Trustee for the purposes of the provisions of the Trust Agreement, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, and all Bondholders and (in the absence of willful default, bad faith or manifest error) no liability to the Issuer, the Registrar, the Paying Agent or the Bondholders shall attach to the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions under the Trust Agreement.

Dispute Settlement

In case any dispute shall arise between the Issuer, the Trustee or any of the Bondholders in respect of the Trust Agreement, or other related agreements or arrangements, the Issuer, the Trustee or any of the Bondholders shall attempt to resolve the same amicably by agreement which shall be in writing. However, if no such agreement is concluded within thirty (30) Banking Days from the time the dispute arose, or such period as may be reasonable under the circumstances, the parties may have recourse to the usual judicial action obtaining under the circumstances.

No Right to Set-Off

The Trustee shall have no right to apply funds or money of the Issuer on deposit with or in the custody of the Trustee or any of its branches, subsidiaries, or affiliates on reduction of amounts past due under the Trust Agreement.

Governing Law

The Bonds issued hereunder shall be governed by, and construed and interpreted in accordance with, the laws of the Republic of the Philippines.

The Company

Overview

DoubleDragon Properties Corp. (“DD”, the “Company”, or the “Issuer”), formerly named as Injap Land Corporation, was incorporated and registered with the SEC on December 9, 2009, and started commercial operations in November 2010 with the primary purpose of engaging in real estate development and real estate related ventures. The Company was originally a wholly owned subsidiary of Injap Investments Inc., the holding company of the Sia family. On June 29, 2012, DoubleDragon became a 50-50 joint venture between Injap Investments and HoneyStar Holdings Corporation (“HoneyStar”) when HoneyStar, headed by Tony Tan Caktiong, Founder and Chairman of Jollibee Foods Corp. (“JFC”), invested in the Company. The Company eventually changed its corporate name to DoubleDragon Properties Corp. upon securing the SEC’s approval on July 30, 2012.

The Company’s vision is to accumulate one million (1,000,000) square meters of leasable space by 2020 primarily through the rollout of one hundred (100) community malls across provincial cities in the Philippines through its community mall chain brand “CityMall” and through the development of two major commercial office projects, DD Meridian Park and Jollibee Tower, both of which are located in prime locations in Metro Manila. At present, the Company has acquired a total of fifty-three (53) sites for its community malls. Eight (8) CityMalls have commenced commercial operations. Twenty-five (25) CityMalls are under construction of which majority will be opening this year while the remaining twenty (20) will be completed and majority thereof will be operational by 2017.

Corporate Transformation

The Company, prior to the entry of HoneyStar, was originally the Sia family’s initial foray into real estate development. The Company’s first venture, People’s Condominium project, was the first condominium in Iloilo City. People’s Condominium was completed in November 2011 and was fully sold a few months after the pre-selling activities started. Other projects developed by the Company in Iloilo City include Injap Tower, a 21-storey commercial and condotel tower, The Uptown Place, a 5-storey premium commercial and residential condominium, as well as horizontal developments FirstHomes and HappyHomes both located in Mandurriao – Iloilo.

It was after the entry of HoneyStar and the renaming of the Company into DoubleDragon Properties Corp. that the Company’s Chairman and Co-Chairman, Edgar “Injap” Sia II and Tony Tan Caktiong, both born the year of the dragon, established a clear road map for the Company. They identified a unique opportunity to capitalize on the modernization of retail in the provinces by building a chain of community malls to become the venue for this transition. In order to become the dominant leader in this space they targeted the roll out of one hundred (100) community malls across second- and third-tier provincial cities by 2020. CityMall Commercial Centers Inc. (“CM”) was incorporated on December 27, 2013 to serve as the vehicle for this rollout. SM Investments Corporation (“SMIC”) saw the potential of CityMall and subscribed to thirty-four percent (34%) of CM’s capital through an Investment and Shareholder’s Agreement signed on February 17, 2014. The one hundred (100) community malls, once fully developed, are expected to contribute seven hundred thousand (700,000) square meters of leasable space which is equivalent to seventy percent (70%) of the Company’s target portfolio of one million (1,000,000) square meters of leasable space by 2020.

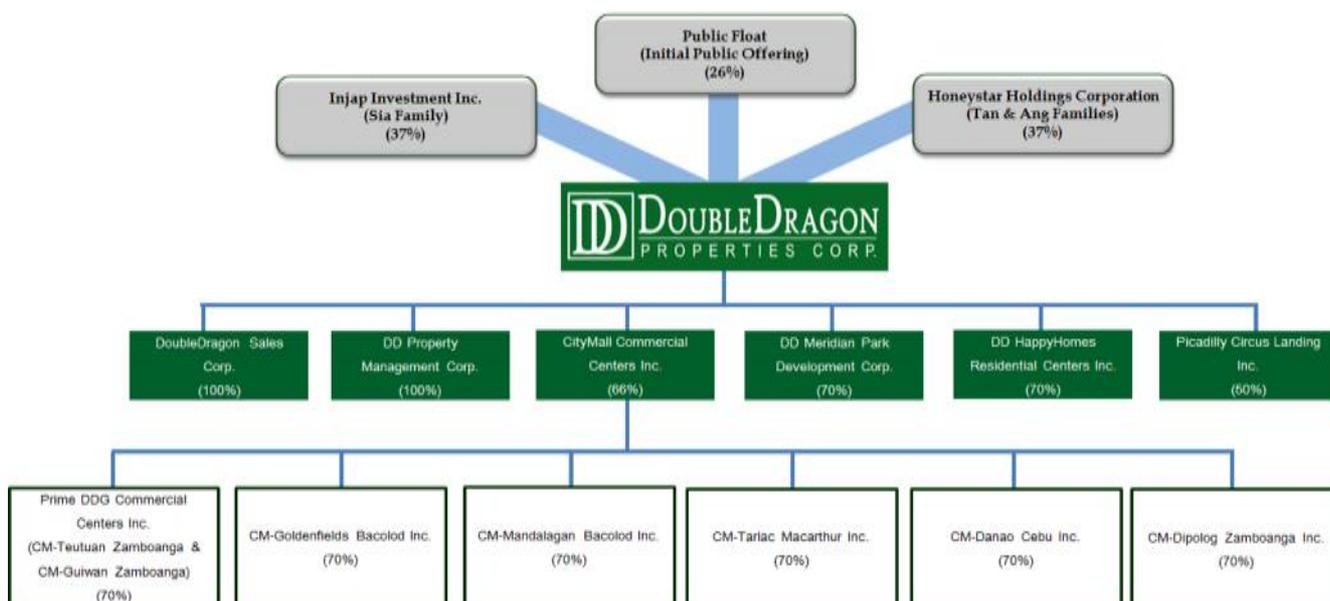
To further diversify its intended portfolio of recurring revenue properties, the Company decided to develop commercial office projects in Metro Manila, which would make up the remaining thirty percent (30%) of the Company’s envisioned portfolio. The Company’s flagship commercial office project is DD Meridian Park, a 4.75-hectare project in the Bay Area of Pasay City located at the corner of Diosdado Macapagal Boulevard and EDSA Extension. The Company’s subsidiary DD-Meridian Park Development Corp. (“DDMP”), which is 70% owned by DoubleDragon and 30% owned by Carto Meridian Development Corp. (“Carto Meridian”) will develop the project. DD Meridian Park will be developed in phases and will contribute a total of two hundred eighty thousand (280,000) square meters of leasable space by 2020. To complete that side of the portfolio, on August 26, 2015, the Company entered into joint venture with JFC to build a 40-storey commercial and office tower on the property of the latter located at the corner of F. Ortigas Jr. Road (formerly Emerald Avenue) and Garnet Road at the heart of the Ortigas central business district. In the Memorandum of Agreement between the Company and JFC, the Company undertook to develop a commercial and office condominium building on a parcel of land in Ortigas. JFC, on its part, will transfer ownership over the subject land to DD in exchange for condominium units and payment of PhP27.8 Million.

Because of the nature of developing investment properties intended for leasing, the Company anticipated that there would be a delay in recognizing profits as construction of the various projects would have to be completed before it could book leasing revenues. Because of this the Company invested in interim Metro Manila projects namely, W.H. Taft Residences, Dragon8 Mall and The SkySuites Tower, all of which were previously started and pre-sold projects, which the Company could resume development of and derive income from, based on a percentage-of-completion method.

On April 7, 2014, the authorized and outstanding shares of DD were listed on the PSE under the symbol “DD”. Through its initial public offering, the Company was able to raise PhP1.16 Billion to finance the acquisition of land and development of projects. The listing further enhanced the ability of the Company to raise substantial funding in the local debt markets. As of August 30, 2016, the Company had a market capitalization of PhP132,445,962.000 and a share price of PhP59.40.

Corporate Structure

The Company’s corporate structure is presented in the diagram below:



At present, DoubleDragon has the following subsidiaries: DoubleDragon Sales Corp. (“DDSC”), DD Property Management Corp. (“DDPMC”), CityMall Commercial Centers Inc. (“CM”), Piccadilly Circus Landing, Inc. (“Piccadilly”), DD Happy Homes Residential Centers Inc (“DDHH”), and DD-Meridian Park Development Corp. (“DD-Meridian”). Each subsidiary was established to support DoubleDragon as the Company executes its strategies and plans. The functions of each subsidiary are discussed below.

DoubleDragon Sales Corp. (“DDSC”)

DoubleDragon Sales Corp. was incorporated on November 12, 2012, and is a wholly owned subsidiary that focuses on the selling and marketing of the Company’s real estate projects that include condominium units, town houses, apartments, commercial spaces and other related projects. DDSC serves as the sales team of the Company’s projects.

DoubleDragon Property Management Corp. (“DDPMC”)

DoubleDragon Property Management Corp. was originally incorporated on January 17, 2012 as One Eleven Property Management Corp., a wholly owned subsidiary that focuses on managing, operating, and maintaining the projects of the Company. Its operations generally involve the maintenance, repair and beautification services of the buildings and ground. DDPMC’s revenues are derived from association dues and common utilities service area (CUSA) charges collected from the Company’s clients and tenants.

CityMall Commercial Centers Inc. (“CM”)

CityMall Commercial Centers Inc. was incorporated on December 27, 2013 to serve as the vehicle for the construction, development, operation and maintenance of CityMall developments. CityMall is envisioned to become the largest branded community mall chain in the Philippines. CM is 66%-34% owned by the Company and SMIC, respectively.

Piccadilly Circus Landing Inc. (“Picadilly”)

The Company signed an Investment and Shareholders Agreement with the Aryanna Group to invest in Piccadilly Circus Landing, Inc., and jointly develop about sixteen thousand (16,000) square meter Umbria Commercial Center in Biñan, Laguna. Piccadilly is currently a 50-50 joint venture of the Company and the Aryanna Group. Piccadilly owns a two thousand nine hundred and fifty-five (2,955) square meter property where the Umbria Commercial Center will be developed.

DD HappyHomes Residential Centers Inc. (“DDHH”)

On May 23, 2014, the Company signed an Investment and Shareholders Agreement to subscribe to seventy percent (70%) of DDHH (previously named Zion Land Development Phils., Inc.), a property development company based in Western Visayas. The remaining thirty percent (30%) was retained by the then shareholders who agreed to DD’s subscription to DDHH.

DDHH was incorporated in September 2011 and started its first project, HappyHomes in Mandurriao Iloilo in 2013. DDHH is the Company’s horizontal housing project arm in the Visayas area and will complement the Company’s project portfolio by providing affordable homes in the provinces.

DD-Meridian Park Development Corp (“DDMP”)

On June 2, 2014, DD signed a Memorandum of Agreement to develop a 4.75 hectare lot at the corner of EDSA and Macapagal Avenue in Pasay City near the Mall of Asia Complex. The joint venture agreement was signed on October 17, 2014, and resulted in DoubleDragon owning seventy percent (70%) of DDMP, the JV company for the project. DD Meridian Park will have approximately two hundred and eighty thousand (280,000) square meters of leasable space once fully developed. It is envisioned to be a prominent iconic landmark in the area. Construction of the first phase started in the fourth quarter of 2014 and is targeted to be completed by 2018.

Gross Revenue Share (including rental income) of the Company’s Projects and Subsidiaries for the past 3 years are presented in the table below:

	SkySuites	WH Taft	Injap Tower	Uptown Place	First Homes	Dragon8 Mall	DDHH	CM	PCLI	Total Gross Revenue
June 2016	35%	23%	1%	4%	1%	4%	21%	11%	0%	635,981,069.00
December 2015	31%	24%	1%	4%	0%	19%	13%	7%	1%	897,729,648.00
December 2014	48%	16%	4%	10%	2%	12%	8%	0%	0%	1,219,547,921.31
December 2013	0%	39%	11%	37%	12%	0%	0%	0%	11%	515,099,743.76

Net Income Share (including rental income) of the Company’s Projects and Subsidiaries for the past 3 years are presented in the table below:

	SkySuites	WH Taft	Injap Tower	Uptown Place	First Homes	Dragon8 Mall	DDHH	CM	PCLI	Total Net Income
June 2016	58%	10%	1%	2%	0%	17%	10%	1%	0%	144,203,055
December 2015	34%	0%	1%	0%	0%	47%	3%	14%	0%	622,782,738
December 2014	42%	13%	6%	9%	1%	21%	6%	1%	1%	560,847,548
December 2013	0%	35%	11%	43%	11%	0%	0%	0%	0%	122,054,708

Breakdown of Revenue per Subsidiary

June 30, 2016	DOUBLEDRAGON	DD- HAPPYHOMES	CITYMALL COMMERCIAL	PRIME DDG COMMERCIAL	PICCADILLY CIRCUS	DD-MERIDIAN PARK	DOUBLEDRAGON PROPERTY	CM-DIPOLOG	CM- DANA O	CM-TARLAC	CM- GOLDENFIELDS	CM- MANDALAGAN	DOUBLEDRAGON	
REVENUE ITEM	PROPERTIES CORP.	RESIDENTIAL CENTERS, INC.	CENTERS, INC.	CENTERS, INC.	LANDING INC.	DEVELOPMENT CORP.	MANAGEMENT CORP.	ZAMBOANGA, INC.	CEBU, INC.	MACARTHUR, INC.	BACOLOD, INC.	BACOLOD, INC.	SALES CORP.	TOTAL
Real estate sales	398,835,474	132,681,170	-	-	-	-	-	-	-	-	-	-	-	531,516,644
Unrealized gains (losses) from change in fair values of investment property	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of mall stall units	7,110,714	-	-	-	-	-	-	-	-	-	-	-	-	7,110,714
Rental income	20,542,089	-	57,589,083	11,479,706	2,826,877	-	-	-	-	-	-	-	-	92,437,755
Interest income	21,905,228	26,769	918,989	11,929	13,469	1,610,036	3,030	267,870	132,880	126,468	31,049	8,835	82	25,056,634
Others	14,787,385	742,378	26,847,229	5,476,850	339,082	57,890	1,458,601	-	-	-	-	-	-	49,709,415
Total	463,180,890	133,450,317	85,355,301	16,968,485	3,179,428	1,667,926	1,461,631	267,870	132,880	126,468	31,049	8,835	82	705,831,162

December 31, 2015	DOUBLEDRAGON	DD- HAPPYHOMES	CITYMALL COMMERCIAL	PRIME DDG COMMERCIAL	PICCADILLY CIRCUS	DD-MERIDIAN PARK	DOUBLEDRAGON PROPERTY	CM-DIPOLOG	CM- DANA0	CM-TARLAC	CM- GOLDENFIELDS	CM- MANDALAGAN	DOUBLEDRAGON	
REVENUE ITEM	PROPERTIES CORP.	RESIDENTIAL CENTERS, INC.	CENTERS, INC.	CENTERS, INC.	LANDING INC.	DEVELOPMENT CORP.	MANAGEMENT CORP.	ZAMBOANGA, INC.	CEBU, INC.	MACARTHUR, INC.	BACOLOD, INC.	BACOLOD, INC.	SALES CORP.	TOTAL
Real estate sales	528,212,292	113,257,899	-	-	-	-	-	-	-	-	-	-	-	641,470,191
Unrealized gains (losses) from change in fair values of investment property	463,364,447	-	124,261,443	(5,594,671)	888,000	124,077,095	-	5,794,000	-	7,852,986	776,998	89,643,615	-	811,063,913
Sale of mall stall units	139,713,804	-	-	-	-	-	-	-	-	-	-	-	-	139,713,804
Rental income	42,907,883	-	59,982,255	7,297,254	6,358,261	-	-	-	-	-	-	-	-	116,545,653
Interest income	101,742,859	1,016,263	12,435,478	46,934	301,966	4,770,783	3,478	4	23	202,687	332,489	4,745	124	120,857,833
Others	90,871,121	1,906,674	4,666,976	166,502	-	1,092,281	579,991	-	-	-	-	-	-	99,283,545
Total	1,366,812,406	116,180,836	201,346,152	1,916,019	7,548,227	129,940,159	583,469	5,794,004	23	8,055,673	1,109,487	89,648,360	124	1,928,934,939

December 31, 2014	DOUBLEDRAGON	DD- HAPPYHOMES	CITYMALL COMMERCIAL	PRIME DDG COMMERCIAL	PICCADILLY CIRCUS	DD-MERIDIAN PARK	DOUBLEDRAGON PROPERTY	CM-DIPOLOG	CM- DANA O	CM-TARLAC	CM- GOLDENFIELDS	CM- MANDALAGAN	DOUBLEDRAGON	
REVENUE ITEM	PROPERTIES CORP.	RESIDENTIAL CENTERS, INC.	CENTERS, INC.	CENTERS, INC.	LANDING INC.	DEVELOPMENT CORP.	MANAGEMENT CORP.	ZAMBOANGA, INC.	CEBU, INC.	MACARTHUR, INC.	BACOLOD, INC.	BACOLOD, INC.	SALES CORP.	TOTAL
Real estate sales	972,279,040	96,050,967	-	-	-	-	-	-	-	-	-	-	-	1,068,330,007
Unrealized gains (losses) from change in fair values of investment property	390,437,784	-	7,606,564	642,068	8,818,000	48,227,795	-	-	-	-	-	-	-	455,732,211
Sale of mall stall units	140,493,171	-	-	-	-	-	-	-	-	-	-	-	-	140,493,171
Rental income	4,678,549	-	187,215	-	5,858,979	-	-	-	-	-	-	-	-	10,724,743
Interest income	22,623,424	120,100	5,902,664	198	435,829	1,558,899	2,862	-	-	-	-	-	64	30,644,040
Others	3,285,171	98,922	-	-	1,193,790	1	-	-	-	-	-	-	-	4,577,884
Total	1,533,797,139	96,269,989	13,696,443	642,266	16,306,598	49,786,695	2,862	-	-	-	-	-	64	1,710,502,056

Competitive Strengths

First Mover Advantage

The Company was the first to announce its aggressive roll out plan in the community mall space. Although there are other players and potential entrants who operate in this space, the Company placed itself in an advantageous position with the scale and time period that it has targeted for the completion of its CityMall developments. By the end of 2016, the Company is expected to have at least 30 operational CityMalls, which will make it the dominant leader in this space.

Prior to making its plans known to the public, the Company had already studied and developed the business model of CityMall to prepare for the roll out program it had set forth. In doing so, the Company maintained its competitive edge through the momentum built up from the point that it made public its roll out plan, and was already in a position to swiftly execute its plans as scheduled.

Familiarity of the Provincial Landscape

Both the Tan and Ang families through JFC and the Sia family through their initial rollout of Mang Inasal have been operating in the same provincial cities that CityMall is or will be operating in. Edgar “Injap” Sia II built the fastfood concept, Mang Inasal, from the ground up and he personally led the rollout of Mang Inasal branches from one (1) branch in Iloilo in 2003 to three hundred thirty-eight (338) branches by 2010. JFC-owned fastfood brands, which are some of the oldest and strongest brands in the Philippines, have likewise been operational, some for several decades, in the same cities where CityMall will be located.

This first hand experience and level of familiarity covering the areas of trade has given the Company an edge in being able to quickly select the key locations ideal for community malls.

Location of Sites Secured

More than two (2) years from the time of the Company’s initial public offering (IPO), the Company has already secured 53 CityMall sites despite the scarcity of one-hectare plots in the city center of provincial cities. All CityMall sites are in prime locations within the natural daily movement of the general population that it serves. Usually, there are only one or none of these locations left available for sale in the provincial cities, thus, being able to secure the last remaining one-hectare commercial lot in the respective city centers places CityMall in a leading position and becomes a natural deterrent to competitors.

The Company’s Chairman and CEO, Edgar “Injap” Sia II, leads the site selection and acquisition. Progress in acquiring the ideal sites for the Company’s projects is a key driver in the execution performance of the Company. Its Chairman and CEO holds the most experience, coming from retail background, and is best positioned to understand the elements of success for each location.

Strong Alliances

SMIC’s investment of thirty-four percent (34%) of CM further validates the strength of CityMall’s business model. Currently, SMIC’s supermarket brand “SaveMore” is the anchor tenant of majority of CityMalls. Typically, the anchor tenant occupies one-third (1/3) of the leasable space of a CityMall. In addition to SaveMore, SMIC also owns several brands that are represented in CityMalls; these include but are not limited to Ace Hardware, China Bank Savings, BDO Unibank, Simply Shoes, Watsons and SM Appliance Center. The Tan and Ang family’s JFC brands, namely, Jollibee, Chowking, Red Ribbon, Highlands Coffee, Mang Inasal and Greenwich also occupy “FoodWorld”, the foodcourt concept that is present in all CityMalls.

Business Strategy

The Company’s business strategies include the following:

Identifying shifts and capitalizing on the opportunity to ride market transitions

One such transition is the ongoing evolution of traditional retail into modern retail in the provincial setting. This is particularly notable in the supermarket segment which is relevant to the Company's business model since the supermarket typically occupies one-third (1/3) of the leasable space of CityMalls. The pricing advantage of local supermarkets over branded supermarkets started to thin a few years ago when government increased transparency in tax collection and computerized the system of the Bureau of Internal Revenue (BIR).

Today the price gap between branded and locally owned supermarkets is in single digits and is expected to disappear completely in the near term as the branded players expand into provincial locations. This shift is inevitable and will put branded supermarkets at an even playing field with locally owned supermarkets. CityMall is poised to benefit from this by anticipating this shift and providing the ideal venue for modern retail concepts to thrive.

Building a strong base of recurring revenue

The Company aims to build a strong base of recurring revenue through the accumulation of one million (1,000,000) square meters of leasable space, which will grow organically without need of additional capitalization. This will ensure the future cash flows to the Company with minimal dependency on economic downturns or the development of new projects.

A solid portfolio of properties held for lease will provide strong annual cash flows, which will enhance the Company's position to further grow its business as opportunities arise. This will also put the Company in an ideal position to pay out a substantial amount of annual dividends to its shareholders once it has completed its hyper expansion years. Presently, the Company has historically paid out twenty percent (20%) of its consolidated Net Income as dividends to its shareholders. The Company could potentially pay out a higher rate of dividends when it is no longer setting aside cash flows for the capital expenditures of its projects.

Acquiring a strong portfolio of investment properties

One of the strategies of the Company is ensuring that its projects are located in prime locations both in Metro Manila and the different provinces in the Philippines. The combination of Metro Manila and provincial assets will give the Company a good footprint across the country.

In addition to this, since properties are held for lease, and not for sale, the Company will be able to benefit from the appreciation of property areas where its assets are located. Majority of the land bank of the Company will be located in second and third tier provincial cities where land value is expected to grow at a substantially faster rate than in Metro Manila.

Focusing in preferred industries

The Company intends to focus on preferred industries like retail and office space which allow it to diversify its leasing income to high-growth areas, such as provincial retail in the community mall setting, as well as the more stable Metro Manila office space which primarily caters to the country's growing BPO Industry.

Preferred industries refer to segments that hold a robust outlook in the near and medium term period. These projects are primarily opportunity driven and are dependent on the current and future demand from the target market.

Projects

CityMall



CityMall is envisioned to be the first and largest branded independent community mall chain in the Philippines by opening one hundred (100) CityMalls by 2020.

CityMall will not only provide prime spaces to the top Philippine fast food brands such as Jollibee, Mang Inasal, Chowking, Greenwich, Red Ribbon and Highlands Coffee, but also to various non-food retailers including those affiliated with the SM Group brands such as Savemore, Ace Hardware, Watson's, SM Appliance, Simply Shoes, BDO, and Chinabank Savings Bank. CityMall is poised to become a brand that every Filipino can be proud of.

All CityMalls will have a standard color, design, look and feel. They will also have the distinct feature of being "Greenergized" as each CityMall will be equipped with solar panels as their main source of energy and a rainwater collection system as a sign of the Company's drive to help save the planet and its commitment to sustainable development.

CityMall differentiates itself from other malls by choosing prime and strategic locations in the heart of every community it aims to serve. Location and accessibility to customers is the key to the successful rollout of CityMalls in the country. Each CityMall site is meticulously chosen and negotiated by none other than DD's Chairman, Edgar 'Injap' Sia II. Mr. Sia was the driving force behind the successful rollout of fast food chain Mang Inasal.

At present, the Company has secured a total of fifty-three (53) site locations for CityMalls, It has completed the construction of the following 8 CityMalls which have all commenced business operations - CM Tetuan, CM Tagbak, CM Arnaldo Roxas, CM Imus, CM Consolacion, CM Kalibo, CM Tiaong and CM Parola. Construction activities are being undertaken in 25 CityMalls located in the following sites:

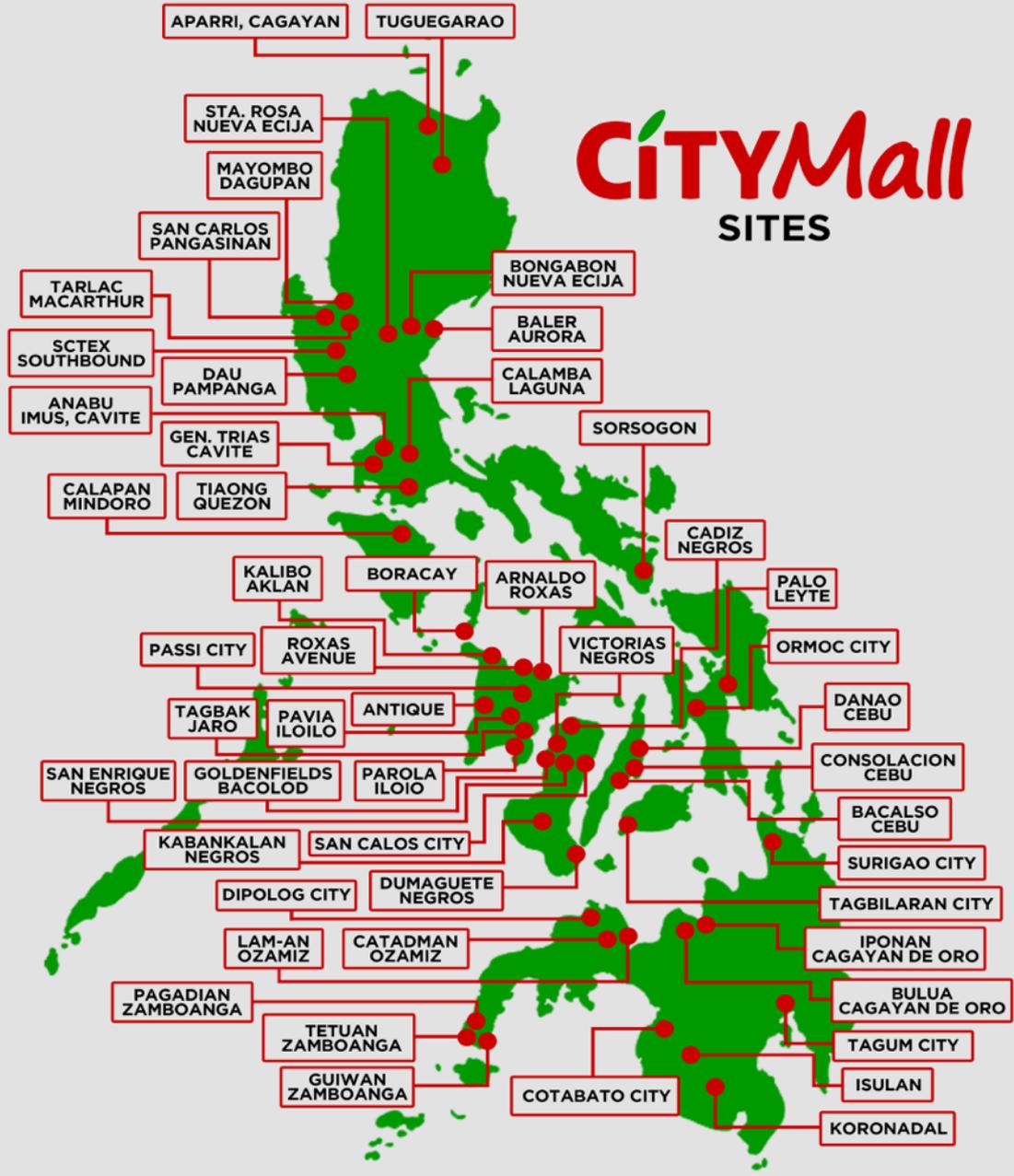
Site	Area (in sqm)	Percentage of Completion as of August 30, 2016
CM Dagupan	12,817	18.85%
CM Cotabato	15,000	74.39%
CM Sta Rosa Nueva Ecija	12,104	76.76%
CM Victorias Negros	13,734	39.63%
CM San Carlos Negros	7,978	51.99%
CM Bulua, CDO	11,464	10.00%
CM Koronadal Cotabato	10,000	Footing Works – 100% Overall Construction – 21.93%
CM Iponan, CDO	11,957	12.26%
CM Passi	8,588	17.94%
CM Dumaguete	14,182	85.03%
CM Ungka, Pavia	15,000	11.23%

CM Tagum	19,384	62.44%
CM Bacalso Cebu	11,000	Sheet Piling – 99% Overall Construction - .51%
CM Boracay	10,000	Foundation Works – 100% Overall Construciton – 16.67%
CM Dau, Pampanga	5,181	33.07%
CM SCTEX Tarlac	17,453	37.13%
CM Kabankalan	15,000	55.53%
CM Mandalagan-Bacolod	10,000	85.82%
CM Goldenfields-Bacolod	10,940	51.52%
CM Guiwan-Zamboanga	14,000	14.47%
CM Macarthur-Tarlac	20,000	56.69%
CM Roxas Ave.	4,680	21.27%
CM-Danao, Cebu City	6,681	33.12%
CM-Dipolog City	12,833	2.46%
CM-Calapan City	7,159	4.97%

Construction has not commenced on the other remaining 20 CityMall sites as of August 31, 2016.

Below are the status updates of the CityMall sites as of August 31, 2016:

CITYMall SITES



DD Meridian Park



DD Meridian Park is a 4.75-hectare project in the Bay Area of Pasay City located at the corner of Diosdado Macapagal Boulevard and EDSA Extension. The Company’s subsidiary DD-Meridian Park Development Corp., which is 70% owned by DoubleDragon and 30% owned by Carto Meridian Development Corp., will develop the project.

The project will feature a commercial compound for BPOs and corporate offices and an area intended for future development. The Meridian Park will be constructed in four phases, and will feature the following:

Phase	Features	Expected Date of Completion
1	DoubleDragon Plaza – Commercial, BPO Towers & Parking	Tower 1: Q4 2017, Tower 2: Q1 2018), Tower 3: Q2 2018), Tower 4: Q3 2018 Retail Podium: Q4 2018
2	DoubleDragon Center North & DoubleDragon Center West – Office Towers	Q4 2018
3-4	TBA	TBA

Phase 1 of the project will be the construction of DoubleDragon Plaza, an 11-storey complex with a mall on the ground floor and business process outsourcing (BPO) offices from the 5th to the 11th levels. DoubleDragon Plaza will provide over one hundred thirty thousand (130,000) square meters of leasable space. The Company has commenced with the construction of Phase 1 which is 34.96% complete as of August 30, 2016.

Phase 2 of the project will be two additional office towers, DoubleDragon Center North and DoubleDragon Center West, which will be adding roughly another thirty thousand (30,000) square meters of leasable space.



The Company intends to secure Leadership in Energy & Environmental Design (LEED) certification for DoubleDragon Plaza. To receive LEED certification, DoubleDragon Plaza must satisfy prerequisites and

earn points to achieve different levels of certification. LEED is a green building certification program that recognizes best-in-class building strategies and practices. LEED certified buildings save money and resources and have a positive impact on the health of occupants, while promoting renewable, clean energy.

Jollibee Tower

On August 26, 2015, the Company signed a joint venture agreement with JFC to develop a 40-storey commercial and office tower on a three thousand and two (3,002) square meter prime commercial lot owned by the latter located at the corner of F. Ortigas Jr. Road (formerly Emerald Avenue) and Garnet Road at the heart of the Ortigas Central Business District in Metro Manila.

JFC will contribute the land for the project in exchange for fifteen percent (15%) of the project's resulting leasable floor area while the Company shall be the developer of the project in exchange for eighty-five percent (85%) of the projects resulting leasable floor area. In addition to the floor area received, JFC is expected to lease additional office space directly from the Company to accommodate their corporate office requirements.



Above: Architect's Rendering of Jollibee Tower

The project is expected to contribute close to forty-eight thousand (48,000) square meters of leasable space to the Company's portfolio by 2018. The ground floor will include commercial spaces and a drive-thru store provision, while the 2nd and 3rd floors will house an event center. The rest of the floors will be leased as office space and will include sufficient parking levels to service tenant requirements. The project is 2.61% complete as of 31 August 2016 and is expected to be complete by Q4 of 2018.

The Jollibee Tower will be designed as a Grade A structure and is expected to secure LEED certification in line with DD's core values in promoting sustainable developments through "green" technology. The exterior of the building will be made of double-glazed glass curtain wall for increased energy efficiency and the structure is poised to become one of the most prominent landmarks in the Ortigas skyline. Construction commenced in the 1st quarter of 2016 while completion is estimated to be within the 1st half of 2018. Once fully tenanted, the development is expected to generate about PhP350 Million in annual rental revenues to the Company.

This project completes the land needed to build DoubleDragon's targeted 300,000 square meters of leasable commercial and office space in Metro Manila.

The SkySuites Tower

The Company acquired The SkySuites Tower on September 1, 2014 from Rizal Commercial Banking Corporation ("RCBC"), the financial institution that foreclosed the property from its original developer four years prior. The SkySuites Tower was planned as a 38-storey commercial, office and residential tower sitting on a two thousand eight hundred and twelve (2,812) square meter prime corner lot property at the corner of EDSA and Quezon Avenue a few meters away from the Mass Rail Transit (MRT) station.

The SkySuites Tower is divided into two structures with dedicated lobbies, the lower structure is dedicated to corporate offices while the residential tower will consist of all lofts catering to the mid to high-end market. The Company has continued both the construction and sale of the remaining inventory of the residential units and parking but intends to retain the unsold commercial and office spaces as part of the Company's leasable portfolio.

690 of the units in The SkySuites Tower were already pre-sold prior to its acquisition and majority of the previous buyers have already executed new contracts with the Company which has in turn booked revenues from these sales based on the percentage of completion method. As of August 31, 2016, the overall completion of the project stands at 69%. The office structure of The SkySuites Tower will be completed and available for occupancy within Q4 2016 while the residential units are expected to be completed and will be

turned over within Q4 2018. As of September 30, 2016, the total number of units sold is 519, equivalent to sales of around PhP 2.34 billion, while the total number of units unsold is 505, equivalent to around PhP 3.15 billion. Parking units sold total 209 slots, equivalent to PhP117 million, while there is a total of 276 parking units, equivalent to PhP136 million, which are still unsold.

Dragon8 Mall

Dragon8 Mall was a partially constructed project acquired by the Company on May 2, 2014. The project is located on a five thousand nine hundred and seventy-two (5,972) square meter prime corner lot at C.M. Recto corner Dagupan Streets, Divisoria, Manila. In line with the area being synonymous to a micro retail destination, Dragon8 Mall offers micro retailers a modern version of the mall stall units currently being offered within the vicinity at relatively the same prices.

The Company sells sixteen (16) year leasehold rights on the mall stall units, which gives locators the exclusive right to lease the said units for the duration of the leasehold contract. A portion of the development is also being leased out directly to tenants and form part of the leasable portfolio of the Company. Dragon8 Mall has close to nine thousand eight hundred (9,800) square meters of leasable space and houses approximately three hundred (300) parking spaces for the convenience of its shoppers.

The Company resumed the construction and renovation of the property upon acquisition and opened its doors to the public on June 30, 2015, a little over a year after the acquisition. As of August 31, 2016, Dragon8 Mall is 96% occupied.

W.H. Taft Residences

The Company's first project in Metro Manila is the 31-storey W.H. Taft Residences, a condominium development ideally situated beside the De La Salle University (DLSU) in Taft Ave., Manila. W.H. Taft Residences is an ideal base for students from DLSU Manila, College of St. Benilde, and St. Scholastica's College all of which are within walking distance from the project. Residents of the project also enjoy a full range of student-inspired features and amenities such as wireless internet connection, a multi-purpose hall convertible into seminar, study, or focus group discussion areas, a swimming pool, multi-level flood free podium parking, and commercial establishments on the ground and second floors to cater to day-to-day needs of its residents. As of August 30, 2016, the project was 100% complete.

W.H. Taft Residences offers 533 low-density studios and one bedroom residential units to maintain residents' privacy and provide a conducive environment ideal for studying. The ground floor and the second floor of the project consist of a 17-unit commercial strip while the parking levels are located from the 3rd to the 6th floor. The project amenities are located on the 7th floor while the rest of the floors above consist of residential units. As of August 31, 2016, a total of 458 units have been sold and assigned with a total value of approximately PhP1.1Billion while there are still 75 units available for sale with a total value of approximately PhP369Million.

Injap Tower

The Company's landmark project in Iloilo, Injap Tower, is a 21-storey commercial and condotel tower located along West Diversion Road, Iloilo City. Situated right across SM Iloilo, the tower is Iloilo's first high-rise building as well as the tallest building in Western Visayas. Injap Tower features two commercial units on the ground floor, multi-level parking, and 196 fully furnished condotel units. Amenities and facilities of the tower include a swimming pool, 24-hour security, four elevators, several retail shops and the Horizon Café on the top floor. To make the Tower even more accessible, an overpass was constructed connecting Injap Tower to SM Iloilo. The Tower was completed in May 2014 and is presently fully sold.

The Uptown Place

The Uptown Place is a five-storey premium commercial and residential condominium located along General Luna Street, Iloilo City. The project is across the University of the Philippines Iloilo and consists of 236 residential units ranging from 21sqm studios up to as large as 73sqm three bedroom units with selling prices, which vary, from PhP1.85M to PhP6.79M. The ground floor consists of commercial units for lease. The project was completed in March 2014. As of August 30, 2016, 177 residential units have been sold with a total value of approximately PhP473 million while there remains 59 unsold units with a total value of approximately PhP175 million.

People's Condominium

People's Condominium is the Company's first project and is also the first condominium project ever built in Iloilo City. It is a six-storey condominium with 71 semi-furnished units. It is located at the KAPIDECO estate in Barangay San Rafael, Mandurriao, Iloilo City. Constructed on January 2011 and turned over to buyers on November 2011, all units were sold out soon after preselling activities commenced.

FirstHomes

FirstHomes Subdivision is the Company's first horizontal housing project. Located in Navais, Mandurriao, Iloilo City. FirstHomes is a gated townhouse project of 112 units within a sprawling 1.3 hectare property. The project was completed in October 2012 and is currently 90% sold with only 13 units left in inventory with a total value of approximately PhP46 million. As of August 31, 2016, the Company has sold 99 units with total contract value of approximately PhP215 million. FirstHomes offers semi-furnished two, three and four bedroom units equipped with modern utilities and features modern minimalist design and a wide range of amenities including swimming pools, community parks, clubhouse, and CCTV security systems.

DD HappyHomes

HappyHomes-Mandurriao ("HappyHomes") is a project of DDHH, Inc. a subsidiary of DoubleDragon. HappyHomes is an affordable community space located in the fast growing Mandurriao district of Iloilo City. There are a total of 624 lots available for development and as of August 31, 2016, the Company has sold 326 units of lots available for development. HappyHomes offers four variations of units with varying house and lot packages ranging from PhP1.2M to P 3.1M. Each unit is built upon receipt of 10% downpayment and can be turned over four to six months from start of construction. As of August 30, 2016, land development is 100% complete. Construction is on a per-block basis and commences when at least 50% of the block has been sold. Construction period is around seven to eight months. Overall, the project is 42.57% complete.

Happy Homes Tanauan is a new project of DDHH for 2016 and located in Tanauan Leyte. There are a total of 1,494 lots available for development and as of August 31, 2016, the Company has sold 88 lots available for development. Happy Homes offers four variations of units with varying house and lot packages ranging from PhP0.450M to PhP1.2M. Land development works for Phase 1 started on April 21, 2016 and is expected to be completed on June 2017. Similar to Happy Homes Mandurriao, construction is on a per-block basis and commences when at least 50% of the block has been sold. Construction period is around seven to eight months.

Buyers of units in Happy Homes Mandurriao and Happy Homes Tanauan may avail of financing schemes offered by the Home Development Mutual Fund.

Competition

The property industry consists of four segments namely, retail, office, residential and tourism. While DD is present in all these segments, the bulk of the Company's future portfolio will be concentrated on the provincial retail segment, which is unique to DD.

CityMall is envisioned to be the largest branded community mall chain in the provincial areas of the Philippines. It is intended to be a permanent alternative to the traditional retail setting that is currently present in these second and third tier cities. CityMall will be in the forefront of retail modernization by enabling the provincial penetration of leading national brands such as SaveMore Market, Watsons, Ace Hardware, SM Appliance, BDO Unibank, Chinabank Savings Simply Shoes, Jollibee, Mang Inasal, Chowking, Greenwich, Red Ribbon and Highlands Coffee.

Since CityMall is the modern alternative to traditional retailers, the latter would be considered the current competitors to CityMall's offering. However, traditional retailers are often less organized and do not have the branding strength or critical mass that CityMall will achieve through the roll out of one hundred (100) CityMalls. The existing traditional retailers are also more often than not locally owned and specific only to that city or region. Local retailers may soon lose their competitive edge against branded nationwide players that have the financial strength to penetrate the market on a larger scale. Today, only a fraction of the pricing advantage previously enjoyed by local retailers exists. We believe this pricing advantage will be eliminated completely in the near term as branded retailers penetrate the provinces. CityMall will be the venue for modern retail to thrive and once this transition is complete there will be a significant increase in demand and foot traffic in modern community malls, a segment the Company intends to dominate.

Other community mall developers could potentially be considered competitors to CityMall although none of the developers either existing or intending to go into the development of community malls have announced plans at a scale equal to that of the Company's plans. Since the Company has already secured 53 CityMall sites as of August 31, 2016, the Company has a headstart in securing prime locations and is best positioned to dominate this segment once construction in the various sites have been completed.

For the office segment, DD will compete with a vast majority of property players that are also invested in the office segment. The office segment is dependent on the continuous growth of the business process outsourcing (BPO) industry in the Philippines, which make up majority of the end users in this market. Economic downturns could potentially affect this sector, thus, in order to minimize risk, the Company has only developed office projects within the top five (5) prime locations for these types of developments.

The two office projects the Company is investing in are located in the Bay Area (DD Meridian Park) and in Ortigas CBD (Jollibee Tower). Both projects are expected to be turned over by 2018. The first phase of DD Meridian Park, DoubleDragon Plaza, consists of four office towers on top of a retail podium. DoubleDragon Plaza's direct competition would be Tower II & III of Filinvest Cyberzone Pasay as well as SM Three E-Com, which will also be coming online around the same time. The Company believes the location of DD Meridian Park is superior to those of its competitors because it is at the entrance of the Bay Area and closer to the transportation hub being at the corners of Roxas Boulevard, EDSA and Macapagal Avenue. Jollibee Tower on the other hand is in direct competition with Robinsons Cyberscape Gamma and Eton Sunrise, both of which are office developments in the Ortigas area to be turned over in the same year. Jollibee Tower is a joint-venture between the Company and JFC. The latter intends to become the anchor tenant of Jollibee Tower which will serve as JFC's headquarters once fully completed.

For the residential segment, DD competes on the basis of the location, amenities and pricing of its projects. Five of the Company's projects are in Iloilo City where DD introduced the first condominium project. After the impressive success of its maiden and first ever condominium project in Iloilo City which was sold out in just few months, other real estate developers like Ayala Land, Inc. and Megaworld Corp. also launched their respective mixed-use communities in the city. Ayala Land, Inc. is developing the 21-hectare Atria, which will include residential tower while Megaworld Corporation is developing a 72-hectare Iloilo business park, which will house three residential developments, namely, Lafayette Park Square, One Madison Place and The Palladium. Both Ayala Land, Inc. and Megaworld Corporation are PSE-listed real estate development companies.

To aid in its transition in becoming a ninety percent (90%) recurring revenue Company, DD has also embarked on interim projects. These include its first condominium project in Metro Manila-- the W.H. Taft Residences. The Project is located right beside De La Salle University in Taft Avenue. Although other developers also have projects in the same area, DoubleDragon distinguishes itself from their projects through its location, as W.H. Taft Residences is strategically located right beside the entrance gate of De La Salle University. The Company also invested in the unfinished The SkySuites Tower located on the corner of EDSA and Quezon Ave. in Quezon City. Majority of the units in this development were already previously sold which has allowed the Company to book profits from pre-sold units based on a percentage of completion method. The Company has already resumed construction of the project, which is slated for completion in 2018. This project differentiates itself as well because of its prime location within close proximity to the mass rail transit (MRT) station.

Breakdown of Revenues

Below is the Breakdown of the Company's Revenues.

	AUDITED			UNAUDITED
	For the year ended			For the six months ended
	2013	2014	2015	June 30, 2016
REVENUES				
Real estate sales	511,069,901	1,073,008,556	641,470,191	531,516,644
Unrealized gain from change in fair values of investment property	127,161,634	455,732,211	811,063,913	-
Sale of mall stall units	-	140,493,171	139,713,804	7,110,714
Interest income	18,867,956	30,644,040	120,857,833	25,056,634
Rent income	4,029,842	6,046,194	116,545,653	92,437,755

Others	806,514	4,577,884	99,283,545	49,709,415
	PhP661,935,847	PhP1,710,502,056	PhP1,928,934,939	PhP705,831,162

Majority of the revenues shown in the above table are still derived from interim and non-core projects that were undertaken for strategic reasons as DD transitions its business model into becoming a ninety percent (90%) recurring revenue company. The first eight (8) CityMalls only started operations in various months in 2015 and 2016. Currently, the operational CityMalls are achieving an average lease rate of 96.61%, below is the current breakdown of the leased rates on a per property basis as of August 31, 2016.

CityMall Location	Leased Rate	Opened
CM Arnaldo-Roxas	99.84%	March 27, 2015
CM Consolacion-Cebu	89.00%	May 28, 2015
CM Anabu-Imus	89.00%	August 12, 2015
CM Tetuan-Zamboanga	99.29%	September 30, 2015
CM Tagbak-Jaro	99.65%	October 10, 2015
CM Kalibo-Aklan	99.92%	April 25, 2016
CM Tiaong-Quezon	97.29%	May 7, 2016
CM Parola-Iloilo	99.85%	July 27, 2016

Distribution Methods

Marketing and Sales

The Company conducts advertising and promotional campaigns principally through its showrooms in Ortigas and Iloilo, print media, fliers and brochures designed specifically for each project's respective target markets. The Company has benefited on positive word-of-mouth from its customers i.e. through referrals from satisfied customers.

Marketing and promotional efforts of the Company are handled by its Marketing Department. Fliers, brochures and other marketing materials are prepared and provided by DoubleDragon's marketing department to requesting brokers or sub-agents.

DD also maintains its own dedicated sales department composed of a Sales Department Head assisted by eight (8) support staff, seven (7) Sales Executive Officers, five (5) for International Team and twenty five (25) for Digital Team. The Company's offerings are also distributed through 42 agents and 43 brokers accredited by DD. The sales agents are managed by the Sales Executive Officers while the brokers report to the head of the Sales Department. Both in-house and independent consultants/agents are compensated on a commission basis.

The Company pre-sells its projects. In pre-selling, sales are made before the project is completed but after the HLURB has issued the required permit to sell. Buyers pay a minimal sales reservation fee and, depending on the payment options chosen, a down payment is paid ranging from 10% - 50% of the unit price or the full contract price. While the Company offers purchases on installments, most of its clients prefer to secure bank financing in view of the low interest rates offered by these institutions.

Suppliers

The Company has a broad base of suppliers of materials and services and is not dependent on any one supplier.

There is no scarcity of the Company's raw materials and they are easily sourced in the market hence the Company is not, nor is it expected to be, dependent upon one or a limited number of suppliers for its essential raw materials or any other items. Contracts of the Company with its contractors or suppliers contain warranties for quality and requirements for timely completion. In the event of delay or poor quality of work, the contractor or supplier may be liable to pay the Company a penalty. The Company has not had any material disputes with any of its contractors or suppliers. The Company's principal raw materials are steel and cement which are readily available in the market from a number of sources. The Company uses a standard form fixed-price contract for both its general and specialty construction contractors. The contracts typically include the following key terms: a down payment of 10%-15% is required from the contractor and is usually obtained in the form of a performance bond; progressive billing occurs on a monthly basis; and a

10% retention and warranty provision for workmanship is included and is typically covered by a guarantee bond.

The following table lists the Company's suppliers and the products and services supplied to DD as of the date of this Prospectus.

Followings a table summarizing the Company's suppliers and the products and services supplied to DD as of the date of this Prospectus.

Supplier	Products/Services
Megawide Construction Corporation	Construction
EEI Corporation	Construction
Art Builders Construction and Management, Inc.	Construction
Bon Builders Corporation	Construction
Bueno Builders and Management Corporation	Construction
Rapid Steel Corporation	Construction
Monolith Construction & Development Corporation	Construction
Brickwall Construction Corp.	Construction
N1 Phil Builders Corp.	Construction
Sta. Elena Construction & Development Corporation	Piling Works
V.V Aldaba Inc	Electrical Works

Dependence on Certain Customers

The Company has a broad customer base and is not dependent on a single customer or few customers.

Transactions with and/or Dependence on Related Parties

The Company, in the normal course of business, enters into transactions with related companies primarily consisting of lease of properties and advances for real estate transactions, working capital requirements and other business-related purposes. Rental for leased properties are within market rates while there are no interest on advances. Related parties are able to settle their obligations in connection with transactions with the Company and the Company does not foresee risks or contingencies arising from these transactions. Additional information on related party transactions are in the Notes to the Audited Financial Statements of the Company attached hereto and incorporated herein by reference.

For information on Transactions with and/or Dependence on Related Parties, see the section "Certain Relationships and Related Transactions" on page 114 of this Prospectus.

Patents, Trademark, and Copyrights

The operations of the Company are not dependent on any copyright, patent, trademark, license, franchise, concession or royalty agreement.

Need for Government Approval of Principal Products or Services and Effect of Existing or Probable Governmental Regulations

Philippine land use laws regarding subdivisions and condominiums include zoning laws, which regulate land use; laws which specify standards and technical requirements for the development of subdivisions; and laws requiring licenses to be obtained before the sale of real estate property.

The municipal or city authority determines whether the plans of a proposed development comply with the applicable standards and conducts a preliminary inspection of the site. Local authorities are required to

monitor the progress of subdivision projects and to inspect projects following their completion to determine whether or not they comply with the approved plans.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some of the construction standards. Other subdivisions must comply with Presidential Decree No. 957, which sets out standards for lower density developments. Both types of subdivision must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electricity supply, lot sizes, the length of the housing blocks and house construction.

Under Presidential Decree No. 957, which covers subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes, the HLURB, together with local government units, has jurisdiction to regulate the real estate trade and business. All subdivision plans are required to be filed with and approved by the local government unit concerned, while condominium project plans are required to be filed with and approved by HLURB. Approval of such plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. Development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electricity supply, lot sizes and house construction.

Owners or dealers of real estate projects are required to obtain licenses to sell before making sales or other disposition of lots or real estate projects.

In general, developers of residential subdivisions are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("DENR"). This description sets out the background of the proposed project and identifies any significant environment risks and possible alternative sites. In environmentally critical projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment may be required and the developer will be required to obtain an Environmental Compliance Certificate ("ECC) to certify that the project will not cause an unacceptable environmental impact. The Company's core projects already have ECCs and respective business permits issued and the Company does not foresee any issues in continuing to secure these for the upcoming construction of the CityMalls that have not yet commenced. If the ECC is not secured, for any reason whatsoever, the subject project cannot begin construction and the relevant project timetable will have to be adjusted.

The Company routinely applies for the required governmental approvals for its projects. The Company is not aware of any pending legislation or governmental regulation that is expected to materially affect its business.

Development Permits

All plans for residential, commercial, industrial and other development projects are subject for approval by the pertinent local government unit in which the project is situated. The development of condominium projects can commence only after the local government unit has issued the development permit. Development Permits were issued to the Company for the following projects:

Project	Date Issued
Happy Homes*	February 8, 2012
The SkySuites Tower	April 20, 2015
DD Meridian Park	July 3, 2015

**Request to amend the project owners name to that of DD HappyHomes Residential Center Inc. is pending with HLURB.*

Certificates of Registration

All subdivision and condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Certificates of Registration were issued to the Company as follows:

Project	Date Issued
People's Condominium	22 May 2012
FirstHomes Subdivision	13 September 2010
The Uptown Place	10 December 2012
Injap Tower	08 August 2012
W.H. Taft Residences*	27 December 2012
The SkySuites Tower	30 September 2014
Happy Homes – Mandurriao	31 May 2012
Happy Homes – Tanauan	11 May 2016

**Request to amend the project owners name to that of the Company is pending with HLURB.*

Licenses to Sell

Lots and condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations. Licenses to Sell were issued to the Company as follows:

Project	Date Issued
People's Condominium	22 May 2012
FirstHomes Subdivision	13 September 2010
The Uptown Place	10 December 2012
Injap Tower	08 August 2012
W.H. Taft Residences*	27 December 2012
The SkySuites Tower	30 September 2014
Happy Homes – Mandurriao	31 May 2012
Happy Homes – Tanauan	11 May 2016

**Request to amend the project owners name to that of the Company is pending with HLURB.*

Other Major Permits

The following table presents the major permits for the other projects of the Company:

Project	Permit	Date Issued
1. DoubleDragon Plaza	Building Permit	July 23, 2015
	Environmental Compliance Certificate	January 6, 2016
2. Jollibee Tower	Building Permit	April 8, 2016
	Environmental Compliance Certificate	May 31, 2016
3. The Skysuites	Building Permit	April 20, 2015
	Environmental Compliance Certificate	May 4, 2016
4. Dragon 8 Mall	Certificate of Occupancy	March 20, 2015
5. W.H. Taft Residences	Certificate of Occupancy	September 11, 2015
6. CM Arnaldo, Roxas	Business Permit	January 28, 2016
7. CM Imus	Business Permit	January 31, 2016
	Environmental Compliance Certificate	July 21, 2015
8. CM Consolacion	Business Permit	March 21, 2016
	Environmental Compliance Certificate	February 20, 2015
9. CM Tagbak	Business Permit	January 21, 2016
	Environmental Compliance Certificate	March 17, 2015
10. CM Tetuan	Business Permit	March 3, 2016
11. CM Tiaong	Business Permit	August 3, 2016
	Environmental Compliance Certificate	August 3, 2015
12. CM Parola	Business Permit	July 27, 2016
	Certificate of Non-Covergae	December 10, 2015
13. CM Kalibo	Certificate of Occupancy	April 20, 2016
	Environmental Compliance Certificate	May 25, 2015
14. CM Dau	Building Permit	April 21, 2015
	Environmental Compliance Certificate	June 15, 2015
15. CM Bacalso	Building Permit	January 21, 2016

	Environmental Compliance Certificate	April 13, 2015
16. CM Roxas Avenue	Building Permit	June 10, 2015
	Environmental Compliance Certificate	April 22, 2015
17. CM Tarlac MacArthur	Building Permit	November 17, 2015
	Environmental Compliance Certificate	October 21, 2015
18. CM Victorias	Building Permit	November 20, 2015
	Environmental Compliance Certificate	April 11, 2016
19. CM Dumaguete	Building Permit	October 30, 2015
	Environmental Compliance Certificate	May 24, 2016
20. CM Mandalagan	Building Permit	July 22, 2015
	Environmental Compliance Certificate	July 13, 2015
21. CM Goldenfields	Building Permit	July 22, 2015
	Environmental Compliance Certificate	July 13, 2015
22. CM Pavia	Environmental Compliance Certificate	April 25, 2016
23. CM Passi	Certificate of Non-Coverage	October 9, 2015
24. CM Cotabato	Building Permit	November 4, 2015
	Environmental Compliance Certificate	August 10, 2016
25. CM SCTEX	Building Permit	March 16, 2016
	Environmental Compliance Certificate	October 22, 2015
26. CM Tagum	Building Permit	February 10, 2016
	Environmental Compliance Certificate	May 16, 2016
27. CM San Carlos	Building Permit	February 1, 2016
	Certificate of Non-Coverage	October 12, 2015
28. CM Boracay	Building Permit	March 30, 2015
	Certificate of Non-Coverage	April 18, 2016
29. CM Koronadal	Building Permit	February 9, 2016
	Environmental Compliance Certificate	March 18, 2016
30. CM Iponan	Building Permit	May 5, 2016
	Environmental Compliance Certificate	March 14, 2016
31. CM Bulua	Building Permit	April 22, 2016
	Environmental Compliance Certificate	March 14, 2016
32. CM Kabankalan	Building Permit	February 5, 2016
	Environmental Compliance Certificate	March 28, 2016
33. CM Ozamiz	Building Permit	June 8, 2016
34. CM Calapan	Building Permit	July 26, 2016

Research and Development

Expenses incurred for research and development activities are minimal and do not amount to a significant percentage of revenues.

Cost and Effect of Compliance with Environmental Laws

Expenses incurred by the Company for purposes of complying with environmental laws consist primarily of payments for government regulatory fees that are standard in the industry and are minimal.

Material Contracts

The Company's principal contracts generally consist of construction contracts for its projects, the contract for the lease of its office space and the contracts to buy and sell/deeds of absolute sale of lots and the condominium units. Other than these, the Company is not a party to any contract of any material importance and outside the usual course of business, and the Directors do not know of any such contract involving the Company.

Construction & Supply Contracts

Majority of the Company's contracts are for the development and construction of its projects. These construction contracts may be classified into three (3), namely: (a) the construction management contract, (b) architecture, design, landscaping and similar contracts; and (c) the construction and supply contracts. The construction and supply contracts consist of several construction and supply contracts corresponding to the different phases, stages or components of the development and construction of the projects.

The Company appoints a general contractor for general construction works. Under agreements signed by the Company, the general contractor and the specialty contractors, the general contractor has direct charge,

supervision and control over the specialty contractor's works in consideration for an attendance fee equivalent to a fixed percentage of the contract price of the specialty contractor.

Contracts relating to the Company's Interim Projects

W.H. Taft Residences

On September 7, 2012, the Company entered into a Memorandum of Agreement with Philtown for the Company's purchase of the latter's then unfinished project beside the De La Salle University in Taft Avenue Manila, W.H. Taft Residences. Pursuant to the Agreement, the Company acquired the W.H. Taft Residences project for PhP168,337,681.33. Upon takeover of the property, the Company also assumed all of Philtown's rights and obligations relative to the purchasers of the W.H. Taft Residences units.

On November 5, 2012, the Company also entered into a Deed of Conveyance for the purchase of the 1,193.4 sqm real property where the W.H. Taft Residences is being constructed for a total purchase price of approximately PhP100.0 Million.

Dragon8 Mall

On May 2, 2014, the Company entered into a Memorandum of Agreement with Menlo Capital Corporation ("Menlo"), Diamond Divisoria Shopping Center, Inc. ("Diamond"), Benisons Shopping Center, Inc. ("Benisons"), Macrogen Realty Corporation ("Macrogen"), and Benjamin M. Bitanga ("Bitanga"), for the purchase of a parcel of land located in C.M. Recto cor. Dagupan St., Manila, consisting of 5,972 square meters together with the improvement thereon known as Benisons Shopping Center. The purchase price for the land and improvement is PhP760,049,587.50.

The land described above is the subject of a Compromise Agreement between Menlo and Equitable Development Corporation ("EDC"). Pursuant to a Deed of Assignment executed by Menlo in favor of DD on June 16, 2014, Menlo absolutely and irrevocably assigned its right to purchase the parcel of land under the Compromise Agreement entered into by Menlo and EDC and approved by the RTC Branch 22. In relation thereto, the amount of PhP272,700,000.00 out of the purchase price was paid by DD to EDC, representing Menlo's monetary obligation to EDC under the Compromise Agreement.

On July 14, 2015, the title covering the parcel of land has been transferred in the name of DD.

Other Joint Ventures & Contracts

Piccadilly Circus Landing Inc.

The Company entered into an Investment and Shareholders Agreement with the Aryanna Group of Investments Inc. ("Aryanna"), the owner and developer of the Umbria Commercial Center, on May 7, 2013. Under the agreement, the individual shareholders agreed to consolidate their ownership in Piccadilly thru Aryanna and the Company agreed to invest a total of PhP100,000,000.00 into Piccadilly for 50% of the issued and outstanding capital stock of Piccadilly. As of date, Piccadilly is 50% owned by the Company and 50% owned by Aryanna.

Jollibee Food Corporation

On August 26, 2015, the Company signed a joint venture agreement with JFC to develop a 40-storey commercial and office tower on a three thousand and two (3,002) square meter prime commercial lot owned by the latter located at the corner of F. Ortigas Jr. Road (formerly Emerald Avenue) and Garnet Road at the heart of the Ortigas Central Business District in Metro Manila.

Under the agreement, JFC will contribute the land for the project in exchange for fifteen percent (15%) of the project's resulting leasable floor area while the Company will act as the developer of the project in exchange for eighty-five percent (85%) of the projects resulting leasable floor area. In addition to the floor area received by JFC, they will be leasing additional office space directly from the Company to accommodate their corporate office requirements.

DD HappyHomes Residential Centers Inc.

The Company signed an Investment and Shareholders Agreement with DDHH (previously named Zion Land) on May 23, 2014 for a 70% stake in the latter, which was owned by the Du family who started the business in 2005. DDHH will be the Company's vehicle for horizontal residential projects in the Visayas area and will complement DD's project portfolio of providing affordable horizontal primary residential development in the provinces.

DD-Meridian Park Development Corp.

On June 2, 2014, the Company signed a Memorandum of Agreement to develop the Meridian Park in Macapagal Avenue, Pasay City. The project is envisioned to become a themed complex of buildings for BPOs/Corporate offices, commercial complex and serviced apartments. The joint venture agreement forming DD-Meridian Park Development Corp. was signed.

Iloilo-Guimaras Ferry Terminal

The Company entered into a joint venture agreement with the City Government of Iloilo on October 1, 2012 for the construction, development and operation of the Iloilo-Guimaras Ferry Terminal. The Iloilo-Guimaras Ferry Terminal will be the Company's first venture into government infrastructure project. The contract is valid for a period of 25 years counted from the first day of commercial operations and renewable for another 25 years.

SM Investments Corporation

The Company and SMIC signed an Investment and Shareholders Agreement on February 17, 2014 whereby SMIC obtained 34% ownership of CM. Under the agreement, both parties committed to making further investments, in proportion to their respective shareholdings, into CM, in order to finance and support the roll out of the CityMalls.

Prime DDG Commercial Centers Inc.

CM signed an Investment and Shareholders Agreement with Galleria Zamboanga Inc. ("GZI") on April 14, 2014 for the construction of two CityMall community malls in different prime locations in Zamboanga City. Pursuant to the agreement, CM and GZI will form a joint venture company, Prime DDG Commercial Centers Inc., which will serve as their corporate vehicle for the ownership of the CityMalls in Zamboanga City. GZI will contribute properties in Tetuan and Guiwan, Zamboanga with lot sizes of 1 and 1.4 hectares, respectively. CM will own 70% of Prime DDG while GZI will own the remaining 30%. Moreover, CM will manage Prime DDG.

CM-Goldenfields Bacolod Inc.

On December 10, 2014, CM signed a Joint Venture Agreement with Los Amigos Development Corporation for the construction of its first CityMall in Bacolod City. The community mall will sit on a 1-hectare lot in Barangay Singcang-Airport, Bacolod City. CM and Los Amigos Development Corporation formed CM Goldenfields Bacolod Inc. to serve as the corporate vehicle for the ownership and management of the community mall. CM-Goldenfields Bacolod Inc. is 70% owned by CM and 30% owned by Los Amigos Development Corporation and will be managed CM.

CM-Mandalagan Bacolod Inc.

CM and Bacolod Golden Harvest Realty and Development Corporation signed a Joint Venture Agreement on December 23, 2014 for the construction of the second CityMall in Bacolod City to be located on a 1-hectare prime corner commercial lot in Lacson Street in Mandalagan, Bacolod City. CM-Mandalagan Bacolod Inc. which is 70% owned by CM and 30% owned by the Golden Harvest Realty and Development Corporation will serve as the corporate vehicle for the ownership of the CityMall. CM will manage CM-Mandalagan Bacolod Inc.

CM-Tarlac Macarthur Inc.

CM also signed a Joint Venture Agreement with Daythree Realty Corporation for the construction of a CityMall on a prime 2-hectare lot along MacArthur Highway, Brgy. San Rafael, Tarlac City, Tarlac. CM-Tarlac Macarthur Inc. will be the corporate vehicle for the ownership of the community mall. It is 70% owned by CM and 30% owned by Daythree Realty Corporation and will be managed by CM. The agreement was signed on March 18, 2015 and CM-Tarlac Macarthur Inc. is currently in the process of acquiring said lot.

CM-Danao Cebu Inc.

CM-Danao Cebu Inc. was formed through a Joint Venture Agreement between CM and Brickwall Construction and Development Corporation signed on May 28, 2015 for the purpose of constructing a CityMall in Danao City, Cebu. CM-Danao Cebu Inc. is 70% owned by CM and 30% by Brickwall Construction and Development Inc.

CM-Dipolog Zamboanga Inc.

On September 8, 2015, CM also partnered with Stratton Oakmont Inc. to construct a CityMall in a 1.3-hectare lot in Dipolog City. CM Dipolog Zamboanga Inc. shall be the corporate vehicle for the ownership of the community mall. It is 70% owned by CM and 30% owned by Stratton Oakmont Inc.

Acquisitions

As part of CM's plan to roll out 100 CityMalls across the country by 2020, CM has acquired properties in thirty (30) prime locations. As of September 6, 2016, below are the land acquisitions made by CM for the construction of CityMalls:

Site*	Area (in sqm)	Date of Execution
CM Dagupan	12,817	21-Apr-15
CM Kalibo	14,711	Sep-14
CM Consolacion-Cebu	10,251	22-May-14
CM Cotabato	15,000	8-Sep-14
CM Sta Rosa Nueva Ecija	12,104	12-May-15
CM Victorias Negros	13,734	22-May-15
CM San Carlos Negros	7,978	28-Jul-15
CM Bulua, CDO	11,464	23-Jul-15
CM Koronadal Cotabato	10,000	6-Jul-15
CM Iponan, CDO	11,957	28-Jul-15
CM Isulan, Sultan Kudarat	9,247	11-Sep-15
CM Calamba, Laguna	10,309	13-Oct-15
CM Pagadian, Zamboanga del Sur	23,317	14-Oct-15
CM Surigao**	10,505	22-Sep-15
CM Calapan, Oriental Mindoro	7,159	12-Oct-15
CM Antique	15,298	21-Sep-15
CM Mananabay, Ozamiz**	22,262	22-Sep-15
CM Lam an, Ozamiz	6,023	11-Dec-15
CM San Enrique	13,991	03-Dec-15
CM Baler, Aurora	4,723	15-Feb-16
CM Ormoc, Leyte	20,732	7-Mar-16
CM Sorsogon	5,868	29-Apr-16
CM San Carlos, Pangasinan	6,597	7-Mar-16
CM Palo, Leyte	20,000	n/a
CM Cadiz City, Negros Occidental	10,142	13-May-16
CM Tuguegarao	16,525	1-Jun-16
CM General Trias	19,659	22-Jun-16
CM Tagbilaran, Bohol	7,583	12-Jul-16
CM Bongabon, Nueva Ecija	10,424	Jul 2016
CM Aparri, Cagayan	6,992	01-Aug-16
CM Los Banos, Laguna	24,273	02-Sept-16

*Except for CM Dagupan, CM Consolacion, CM Cotabato and CM Isulan with titles registered in the name of CM, transfers of titles over the other CM sites in the name of CM are currently pending

**The reclassification of CM Cadiz, CM Calamba, CM Iponan, CM CDO, CM Kalibo, CM Koronadal, CM Surigao, CM Tagbilaran, and CM Mananabay-Ozamiz to commercial is still pending. However,

the relevant local governments units have issued Zoning Certificates certifying that the locations are already classified as commercial.

Contracts of Lease

The Company leases its office space consisting of 1,391.56 square meters located at the 16th Floor, 6750 Ayala Avenue, Makati City. The contract of lease was executed on October 2, 2012 and shall be effective for a period of five (5) years commencing on October 1, 2012 and ending on September 30, 2017.

The Company also sub-leases office spaces, to be used as showrooms and office spaces. These are: (i) a 214.76 square meter space located at the ground floor of Jollibee Plaza Condominium, F. Ortigas Road, Ortigas Center, Pasig City, effective for a period of five (5) years commencing on October 1, 2012 and ending on September 30, 2017; and (ii) a 163 square meter space located at Injap Building, Delgado cor. Fuentes Street, Iloilo City, effective for a period of three (3) years commencing on June 1, 2015 and ending on May 31, 2018.

CM leases various properties for the construction of CityMall sites. Lease terms for the CityMall sites range from 23-40 years. As of 31 August 2016, below is the summary of the properties leased by CM:

	Location	Lot Area (in sqm)	Expiry Date	Renewal Terms
1	CM Passi-Iloilo	8,588	After 30 years commencing from Delivery Date*	The term of this contract may be extended through mutual agreement of the Parties
2	CM Dumaguete	14,182	31-Dec-46	On the 26th year of the lease term, Lessor and Lessee shall start negotiating the extension of lease term; failure to mutually agree on the extension of the lease term after one (1) year, lease term shall be deemed not to have been extended and shall expire on expiry date
3	CM Ungka, Pavia-Iloilo	15,000	31-Aug-41	Before the start of the 23rd year, Parties shall endeavor to execute a lease contract over the property extending the lease term.
4	CM Tagum	19,384	After 30 years commencing from Lesese's commercial operation**	Lessee shall submit written notice at least one (1) year before the expiration of lease term
5	CM Roxas-Arnaldo	10,000	31-Mar-40	at least 60 days prior to termination of lease term; if no agreement within 30 days, offer to renew deemed not accepted; no automatic renewal
6	CM Imus Cavite	20,943	22-Jun-40	Not specified
7	CM Tagbak Jaro-Iloilo	5,500	30-Jun-40	Before the start of the 23rd year, Parties shall endeavor to execute a lease contract over the property extending the lease term.
8	CM Bacalso-Cebu	11,000	15-Jun-44	Not specified
9	CM Boracay	10,000	08-Oct-40	Lease is renewable for another 25 years at the option of the lessee, and under such terms and conditions as may be acceptable to both lessor and lessee
10	CM Dau-Pampanga	5,181	02-Nov-44	Not specified
11	CM Tiaong-Quezon	8,000	30-Sep-40	Not specified
12	CM SCTEX-Tarlac	17,453	11-Dec-38	Notice to continue the sub-lease should be made One (1) year prior to the end of this term for negotiations on renewal, by mutual agreement of Parties
13	CM Parola-Iloilo	12,734	After 25 years commencing from Lesese's commercial operation***	The term of this contract may be extended through mutual agreement of the Parties
14	CM Kabankalan	15,000	31-Dec-56	The term of this contract may be extended or renewed subject through mutual agreement of the Parties

Contract to Buy and Sell

The Company has several contracts to buy and sell with the buyers of its lots and condominium units.

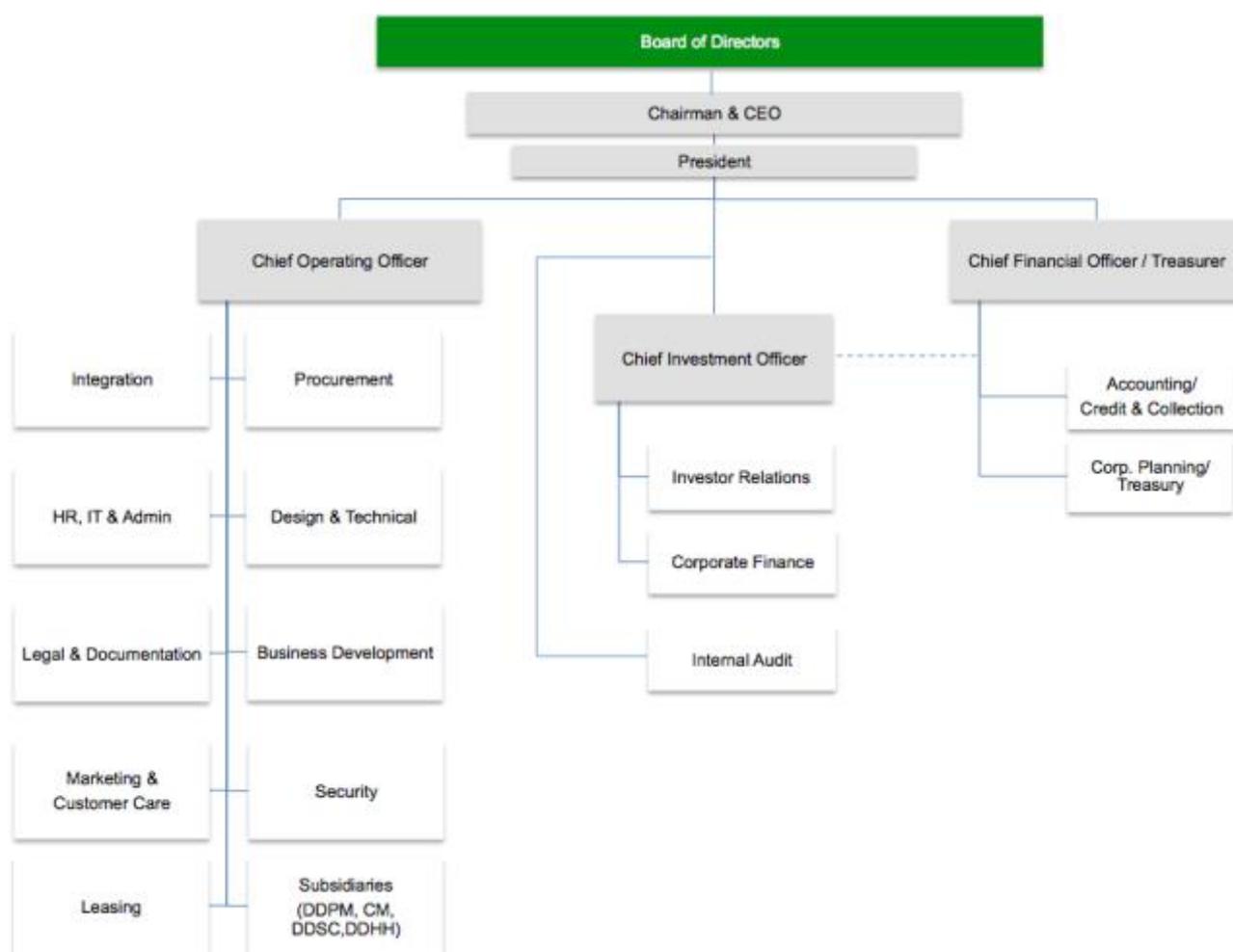
The Contract to Buy and Sell sets forth the rights and obligations of the parties in relation to the purchase of the units. Once a buyer has paid the total contract price, a Deed of Absolute Sale will be executed to transfer ownership of the units to its buyers.

Insurance Contracts

All the projects of the Company are adequately covered by necessary insurances. The Company has appointed Marsh Philippines, Inc. as its insurance broker of record. Marsh is a leading global risk advisory and insurance brokerage firm.

Organizational Structure

The following diagram presents the organizational structure of the Company:



Employees

As of August 31, 2016, the Company has one hundred sixty-one (161) direct employees. Out of these, a total of one hundred twenty (133) are regular employees twenty-six (26) are probationary employees and two (2) are fixed term employees. The Company has four subsidiaries that also directly employ people. Please see the table below for a complete list of employees employed by the Company and its subsidiaries:

Company Name	Total Employees	Regular Employees	Probationary Employees	Fixed Term Employees
DD	161	133	26	2
DDPMC	55	34	21	

CM	31	19	12	
DDSC	8	5	3	
DDHH	10	8	2	
DoubleDragon & Subs	265	199	64	2

The Company has no collective bargaining agreements with its employees due to the absence of organized labor organizations in the Company. Aside from complying with the minimum compensation standards mandated by law, the Company makes available to qualified personnel supplemental benefits such as health insurance, car plans, and bonuses. An employee stock option plan for selected heads was also recently implemented. The Company intends to hire twenty six (26) additional employees in the next 4 months (End of 2016).

The following table presents the breakdown of employees per department or subsidiary:

Department / Subsidiary	Total Employees	Regular Employees	Probationary Employees	Fixed Term Employees
Executive Committee	4	4		
Accounting / Credit & Collection (Finance)	39	31	8	
Admin	19	16	3	
Business Development	2	2	0	
Corporate Planning / Treasury	10	9	1	
Corporate Services	1	1		
Customer Care	2	2		
Design	7	6	1	
Documentation	6	4	2	
Human Resources	6	6		
Internal Audit	1	1		
Investor Relation	1	1		
IT	3	3		
Leasing	10	7	3	
Legal	9	8	1	
Marketing	13	9	4	
Procurement	5	4	1	
Security	3	1	2	
Technical	17	15		2
GM- DDPMC	1	1		
GM - DDHH	1	1		
Head - DDSC	1	1		
DDPMC	55	34	21	
CM	31	19	12	
DDSC	8	5	3	
DDHH	10	8	2	
Total	265	199	64	2

The Company plans to hire the following number of employees:

Department	Number of Employees
Human Resources	2
Finance	8
Legal	1

Technical	9
Leasing	1
Property Management	19
Administration & Logistics	11
Marketing	15
Procurement	1
Documentation & Control	1
Sales	3
Total	71

The following paragraphs discuss the various departments within the Company's organization.

Accounting and Credit and Collection

The Accounting Department is responsible for the Company's financial reporting and tax compliance. This department takes care of day-to-day recording of financial transactions. The Credit and Collection Department, on the other hand, is tasked to ensure timely collection of buyers' payments and facilitation of buyers' bank and in-house financing availments.

Administration

The Administration Department is responsible for the day-to-day administrative tasks of the Company. It provides administrative and liaison support to different departments in the Company.

Business Development

The Business Development Department is in charge of proactively searching and screening real properties for future expansion of the Company.

Corporate Planning & Treasury

The Corporate Planning Department is responsible for performing financial due diligence on prospective acquisitions, conducting financial planning for new projects and monitoring compliance with financial budget on a per project basis. The Treasury Department, on the other hand, is responsible for the Company's cash management, ensuring that cash requirements are met and receipts and disbursements are appropriately processed and recorded.

Corporate Services

The Corporate Services department is designed to support departments and business areas in what they do and to increase organizational capability. It is also responsible for leading coordination of business areas, ensuring that people, processes and resources are fit-for-purpose ad hoc projects to support the organization as a whole.

Customer Care

The Customer Care Department attends to post sales queries of buyers as well as inquiries from prospective buyers thereby providing utmost buyer satisfaction. This department is responsible for providing construction updates of the projects to its buyers.

Design

The Design Department is responsible in overseeing that the architectural design and finishing specifications of all new and existing projects are properly followed. This department also oversees project planning, site inspections, bidding, pre-construction, implementation and turn-over of DoubleDragon projects.

Documentation

The Documentation Department ensures the completeness of documentary requirements once sales are closed including buyer's information sheet, reservation agreement, and contract to sell. This department is also in charge of monitoring project sales and inventory.

Human Resources

The Human Resource Department is in charge of the Company's recruitment process, from the initial screening up to hiring and being an employee of the Company. This department is also in charge of performance management of employee, as well as records management and employee relations.

Internal Audit

The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. This department reports directly to the President.

Investor Relations

The Investor Relations Department is responsible for providing the stakeholders of the Company with timely and relevant information such as price sensitive information, historical and future prospects, and transparency. It is also responsible for managing the relationship of the Company with its current and potential investors.

IT

The IT Department is responsible for maintaining the Company's servers and ensures functionality of the Company's equipment including desktop computers, laptops and printers. It also oversees all technology-related projects including new programs rolled out in the CityMalls such as but not limited to the "Time In" promotion.

Leasing

The Leasing department handles all of the leasing activities needed in the various investment properties of the Company that are primarily held for lease. These include but are not limited to CityMall, DoubleDragon Plaza, Dragon8 Mall and designated leasable commercial and retail spaces in the other projects of the Company, which include The SkySuites Tower, W.H. Taft Residences, and The Uptown Place.

Legal

The Legal Department is in charge of the Company's legal affairs, including defending the Company in case of litigation, the processing of permits and licenses, coordinating with the Company's subsidiaries and affiliates regarding legal matters, custody of the Company's important documents, conducting legal due diligence on new projects and acquisitions and corporate housekeeping.

Marketing

The Marketing Department is in charge of all the marketing related activities of the Company. This department is in-charge of promotional campaign events and activities including print and media advertisements such as magazines, billboards, company websites and social media sites.

Procurement

The Procurement Department is the office responsible for the acquisition of supplies, services, and construction contracts in support of the various projects and the general requirement of the Company.

Security

The Security Department oversees the security of the projects of the Company in various locations. They analyze the security requirements of each site and are responsible for contracting and deploying the required security services from the accredited outsourced service providers of the Company.

Technical

The Technical Department is responsible in overseeing that the engineering design and specifications of all new and existing projects are properly followed. This department also oversees project planning, site inspections, bidding, pre-construction, implementation and turn-over of the Company's projects.

Significant Employees

No single person is expected to make a significant contribution to the business since the Company considers the collective efforts of all its employees as instrumental to the success of the Company.

Family Relationships

Mr. Edgar J. Sia II, Mr. Ferdinand J. Sia, and Ms. Rizza Marie Joy J. Sia are siblings. Likewise, Mr. Tony Tan Caktiong, Mr. William Tan Untiong, Mr. Joseph Tanbuntiong and Mr. Ernesto Tanmantiong are siblings. Aside from the ones disclosed none of the directors or executive officers of the Company are related.

Description of Property

As of August 31, 2016, the Company owns several parcels of land and properties as described below. Except as otherwise disclosed, said properties are not subject to any lien or encumbrance of any kind.

Investment Properties

The Company's investment properties comprise of projects that generate revenues through leasing to third parties. The locations and descriptions of these properties are shown below:

Project Name	Location	Ownership
CityMall	Arnaldo Avenue, Roxas City	100% directly owner (Land) 66% owned through CM (Structure)
CityMall	Consolacion, Cebu City	Owned Property, 66% owned through CM (Land and Structure)
CityMall	Anabu, Imus, Cavite	Leased Property; Structure 100% owned through CM
CityMall	Tetuan, Zamboanga City	Owned Property, 46.2% effective ownership (70% owned by CM through Prime DDG Commercial Centers Inc.)
CityMall	Tagbak, Jaro Iloilo	Leased Property; Structure 100% owned through CM
CityMall	Kalibo, Aklan	Owned Property, 66% owned through CM (Land and Structure)
CityMall	Tiaong, Quezon	Leased Property; Structure 100% owned through CM
CityMall	Parola, Iloilo	Leased Property; Structure 100% owned through CM
DD Meridian Park*	Corners Roxas Blvd., EDSA and Macapagal Avenue, Pasay City	Owned Property, 70% through DDMP (project still under development)
Jollibee Tower	Corner EDSA Quezon Ave, Quezon City	85% of GFA owned through JVA (project still under development)
Dragon8 Mall**	C.M. Recto and Dagupan Sts., Manila	Owned Property, 100% directly owned
The SkySuites Tower (Commercial Units)	Corner EDSA Quezon Ave, Quezon City	Owned Property, 100% directly owned (project still under development)
W.H. Taft (Commercial Units)	Taft Avenue, Manila	Owned Property, 100% directly owned
Injap Tower (Commercial Units)	Iloilo City	Owned Property, 100% directly owned
The Uptown Place (Commercial Units)	Iloilo City	Owned Property, 100% directly owned
Umbria Commercial Center	Binan, Laguna	Owned Property, 50% owned through Picadilly Circus Landing Inc. (project still under development)

*With Notice of Lis Pendens entered on December 15, 2014 in relation to a case for declaration of nullity of documents and titles pending before the Regional Trial Court of Pasay City, Branch 16.

**Notice of Lis Pendens entered on November 25, 2010 in relation to case for the recovery of possession of the lot and improvements (which has been dismissed with finality) for cancellation.

The Company and its subsidiaries' investment property are stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser. The fair values of the investment property were arrived at using the market data approach for land and cost or income approach for buildings.

CityMall (Properties Under Development)

In line with the Company's plan to develop one hundred (100) CityMalls across the Philippines, eight (8) of which are already operational as of the date of this Prospectus, the Company is currently in the process of identifying locations suitable for the CityMall sites with focus on the Visayas and Mindanao regions. Upon satisfactory assessment and due diligence of the identified sites, the Company will enter into negotiations to secure these prime properties. The Company has three (3) methods of securing properties:

- Direct Acquisition: 100% ownership over the property through subsidiary CM
- Joint Venture: 70% ownership over the property through subsidiary CM; 30% ownership retained by the landowner
- Long Term Lease: Minimum of twenty-six (26) years

Of the one hundred (100) CityMalls the Company envisions to develop over the next five (5) years, the Company intends to secure at least seventy (70) CityMalls through direct acquisition while the balance of thirty (30) CityMalls will be a combination of joint venture or long-term lease.

The preference of the Company would be to directly acquire properties for CityMall in order to benefit from property appreciation in the city centers of provincial cities. Another method of securing properties is through the joint venture method will still allow the Company to benefit from property appreciation by still owning at least seventy percent (70%) of the joint venture company that owns the Landsite. However, in cases where the property location is extremely compelling for the development of a CityMall, and there is no opportunity for a direct acquisition or a joint venture with the landowner, then the Company will negotiate a long-term lease, with a minimum of twenty-six (26) year tenor with the landowner. Long-term leases include provisions such as but not limited to the Company receiving the right of first refusal over the future sale of the property, which will allow the Company to potentially directly acquire the property at a later date.

As of September 6, 2016, the Company has secured fifty-three (53) sites through the above-mentioned methods. These sites are located across provincial cities of the Philippines and have an aggregate area of over sixty-four (64) hectares. The average size of a CityMall site is 1.2 hectares of land.

Direct Acquisition

At present, the Company has acquired the following properties for the development of CityMalls:

	Location*	Lot Area (in sqm)	Liens**
1	CM Dagupan	12,817	None
2	CM Kalibo	14,711	Estate Lien (Date of Entry: 22 June 2015)
3	CM Consolacion-Cebu	10,251	None
4	CM Cotabato	15,000	None
5	CM Sta. Rosa-NE	12,104	Estate Lien (Date of Entry: 4 May 2015)
6	CM Victorias-Negros	13,734	Estate Lien (Date of Entry: 15 August 2012)
7	CM San Carlos-Negros	7,978	Estate Lien (Date of Instrument: 23 September 2014 and 18 May 2015)
8	CM Koronadal-Cotabato	10,000	Estate Lien (Date of Instrument: 17 February 2011)
9	CM Bulua-CDO	11,464	Real Estate Mortgage securing a loan of PhP100M
10	CM Iponan-CDO	11,957	Estate Lien (Date of Entry: 21 July 2015) Affidavit of Adverse Claim (Date of Entry: 10 February 1999)
11	CM Isulan	9,247	None
12	CM Surigao	10,505	Real Estate Mortgage securing a loan of PhP5M
13	CM Mananabay-Ozamis	22,262	None
14	CM Antique	15,298	None
15	CM Calapan	7,159	None
16	CM Pagadian	23,317	None
17	CM Calamba	10,309	Deed of Sale requiring Vendee to comply with the terms of the milling contract (Date of Entry: 25 May 1998)
18	CM Ozamis-Lam-An	6,023	None
19	CM San Enrique	13,991	None
20	CM Baler, Aurora	4,723	None
21	CM Ormoc, Leyte	20,732	None
22	CM Sorsogon	5,868	None
23	CM San Carlos, Pangasinan	6,597	None
24	CM Palo, Leyte	20,000	None
25	CM Cadiz City, Negros Occidental	10,142	None
26	CM Tuguegarao	16,525	None
27	CM General Trias	19,659	None
28	CM Tagbilaran, Bohol	7,583	Estate Lien (Date of Entry: 5 August 2003)
29	CM Bongabon, Nueva Ecija	10,424	None
30	CM Aparri, Cagayan	6,992	Estate Lien
31	CM Los Banos, Laguna	24,273	None

*Except for CM Dagupan, CM Consolacion, CM Cotabato and CM Isulan with titles registered in the name of CM, transfers of titles over the other CM sites in the name of CM are currently pending.

****Estate Lien refers to the liabilities under Section 4, Rule 74 of the Rules of Court whereby creditors, heirs and other persons unlawfully deprived of participation in the estate of the deceased are given a period of two (2) years within which to assert their claim against the estate.**

Joint Venture

The Company has also entered into Joint Venture Agreements with various landowners for the development of CityMalls in their respective properties. All Joint Venture Agreements have standard terms and result in the formation of a subsidiary which will proceed to own the property. CM will own seventy percent (70%) of the joint venture company in exchange for the development of the CityMall while the original landowner will retain thirty percent (30%) ownership in the joint venture company in exchange for the value of the land infused. The CityMall locations that are currently being developed under the joint venture structure are as follows:

	Location	Lot Area (in sqm)
1	CM Mandalagan-Bacolod	10,000
2	CM Goldenfields-Bacolod	10,940
3	CM Tetuan-Zamboanga*	10,000
4	CM Guiwan-Zamboanga	14,000
5	CM Macarthur-Tarlac	20,000
6	CM Roxas Avenue	4,680
7	CM Danao-Cebu**	5,700
8	CM Dipolog-Zamboanga	8,222

*TCT for this has recently been subdivided to carve out the CM portion.

**The land subject of the CM Danao-Cebu is being leased by Brickwall Construction and Development Corporation based on a Contract of Lease dated November 18, 2014.

Long Term Lease

The Company, through CM, also leases various properties for the development of CityMalls. The leases have a tenor of twenty-six (26) years or more. The locations and areas of the said leased properties are as follows:

	Location	Lot Area (in sqm)	Expiry Date	Renewal Terms
1	CM Passi-Iloilo	8,588	April 10, 2045	The term of this contract may be extended through mutual agreement of the Parties
2	CM Dumaguete*	14,182	December 31, 2046	On the 26th year of the lease term, Lessor and Lessee shall start negotiating the extension of lease term; failure to mutually agree on the extension of the lease term after one (1) year, lease term shall be deemed not to have been extended and shall expire on expiry date
3	CM Ungka, Pavia-Iloilo	15,000	August 31, 2041	Before the start of the 23rd year, Parties shall endeavor to execute a lease contract over the property extending the lease term.
4	CM Tagum	19,384	After 30 years commencing from Lesese's commercial operations (CM Tagum has not commenced commercial operations)	Lessee shall submit written notice at least one (1) year before the expiration of lease term
5	CM Roxas-Arnaldo	10,000	March 31, 2040	at least 60 days prior to termination of lease term; if no agreement within 30 days, offer to renew deemed not accepted; no automatic renewal
6	CM Imus Cavite	20,943	June 22, 2040	The term of this contract may be extended through mutual agreement of the Parties
7	CM Tagbak Jaro-Iloilo**	5,500	June 30, 2040	Before the start of the 23rd year, Parties shall endeavor to execute a lease contract over the property extending the lease term.
8	CM Bacalso-Cebu	11,000	June 15, 2044	The term of this contract may be extended through mutual agreement of the Parties
9	CM Boracay	10,000	October 8, 2040	Lease is renewable for another 25 years at the option of the lessee, and under such terms and conditions as may be acceptable to both lessor and lessee
10	CM Dau-Pampanga	5,181	November 2, 2044	The term of this contract may be extended through

				mutual agreement of the Parties
11	CM Tiaong-Quezon	8,000	Septemebr 30, 2040	The term of this contract may be extended through mutual agreement of the Parties
12	CM SCTEX-Tarlac	17,453	December 11, 2038	Notice to continue the sub-lease should be made One (1) year prior to the end of this term for negotiations on renewal, by mutual agreement of Parties
13	CM Parola-Iloilo	12,734	July 7, 2041	The term of this contract may be extended through mutual agreement of the Parties
14	CM Kabankalan	15,000	December 31, 2056	The term of this contract may be extended or renewed subject through mutual agreement of the Parties

**Reclassification of the land to residential is still pendng.*

***The lessor for this property, Iloilo Commercial Development Corporation, is in the process of securing the TCT of the lot in its name.*

Other Leases

The Company leases its office space from Ayala Land Inc. consisting of 1,392 square meters located at the 16th Floor, 6750 Ayala Avenue, Makati City. The contract also includes the lease of thirty (30) executive parking spaces.

The Company also sub-leases office spaces, to be used as showrooms and office spaces. These are: (i) a 214.76 square meter space located at the ground floor of Jollibee Plaza Condominium, F. Ortigas Road, Ortigas Center, Pasig City, effective for a period of five (5) years commencing on October 1, 2012 and ending on September 31, 2017; and (ii) a 163 square meter space located at Injap Building, Delgado cor. Fuentes Street, Iloilo City, effective for a period of three (3) years commencing on June 1, 2012 and ending on May 31, 2015.

The Company also leases an office space from Injap Investments to be used as a showroom/office space consisting of 163 square meters located at Injap Building, Delgado cor. Fuentes Street, Iloilo City.

Residential Developments (held for sale)

Project Name	Location	Units In Inventory
The SkySuites Tower* (Residential Units)	Corner EDSA Quezon Ave, Quezon City	501
W.H. Taft (Residential Units)	Taft Avenue, Manila	75
The Uptown Place (Residential Units)	Iloilo City	59
First Homes	Iloilo City	13
DD HappyHomes Mandurriao**	Iloilo City	326
DD HappyHomes Tanauan	Tanauan, Leyte	215

**With an annotated Notice of Levy, filed by Neville Teca Sugcang, which was the result of a writ of preliminary attachment issued by RTC Br. 70, Pasig City, in Civil Case No. 72694 entitled Steel Asia Manufacturing Corp. v. Globe Asiatique Realty Holdings Corp.*

***With memorandum of encumbrance dated February 26, 2015, for liabilities under Rule 74, Section 4 of the Rules of Court, which provides for the rights of creditors, heirs, and other persons unlawfully deprived of participation in the estate of the deceased Adela Blanco Vda. De Bustos and Margarita Blanco Vda. De Moreta as extrajudicially settled for a period of 2 years.*

In addition to the above property being developed by DDHH, the latter also owns one other property that is in the planning and development stages. The property is detailed below:

Project Name	Location	Land Area (in sqm)
DD HappyHomes Zarraga*	Zarraga, Iloilo	162,592

**Reclassification of the property to residential is pending.*

Future Acquisitions

In the next 12 months, the Company is planning to acquire approximately an additional twenty-four (24) prime commercial lots for its CityMall project. The target cities are second and third-tier provincial cities in the Philippines preferably where the Company does not yet have an existing CityMall site.

Although the cities have not been identified yet, the acquisitions will most likely be in cities that CityMall has not previously acquired land yet.

At least seventeen (17) of these sites will be acquired directly through an outright cash purchase while the balance of around seven (7) will be a combination of long-term lease (26 years or more) or joint venture

where the landowner will infuse his/her land in exchange for thirty percent (30%) equity in the project. The Company's preference is to secure sites directly through an outright cash purchase, so if the opportunity is available, the twenty-four (24) sites the Company is aiming to secure in the next twelve (12) months may also be 100% directly acquired through an outright purchase.

Status of Projects Funded from the Preferred Shares Offering

Proceeds from previous offering of the Company's preferred shares, raised last April 2016, were used to fund the following projects:

Funded from Preferred Shares	Status		
	% of Completion	Amount Disbursed	Expected Completion
DD-Meridian Park	37%	1.39	Phase 1 DD Plaza (Tower 1) - 2017-Q4 DD Plaza (Tower 2-4) - 2018-Q4 Phase 2 DD Center North & West - 2018-Q4 Phase 3 TBA
Jollibee Tower	3%	0.50	2018 – Q4
The SkySuites Tower	81%	0.43	Corporate – 2016 – Q4 Residential – 2018 – Q4
General Corporate Requirements		0.34	

The land acquisition related to CityMalls was for the following sites:

1	CM Baler, Aurora
2	CM Ormoc, Leyte
3	CM Sorsogon
4	CM San Carlos, Pangasinan
5	CM Palo, Leyte
6	CM Cadiz City, Negros Occidental
7	CM Tuguegarao
8	CM General Trias
9	CM Tagbilaran, Bohol
10	CM Bongabon, Nueva Ecija
11	CM Aparri, Cagayan
12	CM-Los Baños, Laguna

The construction progress of the CityMalls funded from the Preferred Shares is as follows:

CityMall	Percentage of Completion	Amount Disbursed	Expected Completion
CM Goldenfields	51.52%	0.13	2017-Q1
CM Guiwan	14.47%	0.04	2018-Q1
CM Macarthur Tarlac	61.44%	0.15	2017-Q1
CM Roxas Ave	23.78%	0.04	2017-Q2
CM Passi	17.94%	0.05	2017-Q1
CM Ungka, Pavia	11.23%	0.08	2017-Q1
CM Bacalso, Cebu	3.46%	0.06	2018-Q1
CM Dau, Pampanga	33.07%	0.13	2016-Q4
CM SCTEX, Tarlac	37.13%	0.11	2016-Q4
CM Dagupan	18.85%	0.06	2017-Q2

CM Victorias	39.63%	0.15	2016-Q4
CM Bulua, CDO	10.00%	0.06	2017-Q2
CM Dipolog	2.46%	0.08	2017-Q4
CM Iponan, CDO	12.26%	0.07	2017-Q2
CM Kabankalan	55.53%	0.15	2016-Q4

Legal Proceedings

The Company is not aware of any events during the past five years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as director, executive officer, underwriter or controlling person of the Company:

1. any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

However, the Company is involved in the following legal proceedings, which while the Company believes are nuisance cases and without any merit, are being disclosed for the investors' information:

1. **Victoria Y. Keet vs. Benedicto Y. Yujuico, DD-Meridian Park Development Corp., DoubleDragon Properties Corp., Edgar J. Sia II, Tony Tan Caktiong, Ferdinand J. Sia, Rizza Marie Joy J. Sia, William Tan Untiong, Joseph Tanbuntiong, Jesus Emmanuel Yujuico, Jaime Rafael Yujuico, Christopher Dy, Gary P. Cheng, Vicente S. Perez, Jr. and the Register of Deeds for Pasay City**

**Civil Case No. R-PSY-14-18101-CV
Regional Trial Court of Pasay City, Branch 108**

This is a case for declaration of nullity of documents and titles with prayer for damages.

Victoria Keet ("Keet"), in her *Amended Complaint* dated 15 July 2015, alleges that Benedicto Yujuico's ("Benedicto") ownership over eight (8) parcels of land located in Pasay City ("Subject Property") and his rights to enter into transactions relating thereto are based on falsified deeds of assignment. She alleges that Benedicto, as attorney-in-fact for his father (Jesus S. Yujuico), succeeded in transferring the titles under his name to the prejudice of the other heirs. As the sole heir of Jesusa S. Yujuico, Benedicto's deceased sister, Keet alleges that she has 1/6 interest in said property, and, thus, prays for the nullification of Benedicto's titles as well as any and all titles issued subsequently, including the titles that are currently under the name of DD Meridian Park Development Corp. ("DD Meridian"). The Subject Property was transferred to DD Meridian pursuant to a sale between Benedicto and DD Meridian.

Benedicto filed a *Motion to Dismiss* on the following grounds: (i) failure to state a cause of action in view of Keet's admission that the transfers were done in accordance with the 7 May 1996 Memorandum of Agreement, the validity of which was not contested by Keet; (ii) Keet is not a real party in interest as she was not privy to the documents sought to be nullified; and (iii) failure to pay the required docket fees. Benedicto also filed a *Motion to Lift Annotation of Notice of Lis Pendens* praying for the lifting of the notices of lis pendens annotated on the titles.

DoubleDragon, for its part, filed an *Answer* dated 7 October 2015 alleging that the *Amended Complaint* does not contain any allegation with respect to DoubleDragon and its Directors, and as such, should be dismissed. The company also prayed for damages.

DD Meridian and the rest of the defendants adopted the arguments of Benedicto in his *Motion to Dismiss*.

In an *Order* dated 24 February 2016, the Court granted Benedicto's Motion to Dismiss for the following reasons: (i) non-payment of docket fees; (ii) insufficiency in allegations of its cause of action in relation to the

reliefs prayed for; and (iii) the Memorandum of Agreement executed in 1996 is not one of those prayed to be nullified, and the Court, therefore, will not be able to render judgment disturbing or nullifying the titles to the properties resulting from such implementation.

In another *Order* dated 24 February 2016, the Court granted Benedicto's Motion to Lift the Annotation of Notice of Lis Pendens.

Keet filed a Motion for Reconsideration dated March 28, 2016 assailing the Court's ruling on the ground that: [i] the court erred in ruling that plaintiff paid incorrect docket fees; and [ii] that the court committed a reversible error in ruling that the amended complaint failed to sufficiently state a cause of action.

Defendants Benedicto, DoubleDragon and DD Meridian filed their respective Comments/Opposition to the Motion for Reconsideration and the incident is pending resolution before the RTC.

2. Vincent Pascal T. De Asis vs. Double Dragon Properties Corporation, and Iloilo-Guimaras Ferry Terminal Corp., through its President Ferdinand J. Sia and the Board of Directors of DoubleDragon Properties Corporation namely: Edgar J. Sia II, Tony Tan Caktiong, Rizza Marie Joy J. Sia, William Tan Untiong, Joseph Tanbuntiong, Gary P. Cheng, and Vicente S. Perez, Jr.

**NPS Docket No. VI-10-INV-15G-00551
Office of the City Prosecutor, Iloilo City**

The instant *Complaint*, filed with the Office of the City Prosecutor of Iloilo is for violation of Section 301 in relation to Section 213 of PD 1096 or the National Building Code ("Code") and was instituted due to the alleged construction of Iloilo-Guimaras Ferry Terminal sometime in February 2015 with no building and fencing permits.

In the *Verified Urgent Motion to Dismiss* dated 24 September 2015 ("*Motion*"), respondent Company moved for the dismissal of the case claiming that: (i) Vincent Pascal de Asis ("de Asis") has no authority to initiate actions for violations of the Code as the authority to do so lies with the Building Official of the City of Iloilo; (ii) non-compliance with the proper procedures for instituting complaints under the Code; and (iii) the fact that Building Permit No. 06-02-205-1568 has been issued by the Office of the Building Official of Iloilo City on 12 August 2015. This *Motion* was denied.

On 11 January 2016, the Office of the City Prosecutor issued the *Resolution* finding probable cause. It was pointed out that respondents failed to file their proper counter-affidavit. Also, while ordinarily, a director or officer of the corporation may not be held criminally liable for the acts of the corporation, said director or officer may be held criminally liable if he participated in the unlawful acts.

On 2 February 2016, respondent Company filed a *Verified Motion for Reconsideration* emphasizing that there are no factual or legal basis to hold the directors of DoubleDragon criminally liable. In the said Motion, it reiterated that a Building Permit had already been issued, showing that the corporations are compliant with the requirements of the Code, and that the Code does not impute criminal liability against officers and directors in case of violations of its provisions. Furthermore, the prosecutor admitted in the January 11, 2016 resolution that he did not know who was responsible for the act of constructing a building without a Building Permit, therefore there should have been no legal basis to find probable cause against the Board of Directors.

Finally, the *Verified Motion for Reconsideration* also pointed out that the Manual of Prosecutors dated 2008 clearly provides that a Motion to Dismiss may take the place of a counter-affidavit if duly verified by the respondents.

On 22 February 2016, DoubleDragon received a *Manifestation* dated 12 February 2016, filed by de Asis, stating that he will be filing his *Comment/Opposition to the Motion for Reconsideration* not later than 27 February 2016.

The Company believes that this is an election related case as the complainant and his father were candidates for local elections in Guimaras.

On April 6, 2016, the Office of the City Prosecutor issued a Resolution dismissing the complaint on the grounds that the Respondents have already complied with the requirement of securing a business permit.

De Asis submitted an unverified Motion for Reconsideration which was filed out of time simultaneous with the filing of a Petition for Review with the Department of Justice in violation of the Rules.

The motion and petition are currently pending resolution but are both expected to be dismissed for lack of merit.

**3. The Integrated Bar of the Philippines (Guimaras Chapter) Represented by its President, Atty. Vincent Pascal T. De Asis, Vice Governor B. De Asis, Atty. Roma Joy Jordan, Danilo Lamparero, Sem Galve, and Jovito R. Atienza vs. The City Government of Iloilo Represented by Mayor Jed Patrick Mabilog, The Sangguniang Panglungsod of Iloilo City, Represented by Vice Mayor Jose Espinosa III, the Double Dragon Properties Corp., and the Iloilo-Guimaras Ferry Terminal Corp.
Civil Case No. 15-32669
Branch 37, Regional Trial Court of Iloilo City**

This is a case for Rescission of Contract, Injunction with Prayer for Issuance of Restraining Order/ Preliminary Injunction.

In the *Amended Complaint* dated 24 June 2015, plaintiffs alleged that the Metro Iloilo-Guimaras Development Council ("Council") was formed under authority of Executive Order No. 559 issued on 28 August 2006, to spearhead the establishment and development of a unified ferry terminal system for and in the service of both Iloilo and Guimaras. In 2012, however, plaintiffs discovered that the City Government of Iloilo and the two defendant corporations entered into a Joint Venture Agreement ("JVA") intentionally omitting Guimaras and other relevant stakeholders (LGUs of Buenavista and Jordan) from participating. The Council was not involved in the development of said project. Moreover, the project violated Proclamation No. 207 dated 19 July 2011, which allegedly set aside the project site for the specific purpose of building an office or headquarters for the City Government of Iloilo.

The *Amended Complaint* further alleged that the project started illegally and with great haste, as at the time of construction, there was no master plan, locational clearance, building permit and electrical plan. Also, the City Government of Iloilo had no authority to contract that the terminal fee must be pegged at PHP11.00 and that other ferry terminals (Ortiz and Parola wharfs) will be closed. Plaintiffs prayed for the issuance of a temporary restraining order/preliminary injunction alleging that the continued construction of the terminal will endanger the workers and the commuting public, as the project is being constructed without the appropriate permits. Plaintiffs also prayed for the (i) nullification of the Joint Venture Agreement between the City Government of Iloilo and the two defendant corporations; and (ii) directive for a renegotiation of the Project with the participation of the Provincial Government of Guimaras following the concept of the Metro Iloilo-Guimaras Development Council.

In response, the City Government of Iloilo claimed that –

1. The issues relating to the alleged lack of necessary permits and plans are properly for the cognizance of the City Planning and Development Office and Building Official, and not the Courts;
2. The instant case is not a taxpayer suit as there is no allegation of illegal disbursement of public funds;
3. The challenged JVA was executed pursuant to Section 22 of the Local Government Code on the corporate powers of local government units;
4. Proclamation No. 207 does not make any conditions as to how the Iloilo City Government should use the parcel of land hence the allocation/use of the property is valid;
5. P.D. No. 559 does not state that the Metro Iloilo-Guimaras Development Council shall spearhead the establishment and development of a unified ferry terminal system in the service of both the City of Iloilo and the Province of Guimaras but merely requires coordination with it; and
6. The prayer for the issuance of preliminary injunction may not be granted in view of Section 1 of P.D. 1818 that prohibits the courts from issuing any restraining order or preliminary injunction against a government infrastructure program.

DoubleDragon and Iloilo-Guimaras Ferry Terminal Corp., for their part, claimed that (i) plaintiffs are not real parties in interest not being parties to the JVA; and (ii) the corporations are in possession of the required Master Development Plan, Locational Clearance, Building Permit and Electrical Permit. Defendant corporations prayed for payment of damages.

During the initial hearing, plaintiffs manifested that they are foregoing with the hearing for the temporary restraining order and instead will proceed with the hearing on the issuance of a writ of preliminary injunction.

Plaintiffs and the City Government of Iloilo have already presented and offered their respective evidence for the plaintiffs' prayer for issuance of preliminary injunction. The Court has issued an order denying a number of the evidence presented by the plaintiffs. DoubleDragon and Iloilo-Guimaras Ferry Terminal Corp. have presented their defense evidence on April 6, 2016.

On June 17, 2016, the Court issued an order denying the prayer for the issuance of a Writ of Preliminary Injunction on the grounds that plaintiffs failed to establish their right to the Writ and since the Building Permit for the project had already been acquired. The case was set for mediation but no settlement was reached and the case was remanded back to the court and is awaiting continuation of proceedings.

4. Alma S. Enano vs. Globe Asiatique Realty Holdings Corporation represented by its President Delfin S. Lee, and Rizal Commercial Banking Corporation

**O.P. Case No. 13-D-081 (HLURB Case No. REM- 051711-14514)
Office of the President**

This is a case for refund and payment of damages.

In a *Complaint* dated 16 May 2011, Alma S. Enano ("Enano) claimed that she entered into a Reservation Agreement with Globe Asiatique on 2 October 2009 for the purchase of Unit 614 of G.A. Sky Suites (the "Project"), for the total price of PhP3,711,000.00. Pursuant to the said Agreement, Enano paid Globe Asiatique from 1 June 2009 to 10 December 2010 the total amount of PhP501,755.70 plus PhP20,000.00 initial payment.

On 29 September 2010, RCBC acquired the Project through an extra-judicial foreclosure. Enano was advised by RCBC in the letter dated 13 December 2010 that she should continue paying the amortization for the said unit. Out of all the amounts Enano has paid to Globe Asiatique, only PhP33,632.60 was remitted to RCBC.

The construction was completely stopped in October 2010 prompting Enano to file a *Complaint* with the HLURB for: (i) refund of PhP521,755.70 plus 12% interest from the filing of the Complaint until full payment; (ii) moral damages in the amount of PhP50,000.00; (iii) exemplary damages in the amount of PhP25,000.00; and (iv) attorney's fees in the amount of PhP50,000.00.

In a *Decision* dated 11 September 2012, HLURB ordered -- (i) Globe Asiatique to pay Enano the amount of PhP488,123.10 with legal interest from the date of the filing of the Complaint until fully paid; (ii) RCBC to refund Enano PhP33,632.20 with legal interest from filing of the Complaint until fully paid; and (iii) Globe Asiatique to pay PhP50,000.00 moral damages, PhP50,000.00 exemplary damages and PhP25,000.00 attorney's fees. Upon *Motion for Reconsideration*, HLRUB modified the Decision and directed Globe Asiatique and RCBC to jointly and severally: (i) refund Enano PhP521,755.70 with legal interest at 6% from filing of the Complaint until finality of the Decision and 12% per annum from finality until fully paid; and (ii) to pay Enano PhP50,000.00 moral damages, PhP50,000.00 exemplary damages and PhP25,000.00 attorney's fees. RCBC appealed the instant case to the Office of the President.

In a *Motion to Implead Double Dragon Properties, Inc. with Manifestation* dated 27 April 2015, Enano moved that DoubleDragon be impleaded as indispensable party and that the appeal of RCBC be dismissed.

The Office of the President has not issued any resolution impleading DoubleDragon. Considering, however, that the Skysuites Tower is one of the projects of the Company, DoubleDragon agreed to negotiate with Enano and amicably settle the case.

5. Aldwin S. Calubad vs. Globe Asiatique Realty Holdings Corporation and Rizal Commercial Banking Corporation ("RCBC")

**O.P. Case No. 13-D-081
Office of the President**

Aldwin S. Calubad ("Complainant") bought a condominium unit and parking space in G.A. Sky Suites ("Sky Suites") from Globe Asiatique Realty Holdings Corporation ("GARHC"), then developer of Sky Suites. The total purchase price was fully paid as of end of June 2011 but no deeds of sale were executed.

Subsequently, RCBC acquired the project through a foreclosure proceeding. The construction was completely stopped and that led to the filing of the complaint with the HLURB for the rescission of the

Contract to Sell and refund of payments. HLURB rendered a Decision on 22 November 2012 in favor of the Complainant.

Noting that RCBC is now the owner, Complainant appealed and prayed that RCBC be held jointly and severally liable with GARHC. This was granted on 11 April 2013. RCBC appealed the decision before the Office of the President.

During the pendency of the case, DoubleDragon acquired Sky Suites from RCBC.

As the new owner of Sky Suites, DoubleDragon, while not a party to the case, coordinated with the Complainant for a possible settlement. This resulted to the execution of a new Contract to Sell between DoubleDragon and the Complainant in light of the latter's decision to continue with the acquisition. Complainant also executed a Deed of Rescission rescinding the Contract to Sell with GARHC and a Deed of Assignment of his receivables from GARHC to DoubleDragon.

A Motion to Dismiss was filed on April 26, 2016 with the conformity of the Complainant and the same is pending resolution with the Office of the President.

6. Sps. Regie L. Malonzo and Mariscel L. Malonzo vs. Globe Asiatique Realty Holdings Corporation and Rizal Commercial Banking Corporation.

**O.P. Case No. 14-L-281
Office of the President**

Sps. Regie L. Malonzo and Mariscel L. Malonzo ("Complainant") purchased a condominium unit and a parking lot space at the G.A. Sky Suites from GARHC. They were paying their monthly installments until they received a notice that RCBC has already acquired Sky Suites prompting them to file a complaint with HLURB and pray that the mortgage executed over their unit and the foreclosure sale be declared null and void.

On 31 July 2014, HLURB Arbiter ordered RCBC to execute a Contract to Sell in favor of Complainants and ordered GARHC to pay damages. Both companies appealed and elevated the matter to the Office of the President.

As the new owner of Sky Suites, DoubleDragon, while not a party to the case, coordinated with the Complainant for a possible settlement. This resulted in the execution of a new Contract to Sell between DoubleDragon and the Complainant in light of the latter's decision to continue with the acquisition. Complainant also executed a Deed of Rescission rescinding the Contract to Sell with GARHC and a Deed of Assignment of his receivables from GARHC to DoubleDragon.

The Parties executed a Compromise Agreement jointly submitted on June 29, 2016, and an order of dismissal is expected to be issued by the Office of the President soon.

7. Valentina Cua and Teresita T. Sevilla vs. Globe Asiatique Realty Holdings Corporation and Rizal Commercial Banking Corporation

**HLURB Case No. NCR REM-15231
Housing and Land Use Regulatory Board**

Valentina Cua and Teresita T. Sevilla ("Complainants") signed a Reservation Agreement for the purchase of a condominium unit and a parking lot in G.A. Sky Suites with GARHC. Similar to the cases above, they were notified that RCBC acquired the project and were advised to continue paying their monthly amortizations.

In 2011, the construction of the condominium project was halted. Complainants decided to terminate their Reservation Agreement and sought refund. Their request, however, was not accommodated. This led them to the filing of the instant complaint before the HLURB for the reimbursement or refund of all their payments with damages.

As the new owner of Sky Suites, DoubleDragon, while not a party to the case, coordinated with the Complainant for a possible settlement. This resulted in the execution of a new Contract to Sell between DoubleDragon and the Complainant in light of the latter's decision to continue with the acquisition. Complainant also executed a Deed of Rescission rescinding the Contract to Sell with GARHC and a Deed of Assignment of his receivables from GARHC to DoubleDragon.

DoubleDragon filed a Motion to Dismiss with the conformity of the Complainants on April 22, 2016 and the same was granted by the HLURB on May 20, 2016.

8. Anthonette T. Tan and Gerald A. Tan, represented by Atty.-in- fact Evangeline Tibayan vs. DoubleDragon Properties Corp. and Globe Asiatique Realty Holdings Corp.

Housing and Land Use Regulatory Board

Spouses Anthonette and Gerald Tan (“Complainants”) signed a Reservation Agreement for the purchase of a condominium unit at the G.A. Sky Suites from GARHC. The Complainants paid their monthly installments until the construction of the condominium project was halted after which they decided to stop paying due to their loss of confidence with GARHC.

The condominium project was foreclosed from GARHC by RCBC and was subsequently purchased by DoubleDragon. DoubleDragon initiated efforts to contact the Complainants in order to discuss the continuation of the purchase of the unit but the Complainants declined the offer and requested for a full refund of their payments, which they raised to the HLURB for mediation.

After failing to settle the matter during the mediation proceedings, the Complainants filed a Complaint for refund against DoubleDragon and GARHC on July 5, 2016.

DoubleDragon filed its Amended Answer on July 29, 2016 seeking for the dismissal of the Complainant on the ground that DoubleDragon was not a party to the Reservation Agreement between the Complainants and GARHC and that it is not in delay in the development and delivery of the condominium project. DoubleDragon also counterclaim Complainants for the frivolous suit.

The Complaint is expected to be scheduled for a conciliation conference which is the next step in the HLURB proceedings.

9. Carlito Co vs. Benisons Shopping Center, Inc. and DoubleDragon Properties Corp.

**Civil Case No. 15-808
Regional Trial Court Makati City**

On 11 August 2015, Carlito Co (“Plaintiff”) filed a case for Specific Performance with Damages against Benisons Shopping Center, Inc. and DoubleDragon claiming that he has leasehold rights in ten (10) mall stalls by virtue of a Deed of Purchase of Right executed with the former owner (Macrogen Realty Corporation), and that he was unjustly ousted from the stalls. Claiming that there was a breach of contract, Plaintiff also prayed for payment of damages.

The subject mall is the Dragon8 Mall that was acquired by Benisons Shopping Center, Inc. and later on by DoubleDragon.

Benisons Shopping Center, in its Answer, argued (i) that the Court has not acquired jurisdiction over the person of the defendants as there was no service of summons; and (ii) that the complaint was prematurely filed considering that the conditions precedent were not complied with. It was pointed out that the conditions for default have not yet been established. There was actual delivery of the stalls but Plaintiff failed to occupy the same.

On 11 September 2015, DoubleDragon filed a Motion to Dismiss on the ground of failure to state a cause of action, arguing that Plaintiff failed to allege any obligation on the part of the Company to respect his leasehold agreements with the previous owner.

The Court issued an order dismissing the case, which was received by DoubleDragon on May 1, 2016. Plaintiff filed a Motion for Reconsideration which was also denied by the Court.

10. Alma Malapajo vs. DoubleDragon Properties Corp., Engineer Rey Jaruda, Bon Builders Corporation, and John Does

**Civil Case No. V-2967
MTC – Roxas City Branch 4**

On 15 June 2015, Alma Malapajo (“Plaintiff”) filed a complaint for Forcible Entry and Damages with Prayer for Preliminary Prohibitory and/or Mandatory Injunction ad Ex-Parte Temporary Restraining Order against DoubleDragon and the other defendants. She alleged that she has been the lessee of a commercial lot located along Roxas Avenue, Roxas City since 1988. The Contract of Lease was executed between Hernandez Development Corporation (“HDC”) and the Plaintiff for a period of one (1) year from 01 August 2012 to 31 July 2013, subject to renewal. She claimed to be in possession of the leased premises until the defendants barricaded the leased premises, caused excavation and installed crane and piling machines.

In defense, DoubleDragon claimed that it was improperly impleaded in the instant case as it is not the lessee who will be constructing the CityMall. DoubleDragon filed a counter-claim against Plaintiff.

Plaintiff, on 02 July 2015, filed a motion to implead CityMall Commercial Centers, Inc. (“CM”). Said motion remains pending for resolution.

**In a separate proceeding, HDC filed a case of Unlawful Detainer with Writ of Injunction and Damages against Plaintiff. Plaintiff voluntarily vacated and surrendered the possession of the premises to HDC on February 10, 2016. Subsequently, HDC turned over possession of the premises to CM.*

After the voluntary surrender by the Plaintiff of the property and her subsequent tender of unpaid rent to HDC, in conjunction with the Unlawful Detainer case filed against her, the Court issued an Order, dated May 10, 2016, dismissing the case for being moot and academic.

The Court issued a certificate of finality of the decision dismissing the case on July 11, 2016.

11. Cesar Tirol, Vicente G. Tirol, and Conception Tirol-Viray vs. CityMall Commercial Centers, Inc.

**Civil Case No. 322-M
MCTC – Buruanga-Malay, Aklan**

On 30 April 2015, Cesar Tirol, Vicente G. Tirol, and Conception Tirol-Viray (collectively referred to as the “Plaintiffs”) filed a complaint for Forcible Entry with Damages against CM in relation to a parcel of land in Boracay, which is currently being leased by CM. Plaintiffs, as second generation heirs of the late spouses Ciriaco Tirol and Trinidad Hontiveros, claimed to be co-owners of the subject land who did not give their consent to the lease.

On 24 July 2015, CM filed its Answer praying for the dismissal based on the following: (i) there is no allegation that Plaintiffs have prior possession of the land; (ii) CM did not employ strategy or stealth in entering the land; and (iii) even assuming that Plaintiffs are co-owners of the subject property, the complaint must be dismissed for failure to implead the co-owners.

On 04 February 2016, Leonard Tirol and Antonio Cyrian Gonzales (the “Oppositors”) filed their Motion for Leave for the admission of their Opposition where they confirmed that Plaintiffs were never in possession of the property and that they (the Oppositors) have the right to enter into a Lease Agreement with CM.

The Court issued a Preliminary Conference Order, dated February 10, 2016, ordering the parties to submit their Position Papers within 10 days from receipt of the Order after which the case shall be submitted for decision.

The parties having filed their respective Position Papers last March 2016, the case is now deemed submitted for decision.

Market Price of and Dividends on the Common Shares and Preferred Shares of DD and Related Shareholder Matters

The Company's common shares of stock are traded in the PSE and were listed on the exchange last 7 April 2014.

2014

Stock Prices	High	Low
2nd Quarter	PhP9.90	PhP3.00
3rd Quarter	PhP9.84	PhP7.24
4th Quarter	₱8.13	PhP7.28

2015

Stock Prices	High	Low
1st Quarter	PhP9.00	PhP7.26
2nd Quarter	PhP10.50	PhP8.50
3rd Quarter	PhP22.60	PhP9.70
4th Quarter	PhP25.35	PhP19.60

2016

Stock Prices	High	Low
1st Quarter	PhP39.50	PhP20.00
2nd Quarter	PhP70.00	PhP36.25

The Company's preferred shares of stock are also traded in the PSE and were listed on the exchange last 26 July 2016.

2016

Stock Prices	High	Low
July 26 – Sept 16	₱106.30	₱103.40

As of August 31, 2016, the closing price of the Company's common share is PhP59.95 per share with a total market capitalization of One Hundred Thirty-Three Billion Six Hundred Seventy Two Million Three Hundred Thirteen Thousand Five Hundred Pesos (PhP133,672,313,500) and for Company's preferred shares, the closing price is PhP104.10 per share with a total market capitalization of Ten Billion Four Hundred Ten Million Pesos (PhP10,410,000,000).

Dividend Information

The Company has entered into several term loan agreements which do not allow it to declare dividends if, in doing so, it will violate its financial covenants or if it will result into an event of default. All of the Company's long term loan agreements provide for the following financial covenant: (i) that its Debt-to-Equity Ratio does not exceed 2.33x and (ii) that its Debt Service Coverage Ratio shall not be less than 1.25x. The Debt-to-Equity Ratio, under the Bonds, is the same as what is required in such long term loan agreements. For the Debt Service Coverage Ratio, under the Bonds, the Company is required to maintain a lower ratio, at not less than 1.0x.

On April 10, 2013 the Board of Directors in a special meeting declared cash dividends to common stockholders in the amount of PhP92.72 Million to all common stockholders of record as of April 10, 2013 and the same was paid in June 2013. On June 25, 2015 the Board of Directors in a regular meeting

declared cash dividends to common shareholders equivalent to 20% of 2014 Net Income amounting to PhP111.46 Million or PhP0.05 per common share to all common shareholders as of record date July 13, 2015. Payment date of the said dividend was July 27, 2015.

The Company has approved a dividend policy that would entitle the stockholders to receive the dividends equivalent up to thirty percent (30%) of the prior year's net income after tax subject to (i) the availability of unrestricted earnings, (ii) implementation of business plans, (iii) contractual obligations, and (iv) working capital requirements. The declaration and payment of dividends is subject to compliance annually or as often as the Board of Directors may deem appropriate, in cash or in kind and/or in additional shares from its surplus profits. The ability of the Company to pay dividends will depend on its retained earnings level and financial condition.

With respect to its subsidiaries, the said companies intend to approve a dividend policy that would entitle its stockholders to receive dividends equivalent to 30% to 100% of the prior year's net income after tax subject to (i) the availability of unrestricted retained earnings, (ii) implementation of business plans, (iii) contractual obligations, and (iv) working capital requirements. None of the subsidiaries have declared dividends in the past.

For the preferred stockholders, the Board of Directors approved on June 23, 2016, a special dividend, in the amount of PhP0.0867 per share. The special dividends were paid to all shareholders in record as of July 8, 2016 and were paid on July 14, 2016. This declaration of special cash dividends to all preferred share of the Corporation is in addition to the regular dividend of 6.4778% p.a. that the preferred shareholders are already entitled to, provided that the Corporation has sufficient unrestricted retained earnings.

Other Information

The following securities were issued as exempt from the registration requirements of the SRC and therefore have not been registered with the SEC:

1. On October 30, 2014, the Company issued a total of PhP7.4 billion unsecured 7-year fixed rate corporate notes subscribed to by various financing institutions through bi-lateral loan agreements. The loan payments are to be made in seven consecutive annual installments to commence at the end of the 12th month after the initial borrowing date. The proceeds from these borrowings were used by the Company to partly finance its capital expenditures, primarily for the development of DD Meridian Park, Dragon8 Mall, The SkySuites Tower, the roll-out of the first 12 CityMalls and for general corporate purposes.
2. On May 18, 2015 the Company issued a total of PhP5.0 billion unsecured 7-year fixed rate corporate notes subscribed to by BDO Unibank, Inc. through a bi-lateral loan agreement. The loan payments are to be made in five consecutive annual installments to commence at the end of the 36th month after the initial borrowing date. The proceeds from these borrowings will be used by the Company to finance capital expenditures for the development of CityMall branches.
3. On July 30, 2015, the Company issued a total of PhP1.5 billion unsecured 7-year fixed rate corporate notes subscribed to by one lender through a bi-lateral loan agreement. The loan payments are to be made in six (6) consecutive annual installments to commence at the end of the 36th month after the initial borrowing date. The proceeds of these loans shall be used by the Company to partly finance the development of (a) DoubleDragon Plaza (Phase 1 – DD-Meridian Park); (b) refinance existing short term loans; and (c) general corporate purposes.
4. On March 14, 2016, the Company issued a total of PhP1.5 billion unsecured 7-year fixed rate corporate notes subscribed to by one lender through a bi-lateral loan agreement. The loan payments are to be made in six (6) consecutive annual installments to commence at the end of the 36th month after the initial borrowing date. The proceeds of these loans shall be used by the Company to partly finance the development of (a) DoubleDragon Plaza (Phase 1 – DD-Meridian Park); (b) Jollibee Tower; and (c) CityMalls.

Ownership and Capitalization

The authorized capital stock of the Company is Twenty Billion Five Hundred Million Pesos (PhP20,500,000,000.00) and consists of Five Billion (5,000,000,000) Common Shares with a par value of Ten Centavos (PhP0.10) per share and Two Hundred Million (200,000,000) Preferred Shares with a par value of One Hundred Pesos (PhP100.00) per share.

The number of shareholders of record for both common and preferred shares as of August 31, 2016 is 207 shareholders. Of the 207 shareholders, 142 are common shareholders and 65 are preferred shareholders. Capital stock issued and outstanding as of August 31, 2016 is 2,229,730,000 common shares at par value of PhP0.10 per share and 100,000,000 preferred shares at par value of PhP100.00 per share.

Foreign ownership limit for DoubleDragon is forty percent (40%) of the issued and outstanding common and preferred shares, equivalent to 891,892,000 common shares and 40,000,000 preferred shares. Total shares owned by foreign shareholders as of August 31, 2016 was 12.55%, equivalent to 279,809,721 of the outstanding common shares of the Company, and .48% equivalent to 478,990 of the outstanding preferred shares of the Company

The Top 20 common stockholders as of September 30, 2016 are as follows:

	Name	Name of Beneficial Owner	Nationality	No of Shares Owned	% Ownership
1	HONEYSTAR HOLDINGS CORP.	Direct Owner	Fil	824,996,999	37.00%
2	INJAP INVESTMENTS INC.	Direct Owner	Fil	824,996,999	37.00%
3	PCD NOMINEE CORP. (F)	Various owners	Fil	292,156,222	13.10%
4	PCD NOMINEE CORP. (NF)	Various owners	Non -Fil	280,781,518	12.59%
5	JAVELOSA, JOHN MICHAEL ALERTA	Direct Owner	Fil	1,000,000	0.04%
6	TIOPE, CONSUELO A.	Direct Owner	Fil	500,000	0.02%
7	MONFORT, RICARDO S.	Direct Owner	Fil	500,000	0.02%
8	DUMANCAS, CHARLES ANTHONY M.	Direct Owner	Fil	400,000	0.02%
9	FERMIN, AILENE B.	Direct Owner	Fil	258,400	0.01%
10	ANG, MICHELLE MARIE C.	Direct Owner	Fil	251,100	0.01%
11	ANG, MICHELLE MARIE C.	Direct Owner	Fil	200,000	0.01%
12	BOCALA, KATHERINE T.	Direct Owner	Fil	200,000	0.01%
13	HUYONG JR., INOCENCIO G.	Direct Owner	Fil	150,000	0.01%
14	TIUTAN, RICARDO G.	Direct Owner	Fil	150,000	0.01%
15	TAN, KENNETH SIO	Direct Owner	Fil	125,000	0.01%
16	SA-ONROY, MARIA EPHIE ANGELA GICARO	Direct Owner	Fil	100,000	0.00%
17	TAN, EVELYN W.	Direct Owner	Fil	100,000	0.00%
18	TAN, ALBERT S.	Direct Owner	Fil	100,000	0.00%
19	JURIDICO, PERRY ARTHUR B.	Direct Owner	Fil	100,000	0.00%
20	CHUA, CHARISSE LIM	Direct Owner	Fil	100,000	0.00%

The Top 20 preferred stockholders as of September 30, 2016 are as follows:

Name	Name of Beneficial	Nationality	No of Shares	%
------	--------------------	-------------	--------------	---

		Owner		Owned	Ownership
1	PCD NOMINEE CORPORATION (F)	Various owners	Fil	98,039,910	98.04%
2	NG, ANDREW JONATHAN L.	Direct Owner	Fil	550,000	0.55%
3	PCD NOMINEE CORPORATION (NF)	Various owners	Non-Fil	478,990	0.48%
4	MERALCO EMPLOYEES SAVINGS AND LOAN ASSOCIATI	Direct Owner	Fil	250,000	0.25%
5	JOSEFINA GUTIERREZ CASTILLO OR CYNTHIA GUTIE	Direct Owner	Fil	55,000	0.06%
6	BEN TIUK SY OR JUDY YU SY	Direct Owner	Fil	50,000	0.05%
7	BARCELONA, JOHN P.	Direct Owner	Fil	37,500	0.04%
8	FOUNDATION FOR RESOURCE LINKAGE AND DEVELOPM	Direct Owner	Fil	35,000	0.04%
9	REPUBLIC GLASS HOLDINGS CORP.	Direct Owner	Fil	25,100	0.03%
10	WILLIAM O. DIZON OR SUSAN A. DIZON	Direct Owner	Fil	25,000	0.03%
11	SOTA PHILIPPINES, INC.	Direct Owner	Fil	25,000	0.03%
12	CHIONG PING G. CHING AND/OR MARIA GRACIA J.	Direct Owner	Fil	25,000	0.03%
13	CHING BUN TENG TIU AND/OR CHING CHIONG PING	Direct Owner	Fil	25,000	0.03%
14	AGUINALDO A. ANDRADA OR MIRA GRACE Q. ANDRAD	Direct Owner	Fil	21,600	0.02%
15	CHANDRU TOLARAM BUDHRANI OR AVINASH CHANDRU	Direct Owner	Fil	21,000	0.02%
16	ONE POINT CONTACT, INC.	Direct Owner	Fil	20,000	0.02%
17	ALEJANDRO, REYNALDO G.	Direct Owner	Fil	20,000	0.02%
18	ROMEO M. LAGLAGARON OR LEA CARINA C. LAGLAGA	Direct Owner	Fil	17,500	0.02%
19	LIM, VIOLETA R.	Direct Owner	Fil	15,000	0.02%
20	GWYNNE HILERY YU OR BRIXCY SHANE YU	Direct Owner	Fil	12,500	0.01%

Security Ownership of Directors, Management, and Certain Record and Beneficial Owners

The following table sets forth security ownership of the certain record and beneficial owners of more 5% of the Company's shares, as of September 30, 2016:

	Title of Class of Shares	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Ownerx	Nationality	Shares Owned	% Ownership
1	Common	Honeystar Holdings Corp.	Direct Owner	Filipino	824,996,999	37.00%
2	Common	Injap Investments Inc.	Direct Owner	Filipino	824,996,999	37.00%
3	Common	PCD Nominee Corp. (F)	Various Stockholders	Filipino	292,156,222	13.10%
4	Common	PCD Nominee Corp. (NF)	Various Stockholders	Foreign	280,781,518	12.59%

The following table sets forth security ownership of the Company's Directors, and Officers, as of September 30, 2016:

Name of Beneficial Owner	Title of Class	Number of shares	Nature of ownership	Citizenship	%
Edgar J. Sia II	Common	421,000	(D)	Filipino	.00188%
	Preferred	-			-
Tony Tan Caktiong	Common	1,000	(D)	Filipino	.00004%
	Preferred	-			-
Ferdinand J. Sia	Common	1,000	(D)	Filipino	.00004%
	Preferred	-			-
Rizza Marie Joy J. Sia	Common	1,000	(D)	Filipino	.00004%
	Preferred	-			-
William Tan Untiong	Common	3,501,000	(D)	Filipino	.15701%
	Preferred	50,000	(D)		.05%
Joseph Tanbuntiong	Common	4,001,000	(D)	Filipino	.17944%
	Preferred	-			-
Gary P. Cheng	Common	250,001	(D)	Filipino	.01121%
	Preferred	-			-
Vicente S. Perez	Common	250,001	(D)	Filipino	.01121%
	Preferred	-			-
TOTAL	Common	8,426,002	(D)	Filipino	.37789%
	Preferred	50,000	(D)		.05%

There is no director or key officer of DD that owns at least 10% of its issued and outstanding shares of common stock or preferred stock.

Voting Trust Holders of 5% or More

There is no voting trust arrangement executed among the holders of 5% or more of the issued and outstanding shares of common stock of DD.

Change in Control

There are no arrangements entered into by DD or any of its stockholders which may result in a change of control of DD.

Directors and Executive Officers

The incumbent Directors and Executive Officers of the Company are as follows:

<u>Office</u>	<u>Name</u>	<u>Age</u>	<u>Citizenship</u>
Chairman and CEO	Edgar J. Sia II	39	Filipino
Co-Chairman	Tony Tan Caktiong	63	Filipino
Director and President	Ferdinand J. Sia	37	Filipino
Director, Treasurer and CFO	Rizza Marie Joy J. Sia	26	Filipino
Director and Corp. Secretary	William Tan Untiong	62	Filipino
Director and Asst Corporate Secretary	Joseph Tanbuntiong	52	Filipino
Independent Director	Gary P. Cheng	51	Filipino
Independent Director	Vicente S. Perez, Jr.	57	Filipino
Adviser to the Board	Artemio V. Panganiban	79	Filipino
Adviser to the Board	Ernesto Tanmantiong	57	Filipino

Board of Directors

The Directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified.

The following are the business experience/s of the Company's Directors for the last Five (5) years (*or more*):

Edgar J. Sia II is the Chairman and Chief Executive Officer of Injap Investments Inc. and the Founder and Vice Chairman of Mang Inasal Philippines, Inc. Mr. Sia also serves as Chairman and Chief Executive Officer of Hotel of Asia Inc. (Hotel 101) since 2013 and People's Hotel Corp. He concurrently serves as Vice Chairman and Director of Contemporain Foods Inc. (JCo Donut Philippines) and CSI Hotels (Jinjiang Inn Philippines), and a director of Maxicare Healthcare Corporation.

Tony Tan Caktiong is the Chairman of Honeystar Holdings Corporation and the Founder and current Chairman of Jollibee Foods Corp. since 1978. Mr. Tan Caktiong is also a director of Philippine Long Distance Co. (PLDT) since 2008 and First Gen Corporation since 2005. He graduated from the University of Santo Tomas in 1975 with a degree in chemical engineering.

Ferdinand J. Sia is the President and Chief Operating Office of Injap Investments Inc. He serves as President of People's Hotel Corp., and Director of Hotel of Asia, Inc. and Mang Inasal Philippines, Inc. since 2011 and 2006, respectively. He graduated from the University of the Philippines Visayas with a degree in Bachelor of Arts in Political Science and took up law in Arellano University College of Law.

Rizza Marie Joy J. Sia is the Treasurer and Chief Finance Officer of Injap Investments Inc. She serves as the Treasurer of People's Hotel Corp. and as a Director of Hotel of Asia since 2008. She graduated from the University of the Philippines Visayas with a degree in Bachelor of Science in Accountancy and is a Certified Public Accountant.

William Tan Untiong has been a Director of Jollibee Foods Corp. since 1993 and likewise serves as a director and treasurer of Honeystar Holdings Corporation. He is the Vice President for Real Estate of Jollibee Foods Corp since 1989.

Joseph Tanbuntiong is the President of Jollibee Philippines starting July 1, 2013. He is the former President of Red Ribbon Philippines, having served there since 2008. He graduated from Ateneo de Manila University with a degree in Management Engineering.

Gary P. Cheng* is an investment banking professional with over 20 years of corporate finance and capital markets experience. He is currently the Managing Director and co-founder of Fortman Cline Capital Markets Limited since 2008. Dr. Cheng served as the former President/CEO of Amalgamated Investment

Bancorporation from 2003 and 2008 and former Vice President of Investment Banking at J.P. Morgan from 1993 to 2001 where he was variously based in Hong Kong, New York and London. Dr. Cheng obtained his doctorate in Philosophy from the University of Leeds, England in 1991.

Vicente S. Perez, Jr.* served as the Secretary of the Department of Energy from 2001 to 2005, Undersecretary of the Department of Trade and Industry and Managing Director of the Board of Investments in 2001. From 2005-2006, Mr. Perez was Chairman of the Philippine Infrastructure Corporation and Chairman of the Executive Committee of the Philippine National Bank. Apart from being one of the independent directors of the Company, he also serves as President of Alternergy Philippine Holdings Corp., Alternergy Wind One Corporation (Pililia), Alternergy Sembrano Wind Corporation, and Alternergy Abra De Ilog Wind Corporation and as Chairman of Merritt Advisory Partners, Inc., Kadluan Management Corporation and Kadluan Properties, Inc. He is also the current Chairman of WWF Philippines and a trustee of WWF - International. Mr. Perez has a Masters in Business Administration - International Finance from the Wharton School University of Pennsylvania.

Advisers to the Board

Chief Justice Artemio V. Panganiban is a retired Chief Justice of the Republic of the Philippines. He sits as independent director of several listed companies including Meralco, Petron Corporation, Bank of the Philippine Islands, First Philippine Holdings Corp., Philippine Long Distance Telephone Company (PLDT); Metro Pacific Investment Corp., and GMA among others. Bank of the Philippine Islands is the parent company of BPI Capital.

Ernesto Tanmantiong serves as President and Chief Executive Officer of Jollibee Foods Corp. He is Executive Vice President and Chief Operating Officer of JFC Philippines. He is also a Director of Mang Inasal Philippines, Inc., Red Ribbon Bakeshop Inc., Fresh N' Famous Foods, Inc. - Chowking, Honeystar Holdings Corp. and various other companies.

*Independent Director - the Company has complied with the Guidelines set forth by SRC (Securities Regulation Code) Rule 38 regarding the Nomination and Election of Independent Director. The Company's By-Laws, as amended on 10 April 2013, incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule.

(The Company amended its By-Laws on 10 April 2013 to incorporate the provisions of SRC Rule 38.)

Period of Directorship

<u>Name</u>	<u>Period Served</u>
Edgar J. Sia II	2012 to present
Tony Tan Caktiong	2012 to present
Ferdinand J. Sia	2012 to present
Rizza Marie Joy J. Sia	2012 to present
William Tan Untiong	2012 to present
Joseph Tanbuntiong	2012 to present
Gary P. Cheng	2012 to present
Vicente S. Perez, Jr.	2012 to present

The Directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified. The Directors possess all the qualifications and none of the disqualifications provided for in the SRC and its Implementing Rules and Regulations.

Nomination of Independent Directors is conducted by the Nomination Committee prior to the annual stockholders' meeting. The Nomination Committee shall prepare a Final List of Candidates from those who have passed the Guidelines, Screening Policies and Parameters for nomination of independent directors and which list shall contain all the information about these nominees. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting. In case of

resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee otherwise, said vacancies shall be filled by stockholders in a regular or special meeting called for that purpose. An Independent Director so elected to fill a vacancy shall serve only for the unexpired term of his or her predecessor in office.

The members of the Company's Nomination Committee are the following:

Chairman : William Tan Untiong
 Members : Ferdinand J. Sia
 Chief Justice Artemio Panganiban

Since the last annual meeting of the stockholders, no director has resigned or has declined to stand re-election to the Board of Directors, and no director has had any disagreement with the Company on any matter relating to the Company's operations, policies, or practices. Atty. Jacqueline Gomez nominated Mr. Gary P. Cheng and Mr. Vicente S. Perez, Jr. for inclusion in the List of Candidates for Independent Directors. Atty. Jacqueline Gomez is not related to Mr. Gary P. Cheng and Mr. Vicente S. Perez, Jr. The Company has complied with the guidelines set forth by SRC Rule 38, as amended, regarding the Nomination and Election of Independent Director. The same provision has been incorporated in the Amended By-Laws of the Company last 10 April 2013.

Compensation of Directors and Executive Officers

Injap Investments Inc., through an Executive Management Services Agreement, provides executive, corporate, strategic, administrative and financial oversight services related to the real estate business of the Company. Total fees paid under this agreement amounted to Two Million Six Hundred Seventy-Eight Thousand Five Hundred Seventy-One Pesos (Php2,678,571.00) for 2012, One Million Four Hundred Thousand Pesos (Php1,400,000.00), Three Million Pesos (Php3,000,000.00), Two Million Seven Hundred Thousand Pesos (Php2,700,000.00) for June 30, 2016, December 31, 2015 and 2014, respectively. which covers the positions of the Chairman and Chief Executive Officer, the President and the Treasurer and Chief Financial Officer of the Company.

For the calendar year ended 31 December 2011, 2012, 2013, 2014 and 2015 the total salaries and allowances and bonuses paid to all other officers as a group unnamed are as follows:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	As directors, they do not receive compensation for services rendered. They receive compensation as officers of the corporation if they hold position as such.	None	None
(b) Variable Remuneration	None	None	None
(c) Per diem Allowance	None	None	Php1,200,000.00
(d) Bonuses	None	None	None
(e) Stock Options and/or other financial instruments	None	None	None
(f) Others (Specify)	None	None	None
Total	–	–	Php1,200,000.00

SUMMARY ANNUAL COMPENSATION TABLE

Name and Principal Position	Period	Salary	Bonus
Chief Executive Officer, Chief Investment Officer and Department Heads:	1H20	₱14,074,459.	-

(Accounting, Business Development, Corporate Services, Design, Engineering, Information Technology, Internal Audit, Leasing, Legal, Marketing, Treasury & Corporate Planning, Procurement)	16	81		
	2015	₱28,470,664.81	-	
	2014	₱10,300,000	₱540,000	
	2013	₱4,946,318	-	
	2012	₱860,873	-	
All directors and officers	2016	₱25,209,997.46		

The members of the Board receive a standard per diem for attendance in Board meetings. For the six (6) months ended 2016, the Company paid a total of One Hundred Eighty Thousand Pesos (Php180,000.00). In 2015, the Company paid a total of of Seven Hundred Twenty Thousand Pesos (Php720,000.00) and in 2014, the Company paid a total of Four Hundred Eighty Thousand Pesos (Php480,000.00). Except as stated above, the directors did not receive other allowances or per diems for the past and ensuing year. There are no other existing arrangements/agreements under which directors are to be compensated during the last completed fiscal year and the ensuing year.

On November 11, 2015, the Board of Directors approved the creation of the Senior Management Stock Option Plan. The Plan covers the Senior Management of the company as identified by the Chairman and Chief Executive Officer. The Plan allows all covered Senior Management to acquire at market price at grant date such number of shares of stock not exceeding two percent (2%) of the issued and outstanding capital stock of the Company, after a vesting period of three (3) years. Vesting is conditional on the employment of the participant in the Company. The option will vest at the rate of twenty percent (20%) of the shares granted on the first year, thirty percent (30%) of the shares granted on the second year, and 50% of the shares granted on the third year. The Option is exercisable within seven (7) years from grant date.

The approval of this Stock Option has been ratified by the Company's shareholders on January 5, 2016 and is subject to the approval of the SEC.

The members of the Company's Compensation Committee are the following:

- Chairman : Vicente S. Perez Jr.
- Members : Rizza Marie Joy J. Sia
Ferdinand J. Sia

Certain Relationships and Related Transactions

Contracts may be entered into by the Company with any of its directors, executive officers or stockholders or with companies associated with the majority stockholders of the Company ("Related Parties"), provided the terms thereof are at least favourable to the Company as would be obtainable in arm's-length dealings with unrelated third persons. This policy is to prevent conflicts of interest between the Company and Related Parties, which may result in action taken by the Company that does not fully reflect the interests of all stockholders of the Company.

The Company, in the normal course of business, enters into transactions with related companies primarily consisting of lease of properties and advances for real estate transactions, working capital requirements and other business-related purposes. In general, prices for related party transactions relating to sales and rental revenue were agreed on based on current market rates, while for management fees, the fee amount is as approved by the Board of Directors of the Company. Rental for leased properties are within market rates while there are no interest on advances. Related parties are able to settle their obligations in connection with transactions with the Company and the Company does not foresee risks or contingencies arising from these transactions. Additional information on related party transactions is provided in the Notes to the Audited Financial Statements of the Company attached hereto and incorporated herein by reference.

The outstanding balance with Related Parties included in the appropriate accounts in the balance sheet are as follows:

Category	Year	Amount of Transaction (PHP)	Outstanding Receivables (PHP)	Outstanding Payables (PHP)	Terms and Conditions
Sales	2016	–	–	–	20% downpayment; 80% collectible in cash; no impairment
	2015	1,116,121	–	–	
	2014	1,004,509	–	–	
Rent Revenue	2016	47,649,689	79,855,805	–	Demandable; non-interest bearing; unsecured; collectible in cash; no impairment
	2015	21,526,326	15,855,272	–	
	2014	–	–	–	
Management Fees	2016	1,339,286	–	–	Demandable; non-interest bearing; unsecured; collectible in cash
	2015	2,678,571	–	–	
	2014	2,678,571	–	–	
Rent	2016	1,792,224	–	–	Demandable; non-interest bearing; unsecured; collectible in cash
	2015	3,584,449	–	–	
	2014	3,395,181	–	–	
Cash Advances Received	2016	156,103,423	–	156,103,423	Due and demandable; non-interest bearing
	2015	8,789,068	–	8,789,068	
	2014	–	–	–	
Cash Advances Granted	2016	858,973,965	160,482,896	–	Due and demandable; non-interest bearing; unsecured
	2015	58,417,380	59,447,450	–	
	2014	1,030,070	1,030,070	–	
Land Acquired	2016	–	–	430,285,303	Due and demandable;

2015	266,192,013	–	544,871,305	non-interest bearing; unsecured
2014	280,679,292	–	280,679,292	

The various agreements of the Company with Related Parties as follows:

Purchase of Shares

On 29 June 2012, the Company purchased Twelve Thousand Five Hundred (12,500) shares of stock in One Eleven Property Management Corp, with a par value of One Hundred Philippine Pesos (PHP 100.00) per share and an aggregate par value of One Million Two Hundred Fifty Thousand Pesos (PHP 1,250,000.00) from Injap Investments, Inc..

Sale of Real Estate Inventories

The Company sold various condominium units to Injap Investments Inc. (III), its Parent Company, and to key management personnel amounting to nil, PhP1.16 million, and PhP1.00 million in 2016, 2015 and 2014, respectively

Rent Revenue

The amount pertains to the revenue earned by the Company from leasing out some of its commercial spaces in Dragon8 Shopping Center and CityMall to JFC and SM Group.

Service & Management Contracts

In 2012, the Company entered into an Executive Management Services Agreement with III for executive, corporate, strategic, administrative and financial oversight services related to the real estate business of the Company. The term of the Agreement is for one (1) year effective January 1, 2012 and is renewable under the same terms and conditions upon mutual agreement of the parties. On August 26, 2015, the Company's BOD authorized the extension of the aforesaid agreement from January 1 to December 31, 2016 with revised management fee of PhP3.00 million, payable on a quarterly basis. The fee, which includes staffing costs for services rendered by the shareholders, amounted to PhP1.34 million in 2016 and PhP2.68 million in both 2015 and 2014.

Contracts of Lease (for Showroom and Sales Office)

On October 1, 2012, the Company entered into a sub-lease agreement with Jollibee Foods Corporation for the lease of a Two Hundred Fourteen and 76/100 (214.76) square meter office space situated at the Ground Floor of Jollibee Plaza Condominium, F. Ortigas, Jr. Road, Ortigas Center, Pasig City for a term of five (5) years or from October 1, 2012 to September 31, 2017 at the monthly rate of Eight Hundred Pesos (PHP 800.00) per square meter (subject to 10% yearly escalation). The sub-lease is renewable for the same period under the same terms and conditions.

On June 22, 2012, the Company entered into a lease agreement with Injap Investments, Inc. for the lease of a One Hundred Sixty Three (163) square meter office space situated at Injap Building, Delgado cor. Fuentes Street, Iloilo City for a term of three (3) years or from June 1, 2012 to May 31, 2015 at the monthly rate of Four Hundred Fifty Pesos (PHP 450.00) per square meter (subject to 7% yearly escalation). The said lease is renewable for the same period under the same terms and conditions.

Advances

The amount pertains to the unsecured non-interest bearing advances granted to and received from Related Parties for working capital requirements. These advances are generally settled within one year from the date of grant.

Land Acquisitions

In 2014, the Company has outstanding liabilities to minority shareholders of PDDG and CM-DZI amounting to PhP383.28 million and PhP161.59 million, respectively, for the acquisition of certain parcels of land which will be used in the on-going development of CityMalls. These unsecured, non-interest bearing liabilities are

to be settled by the Company in 2016.

Other than the foregoing, the Company has not had any material transaction in which any Related Party has had a direct or indirect material interest in the last two (2) years.

Description of Debt

The Company was granted credit facilities by various banks. A summary of the credit facilities granted to the Company is listed in the table below. As of the date of this Prospectus, the Company has already secured consent from these lending institutions.

Lending Institution	Nature of Loans	Interest Rate	Date Contracted	Maturity	Amount Outstanding	Available
Metropolitan Bank and Trust Company	Short Term Loan	3.00%	July 29, 2016	September 27, 2016	100,000,000	
Metropolitan Bank and Trust Company	Short Term Loan	3.00%	August 15, 2016	November 14, 2016	100,000,000	
Metropolitan Bank and Trust Company	Short Term Loan	3.00%	August 17, 2016	November 15, 2016	100,000,000	
Bank of China	Short Term Loan	4.15%	August 19, 2016	February 15, 2017	250,000,000	
Corporate Notes						
BDO Unibank, Inc.	Corporate Notes	6.1584% per annum, payable every quarter	October 30, 2014	7 years	2,000,000,000	-
Development Bank of the Philippines	Corporate Notes	6.1584% per annum, payable every quarter	October 30, 2014	7 years	1,500,000,000	-
China Banking Corporation	Corporate Notes	6.1584% per annum, payable every quarter	October 30, 2014	7 years	1,000,000,000	-
Land Bank of the Philippines	Corporate Notes	6.1584% per annum, payable every quarter	October 30, 2014	7 years	1,000,000,000	-
United Coconut Planters Bank	Corporate Notes	6.1584% per annum, payable every quarter	October 30, 2014	7 years	500,000,000	-
Robinsons Bank	Corporate Notes	6.1584% per annum, payable every quarter	October 30, 2014	7 years	500,000,000	-
Asia United Bank	Corporate Notes	6.1584% per annum, payable every quarter	October 30, 2014	7 years	500,000,000	-
Maybank Philippines, Inc.	Corporate Notes	6.1584% per annum, payable every quarter	October 30, 2014	7 years	400,000,000	-
BDO Unibank, Inc.	Corporate Notes	6% per annum, payable every quarter	May 8, 2015	7 years	5,000,000,000	-
Development Bank of the Philippines	Corporate Notes	Higher of Benchmark Rate plus 175 bps or floor rate based on the prevailing BSP Overnight Rate plus 125bps; interest rate per annum, payable every quarter Benchmark Rate – PDST-R2 rate, averaged for two preceding Banking days	July 30, 2015	8 years	1,500,000,000	-
Bank of the Philippine Islands	Corporate Notes	Higher of Benchmark Rate plus 175 bps or floor rate based on the prevailing BSP Overnight Rate plus 125bps; interest rate per	March 14, 2016	8 years	1,500,000,000	-

		annum, payable every quarter Benchmark Rate – PDST-R2 rate, averaged for two preceding Banking days				
--	--	---	--	--	--	--

Management's Discussion and Analysis of Results of Operations and Financial Condition

June 30, 2016 versus June 30, 2015 Results of Operations

DOUBLED DRAGON PROPERTIES CORP.

(Formerly Injap Land Corporation)

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the quarter ended June 30, 2016 and June 30, 2015

	June 30, 2016	June 30, 2015	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2016	2015
REVENUES						
Real estate sales	290,788,785	314,505,197	(23,716,412)	-7.5%	73.2%	82.9%
Sale of mall stall units	3,126,785	37,491,964	(34,365,179)	-91.7%	0.8%	9.9%
Unrealized gain from change in fair values of investment property	-	-	-	0.0%	0.0%	0.0%
Rental income	46,819,505	10,514,611	36,304,894	345.3%	11.8%	2.8%
Interest income	24,029,484	5,076,158	18,953,326	373.4%	6.0%	1.3%
Others	32,738,361	11,699,791	21,038,570	179.8%	8.2%	3.1%
	397,502,920	379,287,721	18,215,199	4.8%	100.0%	100.0%
COST AND EXPENSES						
Cost of real estate sales	145,412,593	170,188,755	(24,776,162)	-14.6%	36.6%	44.9%
Cost of sale of mall stall units	516,706	2,131,139	(1,614,433)	-75.8%	0.1%	0.6%
Selling and marketing expenses	26,218,048	18,729,081	7,488,967	40.0%	6.6%	4.9%
General and administrative expenses	100,534,887	61,006,886	39,528,001	64.8%	25.3%	16.1%
Interest expense	20,616,667	922,109	19,694,558	2135.8%	5.2%	0.2%
	293,298,901	252,977,970	40,320,931	15.9%	73.8%	66.7%
INCOME BEFORE INCOME TAX	104,204,019	126,309,751	(22,105,732)	-17.5%	26.2%	33.3%
INCOME TAX EXPENSE	3,660,346	37,892,926	(34,232,580)	-90.3%	0.9%	10.0%
NET INCOME/TOTAL COMPREHENSIVE INCOME	100,543,671	88,416,826	12,126,845	13.7%	25.3%	23.3%
Attributable to:						
Equity holders of the Parent Company	92,517,115	86,167,558	6,349,557	7.4%	23.3%	22.7%
Non-controlling interest	8,026,556	2,249,268	5,777,288	256.9%	2.0%	0.6%
	100,543,671	88,416,826	12,126,845	13.7%	25.3%	23.3%

Revenues

Total Revenues of DoubleDragon Property Corp. ("The Company") rose 15% for the six months ended June 30, 2016 to PhP706 million vs. PhP612 million during the same period last year. Bulk of revenues still coming in from the Company's interim residential projects, W.H. Taft Residences and The SkySuites Tower with real estate sales showing 7% growth year-on-year for the six months ended June 30, 2016. The Company saw continuous improvement in gross margins with 1H16 at 51% vs. 45% in the same period last year.

DoubleDragon Properties Corp. ("DD" or the "Company") recognized consolidated revenues of PhP397.5 million for the three months ended June 30, 2016, an increase of 4.8% from PhP379.3 million recognized in

the same period last year. Of the PhP397.5 million consolidated revenues, PhP290.8 million are from Real Estate Sales.

Rental revenues rose exponentially by 345% for the three months ended June 30, 2016 vs. the same period last year and by 649% for the first half of 2016 vs. the same period last year as the notable transition into the recurring revenue business model starts to take place. To date, the Company has eight (8) operational CityMalls averaging 96% leased with more opening in the coming months. As more CityMalls are set to open this year, DoubleDragon expects to see sustained momentum in the growth in rental revenues. Also contributing substantially to rental revenues is Dragon8 Mall in Divisoria which is now 95% leased out.

Cost and Expenses

Cost of real estate sales amounting to PhP145.4 million decreased by PhP24.7 million (-14.6%) for the three months ended June 30, 2016. Total gross profit margin improved to 50% in Q2 2016 versus 46% in the same period last year. Selling expenses of PhP26.2 million increased by PhP7.4 million (40%) from PhP18.7 million from the same period last year due to the increase in advertising and marketing expense. General and administrative expenses of PhP100.5 million increased by PhP39.5 million (+64.8%) due to the increase in personnel cost, business taxes, depreciation and leases. Interest expense amounting to PhP20.6 million was recognized for the three months ended June 30, 2016 as a result of the increase in the Company's bank loans used to finance its projects.

Net Income

The Company's consolidated net income of PhP100.5 million grew by PhP12.1 million, up by 13.7% for the three months ended June 30, 2016 from PhP88.4 million posted for the same period in the previous year due to improved gross profit margins. Moreover, income from rental for Q2 2016 has increased by 373.4% from Q2 2015 marking the Company's transition into the recurring revenue model.

June 30, 2016 versus December 31, 2015 Statements of Financial Position

DOUBLEDRAGON PROPERTIES
CORP.

(Formerly Injap Land Corporation)
UNAUDITED CONSOLIDATED
STATEMENTS OF FINANCIAL
POSITION

	Unaudited	Audited	Horizontal Analysis		Vertical Analysis	
	June 30, 2016	December 31, 2015	Increase (Decrease)		2016	2015
ASSETS						
Current Assets						
Cash and cash equivalents	4,683,655,620	960,459,833	3,723,195,787	387.6%	12.0%	3.5%
Receivables - net	1,213,430,535	719,103,845	494,326,690	68.7%	3.1%	2.6%
Real estate inventories	2,829,636,838	2,640,403,512	189,233,326	7.2%	7.2%	9.5%
Due from related parties	160,482,896	58,567,380	101,915,516	174.0%	0.4%	0.2%
Prepaid expenses and other current assets - net	1,645,998,868	1,282,725,181	363,273,687	28.3%	4.2%	4.6%
Total Current Assets	10,533,204,757	5,661,259,751	4,871,945,006	86.1%	27.0%	20.4%
Noncurrent Assets						
Receivables - net of current portion	460,336,178	458,709,355	1,626,823	0.4%	1.2%	1.7%
Property and equipment - net	138,711,374	145,751,214	(7,039,840)	-4.8%	0.4%	0.5%
Computer software licenses and goodwill - net	105,005,831	94,347,435	10,658,396	11.3%	0.3%	0.3%
Investment property	26,181,556,429	19,929,916,375	6,251,640,054	31.4%	67.1%	71.8%

Deferred tax assets	421,056,446	418,809,603	2,246,843	0.5%	1.1%	1.5%
Other noncurrent assets	1,191,458,830	1,054,534,129	136,924,701	13.0%	3.1%	3.8%
Total Noncurrent Assets	28,498,125,088	22,102,068,111	6,396,056,977	28.9%	73.0%	79.6%
	39,031,329,845	27,763,327,862	11,268,001,983	40.6%	100.0%	100.0%

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and other liabilities	1,952,102,604	1,603,262,410	348,840,194	21.8%	5.0%	5.8%
Short-term notes payable	874,000,000	4,274,000,000	(3,400,000,000)	-79.6%	2.2%	15.4%
Current portion of customers' deposits	65,817,951	57,805,095	8,012,856	13.9%	0.2%	0.2%
Due to related parties	586,388,726	553,660,373	32,728,353	5.9%	1.5%	2.0%
Income tax payable	10,958,032	699,571	10,258,461	1466.4%	0.0%	0.0%
Total Current Liabilities	3,489,267,313	6,489,427,449	(3,000,160,136)	-46.2%	8.9%	23.4%

Noncurrent Liabilities

Long-term notes payable - net of debt issue costs	15,085,954,072	11,114,499,192	3,971,454,880	35.7%	38.7%	40.0%
Customers' deposits - net of current portion	135,748,499	111,346,839	24,401,660	21.9%	0.3%	0.4%
Other noncurrent payable	688,708,209	613,446,150	75,262,059	12.3%	1.8%	2.2%
Retirement benefits liability	4,983,866	4,983,866	-	0.0%	0.0%	0.0%
Deferred tax liability	791,506,732	785,147,211	6,359,521	0.8%	2.0%	2.8%
Total Noncurrent Liabilities	16,706,901,378	12,629,423,258	4,077,478,120	32.3%	42.8%	45.5%
Total Liabilities	20,196,168,691	19,118,850,707	1,077,317,984	5.6%	51.7%	68.9%

Equity

Equity Attributable to Equity Holders of the Parent Company

Capital stock	10,222,973,000	222,973,000	10,000,000,000	4484.8%	26.2%	0.8%
Additional paid-in capital	1,176,415,669	1,358,237,357	(181,821,688)	-13.4%	3.0%	4.9%
Retained earnings	1,305,874,695	1,174,325,142	131,549,553	11.2%	3.3%	4.2%
Retirement benefits liability	(2,602,254)	(2,602,254)	-	0.0%	0.0%	0.0%
	12,702,661,110	2,752,933,245	9,949,727,865	361.4%	32.5%	9.9%
Non-controlling Interest	6,132,500,044	5,891,543,910	240,956,134	4.1%	15.7%	21.2%
Total Equity	18,835,161,154	8,644,477,155	10,190,683,999	117.9%	48.3%	31.1%
Total Liabilities and Equity	39,031,329,845	27,763,327,862	11,268,001,983	40.6%	100.0%	100.0%

The Company's Total Assets rose considerably by 41% during the first half of 2016 to PhP39B primarily due to the Company's issuance of PhP10B in preferred shares last April 2016. The preferred share issuance also led to a strong improvement of the Company's leverage with gross debt-to-equity dropping to a low 0.85x vs. 1.78x at the end of last year. The Preferred Shares are classified as Equity, in accordance with its classification set by its independent auditors.

For the first six months of 2016, the Company's properties held for lease, classified as investment properties, increased by PhP6.25B or 31% for the first six months of 2016 to end at PhP26.2B as of June 30, 2016. Total landbank of the Company currently stands at 67 hectares, which once fully developed, is expected to contribute close to 700,000 square meters of leasable space. DoubleDragon is focusing on the buildup of recurring revenue firmly grounded on a portfolio of appreciating real estate assets acquired at unstretched prices.

Current Assets

Cash amounting to PhP4,683.6 million as of June 30, 2016 increased by PhP3,723.1 million (+388%) from PhP960.4 million as of December 31, 2015. The increase in cash is attributable to the proceeds from the

issuance of preferred shares by the Company to support the full blast construction CityMalls as well as the Company's on-going vertical projects.

Receivables amounting to PhP1,213.4 million as of June 30, 2016 increased by PhP494.3 million (+68.7%) from PhP719.1 million as of December 31, 2015 due to incremental sales from the Company's ongoing interim residential projects.

Real estate inventories amounting to PhP2,829.6 million as of June 30, 2016 increased by PhP189.2 million from PhP2,640.4 million on December 31, 2015.

Prepaid expenses and other current assets amounting to PhP1,645.9 million as of June 30, 2016 increased by PhP363.2 million (+28.3%) from PhP1,282.7 million on December 31, 2015. This account includes input taxes on expenditures related to construction and property development and creditable withholding taxes.

Noncurrent Assets

Noncurrent installment contracts receivable amounting to PhP460.3 million as of June 30, 2016 slightly increased from December 31, 2015. Noncurrent installment contracts represent the portion of receivables from the sale of units from vertical and horizontal projects collectible in two to three years' time.

Property and equipment amounting to PhP138.7 million as of June 30, 2016 decreased by PhP7.0 million from PhP145.7 million as of December 31, 2015.

Intangible assets amounting to PhP105.0 million as of June 30, 2016 increased by PhP10.6 million from PhP94.3 million as of December 31, 2015 due to additions made during the quarter.

Investment property amounting to PhP26,181.5 million as of June 30, 2016 increased by PhP6,251.6 million (+31.4%) from PhP19,929.9 million as of December 31, 2015 as the Company continues to secure prime commercial property across provincial cities in the Philippines for its CityMall expansion. Full swing construction of the Company's two Metro Manila office Projects DD Meridian Park and Jollibee Plaza are also contributing to the increase in the Company's Investment Properties.

Current Liabilities

Accounts payable and other liabilities amounting to PhP1,952.1 million as of June 30, 2016 increased by PhP348.8 million (+21.8%) from PhP1,603.2 million as of December 31, 2015. The bulk of such increase is attributable to Trade Payables arising from services provided by the contractors and subcontractors for actual progress billings related to existing and new developmental projects.

Short-term notes payable amounting to PhP874.0 million as of June 30, 2016 decreased by PhP3,400.0 million (-79.6%) from PhP4,724.0 million as of December 31, 2015 due to the repayment of portion of the short-term loans.

Customers' deposits amounting to PhP65.8 million as of June 30, 2016 increased by PhP8.0 million (+13.9%) from PhP57.8 million as of December 31, 2015.

Noncurrent Liabilities

Long-term notes payable amounting to PhP15,085.9 million as of June 30, 2016, 35.7% increase from PhP11,114.5 million as of December 31, 2015. The Company obtained additional unsecured long-term loans from various financial institutions. The proceeds from these borrowings were used by the Company to partly finance its capital expenditures, primarily for the development of DD Meridian Park, The SkySuites Tower, CityMalls and for general corporate purposes.

Notes Payable

This account consists of:

	June 30, 2016	December 31, 2015
Balance at beginning of the year	PhP15,526,000,000	PhP8,475,000,000
Availments	4,000,000,000	7,225,000,000
Payments	(3,400,000,000)	(174,000,000)

	18,976,000,000	15,526,000,000
Less current portion	874,000,000	4,274,000,000
Noncurrent portion	14,752,000,000	11,252,000,000
Less debt issue costs	166,045,928	137,500,808
	PhP15,085,954,072	PhP11,114,499,192

On March 14, 2016, the Group obtained a total of PhP1.5 billion unsecured, bilateral long-term loans from a financing institution with scheduled drawdown dates. The Group has already drawn PhP1.0 billion out of the total approved loan amount as at June 30, 2016. The Group pays interest on the outstanding principal amount of the loan on each interest payment date for the interest period then ending at a fixed rate per annum. The proceeds from these borrowings were used by the Group to partly finance its capital expenditures for the development of additional CityMall branches. As a result of the aforesaid transaction, the Group incurred debt issue costs amounting to PhP13.3 million for the quarter ended June 30, 2016.

On May 18, 2015, the Group obtained a total of PhP5.0 billion unsecured, bilateral long-term loans from a financing institution with scheduled drawdown dates. The Group has already drawn PhP5.0 billion out of the total approved loan amount as at June 30, 2016. The loan payments are to be made in five consecutive annual installments to commence at the end of the 36th month after the initial drawdown date. The Group pays interest on the outstanding principal amount of the loan on each interest payment date for the interest period then ending at a fixed rate per annum determined on the interest rate setting date equal to the higher of: (i) the applicable benchmark rate as determined by the lender by reference to the PDST-R2 rate plus a spread of 2.35% or (ii) 5.25%. The proceeds from these borrowings were used by the Group to partly finance its capital expenditures for the development of additional CityMall branches. As a result of the aforesaid transaction, the Group incurred debt issue costs amounting to PhP7.9 million and PhP42.63 million for the quarter ended June 30, 2016 and year ended December 31, 2015, respectively.

On July 30, 2015, the Group obtained a total of PhP1.50 billion unsecured, bilateral, long-term loans from a financing institution with scheduled drawdown dates. The Group has already drawn PhP1.5 billion out of the total approved loan amount as at June 30, 2016. The principal repayments are to be made in five annual amortizations equivalent to 5.0% of the total principal amount of the loan amount drawn, beginning on the 36th month from initial drawdown date. The Group pays interest on the outstanding principal amount of the loan on each interest payment date for the interest period then ending at a fixed rate per annum determined on the interest rate setting date equal to the higher of: (i) the applicable benchmark rate as determined by the lender by reference to the PDST-R2 rate plus 1.75 bps; or (ii) floor rate based on the prevailing Bangko Sentral ng Pilipinas overnight rate plus 125 bps. The proceeds from these borrowings were used by the Group to partly finance the development of DD Meridian Park, a 4.75 hectare ongoing, mixed-use development real estate property situated in Pasay City. As a result of the aforesaid transaction, the Group incurred debt issue costs amounting to PhP5.2 million and PhP14.66 million for the quarter ended June 30, 2016 and year ended December 31, 2015, respectively.

On October 30, 2014, the Group obtained a total of PhP7.40 billion unsecured, bilateral long-term loans from various financing institutions. The loan payments are to be made in seven consecutive annual installments to commence at the end of the 12th month after the initial borrowing date. The Group pays interest on the outstanding principal amount of the loan on each interest payment date for the interest period then ending at a fixed rate per annum determined on the interest rate setting date equal to the higher of: (i) the applicable benchmark rate as determined by the lender by reference to the PDST-R2 rate plus a spread of 2.00% or (ii) 6.00%. The proceeds from these borrowings were used by the Group to partly finance its capital expenditures, primarily for the development of DD Meridian Park, the Dragon8, The SkySuites Towers and roll-out of the first 12 CityMalls and for general corporate purposes. As a result of the aforesaid transaction, the Group incurred debt issue costs amounting to nil and PhP84.59 million for the quarter ended June 30, 2016 and year ended December 31, 2015, respectively.

In 2013, the Group obtained unsecured, short-term and long-term borrowings from local financing institutions amounting to PhP1.14 million which are payable on various dates up to 2016. In 2014, the Group obtained additional unsecured, short-term borrowings amounting to PhP1.285 billion. The proceeds from these borrowings were used for working capital purposes more specifically in the development of the Group's on-going projects. The interest rates on these short-term and long-term borrowings are repriced monthly based on negotiated rates or prevailing market rates.

The debt agreements contain, among others, covenants relating to maintenance of certain financial ratios, working capital requirements, restrictions on loans and guarantees, disposal of a substantial portion of assets, capital expenditures, significant changes in the ownership, payments of dividends and redemption of capital stock.

The Group is in compliance with the covenants of the debt agreements as of June 30, 2016 and December 31, 2015.

As of June 30, 2016, the Debt-to-Equity Ratio of the Company is 0.85. The Debt-to-Equity Ratio of the Company will be 1.11, assuming a PhP5,000,000,000 issuance of the Bonds and 1.38, assuming a PhP10,000,000,000 issuance of the Bonds. The Preferred Shares are classified as Equity, in accordance with its classification set by its independent auditors.

Interest expense, exclusive of the capitalized borrowing costs, recognized in profit or loss amounted to PhP116.7 million, PhP38.1 million and PhP37.5 thousand as at June 30 2016, 2015, and 2014, respectively. Total capitalized borrowing costs charged under "Real estate inventories" and "Investment property" accounts amounted to PhP352.2 million and PhP654.79 million as at June 30, 2016 and December 31, 2015, respectively.

Amounts due beyond one year are shown under "Long-term notes payable - net of debt issue costs" account in the consolidated statements of financial position.

The movements in debt issue costs are as follows:

	June 30, 2016	December 31, 2015
Balance at the beginning of the year	PhP137,500,808	PhP96,756,628
Additions	35,765,122	57,292,952
Amortization	(7,220,002)	(16,548,772)
	PhP166,045,928	PhP137,500,808

Equity

Equity amounting to PhP18,835.1 million as of June 30, 2016 is higher by PhP10,190.6 million (+117.9%) from PhP8,644.4 million as of December 31, 2015, due to the issuance of PhP10 billion preferred shares and consolidated net income recorded for the first six months of 2016.

Related Party Disclosures

The Group, in the normal course of business, has transactions with its related parties as follows:

Category	Year	Ref/Note	Amount of Transaction	Outstanding Balances		Terms and Conditions
				Due from Related Parties	Due to Related Parties	
Parent Company's Key Management Personnel						
Sales	June 30, 2016	a	P-	P	P	20% down payment and 80% collectible in cash; no impairment
	2015	a	1,116,121	-	-	20% down payment and 80% collectible in cash; no impairment
	2014	a	1,004,509	-	-	20% down payment and 80% collectible in cash; no impairment
Management fees	June 30, 2016	b	1,339,286	-	-	Demandable; non-interest bearing; unsecured; payable in cash

	2015	<i>b</i>	3,032,836	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2014	<i>b</i>	2,678,571	-	-	Demandable; non-interest bearing; unsecured; payable in cash
Rent expense	June 30, 2016	<i>c</i>	1,792,224	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2015	<i>c</i>	3,584,449	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2014	<i>c</i>	3,395,181	-	-	Demandable; non-interest bearing; unsecured; payable in cash
Cash advances granted	2014	<i>d</i>	-	880,070	-	Demandable; non-interest bearing; unsecured; collectible in cash; no impairment
Other Related Parties						
Land acquired	June 30, 2016	<i>e</i>	-	-	430,285,303	Demandable; non-interest bearing; unsecured; payable in cash
	2015		266,192,013		544,871,305	Demandable; non-interest bearing; unsecured; payable in cash
	2014	<i>e</i>	280,679,292	-	280,679,292	Demandable; non-interest bearing; unsecured; payable in cash
Cash advances received	June 30, 2016	<i>d</i>	858,973,965	1160,482,896	156,103,423	Demandable; non-interest bearing; unsecured; collectible in cash; no impairment
	2015	<i>d</i>	58,417,380	58,567,380	8,789,068	Demandable; non-interest bearing; unsecured; collectible in cash; no impairment
	2014	<i>d</i>	150,000	150,000	-	Demandable; non-interest bearing; unsecured; collectible in cash; no impairment
Rent income	June 30, 2016	<i>c</i>	13,569,872	-	-	Demandable; non-interest bearing; unsecured; collectible in cash; no impairment
	2015	<i>c</i>	5,231,283	-	-	Demandable; non-interest bearing; unsecured; collectible in cash; no impairment
	June 30, 2016	28		PhP160,482,896	PhP586,388,726	
	2015	28		PhP58,567,380	PhP553,660,373	

a. Sale of Real Estate Inventories

The Group sold condominium units to its key management personnel amounting to nil, PhP1.2 million and PhP1.0 million in 2016, 2015 and 2014, respectively.

b. Executive Management Services Agreement

The Group entered into an agreement with a shareholder for executive corporate, strategic, administrative and financial oversight services relative to the real estate business of the Group. The term of this agreement is one year effective January 1, 2012. This is renewable under the same terms and conditions upon mutual agreement of the parties. On August 26, 2015, the Group's BOD authorized the extension of the aforesaid agreement from January 1 to December 31, 2016 with revised management fee of PhP3.0 million, payable on a quarterly basis. The fee, which includes staffing costs for services rendered by the shareholders, amounted to PhP1.3 million, PhP3.0 million, PhP2.7 million in June 30, 2016, December 31, 2015 and 2014, respectively.

c. Lease of Showrooms and Sales Office

The Group leases showrooms and sales office from Ill and Jollibee Foods Corporation (JFC), respectively. The terms of the lease are three to five years, renewable for the same period under the same terms and conditions. The rent shall escalate by 7% to 10% each year.

Lease of Land and Mall Spaces

The Group entered into various lease agreements with related parties covering its investment property portfolio. These leases generally provide for either fixed monthly rent subject to escalation rates or a certain percentage of gross sales. The terms of the leases are for periods ranging from 5 to 15 years. The fixed monthly rent shall escalate by an average of 5% to 10% each year.

d. Cash Advances

The amount pertains to unsecured, non-interest bearing advances granted to and received from related parties for working capital requirements. These advances are generally settled within one year from the date of grant.

e. Land Acquisitions

The Group has outstanding liabilities to minority shareholders of PDDG and CM-DZI for the acquisition of certain parcels of land which will be used in the on-going CityMalls and DD Meridian Park.

The above-stated unsecured, non-interest bearing liabilities are to be settled by the Group in 2016.

f. Key Management Personnel Compensation

The short-term benefits of other key management personnel amounted to PhP7.8 million, PhP18.61 million and P0.48 million in June 30, 2016, December 31, 2015 and 2014, respectively.

Key Performance Indicators of the Company

		Audited 2015	Unaudited 30-June-16
Current Ratio		0.87	3.02
Asset to Equity		3.21	2.07
Debt to Equity Ratios			
	On Gross Basis	1.78x	0.85x
	On Net Basis	1.67x	0.60x
Return on Equity		22.4%	2.0%
Net Income to Revenue		29.0%	19.00%
Revenue Growth		12.8%	15.34%
Net Income Growth		0.63%	7.09%
EBITDA		₱1,142,957,552	₱261,741,895
Solvency Ratio		0.033x	0.008x
Debt Service Coverage Ratio		1.26	n/a
Acid Test Ratio		0.23	1.57
Interest Coverage Ratio		0.86	0.53

(In compliance with SRC Rule 68, as amended on October 2011)

The following are the formula by which the Company calculates the foregoing performance indicators are as follows:

1. Current Ratio
$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

2. Asset to Equity Ratio
$$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$$

3. Debt to Equity Ratio (Gross)
$$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Stockholders' Equity}}$$

Basis)	Total Equity
4. Debt to Equity Ratio (Net Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt less Cash and Cash Equivalent}}{\text{Total Equity}}$
5. Return on Equity	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$
6. Net Income to Revenue (Net Profit Margin)	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$
7. Revenue Growth	$\frac{\text{Total Revenue (Current Period)} - \text{Total Revenue (Prior Period)}}{\text{Total Revenue (Prior Period)}}$
8. Net Income Growth	$\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)} - \text{Net Income Attributable to Owners of the Parent (Prior Period)}}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}}$
9. EBITDA	Income from Operations + Depreciation and Amortization
10. Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$
11. Debt Service Coverage Ratio	$\frac{\text{Income from Operations} + \text{Depreciation and Amortization (EBITDA)}}{\text{Interest Paid} + \text{Principal Repayments}}$
12. Acid Test Ratio	$\frac{\text{Cash} + \text{Accounts Receivable} + \text{Marketable Securities}}{\text{Current Liabilities}}$
13. Interest Coverage Ratio	$\frac{\text{Earnings before interest and taxes}}{\text{Interest Paid}}$

As of 30 June 2016, the Company had total assets of PHP 39 Billion. Likewise, the Company has a sufficient level of liquidity with current assets amounting to PHP 10.5 Billion as against its current obligations of PHP 3.5 Billion, for a healthy Current Ratio of 3.02. The Company does not anticipate having any cash flow or liquidity problems within the next 12 months. The Company has not been in default or breach of any note, loan, lease or other indebtedness of financing arrangement and a significant amount of trade payables are being paid within stated terms.

The Company does not foresee any 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.

Calendar Year Ended December 31, 2015 and 2014

Results of Operation

DOUBLEDRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
AUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the year ended December 31

	2015	2014	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2015	2014
REVENUES						
Real estate sales	641,470,191	1,073,008,556	(431,538,365)	-40.2%	33.3%	62.7%
Unrealized gains from change in fair values of Inv. Prop.	811,063,913	455,732,211	355,331,702	78.0%	42.0%	26.6%
Leasehold rights' sales	139,713,804	140,493,171	(779,367)	-0.6%	7.2%	8.2%
Rental income	116,545,653	6,046,194	110,499,459	1827.6%	6.0%	0.4%
Interest income	120,857,833	30,644,040	90,213,793	294.4%	6.3%	1.8%
Other income from forfeitures	69,295,227		69,295,227		3.6%	
Others	29,988,318	4,577,884	25,410,434	555.1%	1.6%	0.3%
	1,928,934,939	1,710,502,056	218,432,883	12.8%	100.0%	100.0%
COST AND EXPENSES						
Cost of real estate sales	370,604,075	573,338,423	(202,734,348)	-35.4%	19.2%	33.5%
Cost of leasehold rights	8,364,736	24,073,820	(15,709,084)	-65.3%	0.4%	1.4%
Selling and marketing expenses	113,030,897	70,679,172	42,351,725	59.9%	5.9%	4.1%
General and administrative expenses	428,602,219	200,830,656	227,771,563	113.4%	22.2%	11.7%
Interest expense	114,353,234	37,501,634	76,851,600	204.9%	5.9%	2.2%
	1,034,955,161	906,423,705	128,531,456	14.2%	53.7%	53.0%
INCOME BEFORE INCOME TAX	893,979,778	804,078,351	89,901,427	11.2%	46.3%	47.0%
INCOME TAX EXPENSE	271,197,041	243,230,803	27,966,238	11.5%	14.1%	14.2%
NET INCOME/TOTAL COMPREHENSIVE INCOME	622,782,737	560,847,548	61,935,189	11.0%	32.3%	32.8%
Attributable to:						
Equity holders of the Parent Company	559,405,589.00	555,890,174	3,515,415	0.6%	29.0%	32.5%
Non-controlling interest	63,377,148.00	4,957,374	58,419,774	1178.4%	3.3%	0.3%
	622,782,737	560,847,548	61,935,189	11.0%	32.3%	32.8%

Revenues

Consolidated revenues grew by 12.8% to PhP1.93 billion from last year's PhP1.71 billion. Of the PhP1.93 billion consolidated revenues, PhP641.5 million are from Real Estate Sales, and PhP139.7 million from the Sale of Mall Stall Units or Leasehold Rights Sales whose sales take-up is almost equal to last year's Leasehold Rights Sales which is practically the same as last year's PhP140.5 million.

The market continues to indicate strong demand for DoubleDragon's projects.

Rental income jumped exponentially to PhP116.5 million from PhP6.0 million (+1828%) recognized in 2014, mainly contributed by the five (5) CityMalls that are already operational during the year 2015 and other commercial leasing developments of the Company contributing to its recurring income stream.

Cost and Expenses

Cost of Real Estate Sales in 2015 amounted to PhP370.6 million, decreased by PhP202.7 million from PhP573.3 million in 2014. Consolidated cost of sales rate remains at 49% year-on-year.

Selling and marketing expenses amounted to PhP113.0 million, higher by PhP42.3 million (+60%) from PhP70.7 million last year due to increased selling cost and advertising and marketing efforts. General and

administrative expenses amounted to PhP428.6 million, higher by PhP227.8 million (+113%) from last year's PhP200.8 million due to increase in personnel cost, business taxes, professional services acquired, depreciation and leases.

Interest expense for 2015 is at PhP114.4 million, an increase of PhP76.9 million from last year's PhP37.5 million. This is mainly due to the interest payments on the Company's short- and long-term notes which were used to fund the Company's expansion plans.

Portion of interest expense on bank loans is capitalized as borrowing costs. Capitalized interest is the interest incurred on loans used directly to finance the development and construction of the Company's projects during the development stage until the date of completion as required by the accounting standards.

Net Income

The Company's consolidated net income for 2015 grew by PhP62.0 million (+11%) to PhP622.8 million from PhP560.8 million posted in the previous year due to significant increase in Rental Income and Interest Income, while maintaining the Consolidated Cost of Sales ratio at 49%. Moreover, income from rental has increased 19x marking the start of our transition into the recurring revenue model.

Financial Position

DOUBLEDRAGON PROPERTIES
CORP.

(Formerly Injap Land Corporation)
AUDITED CONSOLIDATED
STATEMENTS OF FINANCIAL
POSITION

	Audited	Audited	Horizontal Analysis		Vertical Analysis	
	December 31, 2015	December 31, 2014	Increase (Decrease)		2015	2014
ASSETS						
Current Assets						
Cash and cash equivalents	960,459,833	3,817,191,234	(2,856,731,401)	-74.8%	3.5%	20.6%
Receivables - net	719,103,845	555,323,126	163,780,719	29.5%	2.6%	3.0%
Real estate inventories	2,640,403,512	2,243,407,876	396,995,636	17.7%	9.5%	12.1%
Leasehold rights	-	205,115,350	(205,115,350)	-100.0%	0.0%	1.1%
Due from related parties	58,567,380	1,030,070	57,537,310	5585.8%	0.2%	0.0%
Prepaid expenses and other current assets - net	1,282,725,181	600,244,952	682,480,229	113.7%	4.6%	3.2%
Total Current Assets	5,661,259,751	7,422,312,608	(1,761,052,857)	-23.7%	20.4%	40.1%
Noncurrent Assets						
Receivables - net of current portion	458,709,355	206,412,607	252,296,748	122.2%	1.7%	1.1%
Property and equipment - net	145,751,214	95,859,524	49,891,690	52.0%	0.5%	0.5%
Computer software licenses and goodwill - net	94,347,435	68,960,899	25,386,536	36.8%	0.3%	0.4%
Investment property	19,929,916,375	10,467,018,818	9,462,897,557	90.4%	71.8%	56.5%
Deferred tax asset	418,809,603	43,166,862	375,642,741	870.2%	1.5%	0.2%
Other noncurrent assets	1,054,534,129	214,318,100	840,216,029	392.0%	3.8%	1.2%
Total Noncurrent Assets	22,102,068,111	11,095,736,810	11,006,331,301	99.2%	79.6%	59.9%
	27,763,327,862	18,518,049,418	9,245,278,444	49.9%	100.0%	100.0%

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and other liabilities	1,603,262,410	840,247,846	763,014,564	90.8%	5.8%	4.5%
Short-term notes payable	4,274,000,000	649,000,000	3,625,000,000	558.6%	15.4%	3.5%
Customers' deposits	57,805,095	230,608,277	(172,803,182)	-74.9%	0.2%	1.2%
Due to related parties	553,660,373	280,679,292	272,981,081	97.3%	2.0%	1.5%
Income tax payable	699,571	12,223,080	(11,523,509)	-94.3%	0.0%	0.1%
Total Current Liabilities	6,489,427,449	2,012,758,495	4,476,668,954	222.4%	23.4%	10.9%
Noncurrent Liabilities						
Long-term notes payable - net of debt issue costs	11,114,499,192	7,729,243,372	3,385,255,820	43.8%	40.0%	41.7%
Customers' deposits - Net of Current Portion	111,346,839	176,410,072	(65,063,233)	-36.9%	0.4%	1.0%
Retirement benefits liability	4,983,866	-	4,983,866	100.0%	0.0%	0.0%
Deferred revenue	-	-	-	100.0%	0.0%	0.0%
Other noncurrent liabilities	613,446,150	552,925,699	60,520,451	10.9%	2.2%	3.0%
Deferred tax liabilities	785,147,211	216,536,348	568,610,863	262.6%	2.8%	1.2%
Total Noncurrent Liabilities	12,629,423,258	8,675,115,491	3,954,307,767	45.6%	45.5%	46.8%
Total Liabilities	19,118,850,707	10,687,873,986	8,430,976,721	78.9%	68.9%	57.7%
Equity						
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	222,973,000	222,973,000	-	0.0%	0.8%	1.2%
Additional paid-in capital	1,358,237,357	1,358,237,357	-	0.0%	4.9%	7.3%
Remeasurement loss on defined benefit liability - net of tax	(2,602,254)	-	(2,602,254)	-100.0%	0.0%	0.0%
Retained earnings	1,174,325,142	661,823,627	512,501,515	77.4%	4.2%	3.6%
	2,752,933,245	2,243,033,984	509,899,261	22.7%	9.9%	12.1%
Non-controlling Interest	5,891,543,910	5,587,141,448	304,402,462	5.4%	21.2%	30.2%
Total Equity	8,644,477,155	7,830,175,432	814,301,723	10.4%	31.1%	42.3%
Total Liabilities and Equity	27,763,327,862	18,518,049,418	9,245,278,444	49.9%	100.0%	100.0%

On the Balance Sheet side, consolidated total assets as of December 31, 2015 amounted to PhP27.8 billion, an increase of 49.9% from PhP18.5 billion in the previous year as the Company's assets grew largely through the developments and construction in its Projects. Consolidated total liabilities increased by 78.9% to PhP19.1 billion from PhP10.7 billion in the previous year largely due to the availment of financing facilities used by the Company to roll-out its planned expansion.

Current Assets

Total Current Assets amounted to PhP5.7 billion as of December 31, 2015, lower by 23.7% from PhP7.4 billion in the previous year largely due to the utilization of its Cash and Cash Equivalents for the roll-out of its Projects.

Cash amounted to PhP0.9 billion as of December 31, 2015 decreased by PhP2.9 billion from PhP3.8 billion in December 31, 2014. Proceeds from the short- and long-term borrowings during the year were utilized in the full-swing construction of the CityMalls and the DoubleDragon Plaza at the DD Meridian Park.

Receivables amounted to PhP719.1 million as of December 31, 2015, essentially unchanged from previously reported PhP732.4 million in December 31, 2014. However, PhP177.0 million of last year's balance was reclassified to conform with the current year presentation. The receivables now reflect an increase of 29.5% after such reclassification.

Real estate inventories amounted to PhP2.6 billion as of December 31, 2015, increased by PhP396.9 million (+17.7%) from PhP2.2 billion in December 31, 2014 due to additional developments by the Company in its Projects.

Prepaid expenses and other current assets amounting to PhP1.3 billion as of December 31, 2015 increased by PhP682.5 million (+113.7%) from PhP600.2 million in December 31, 2014. Accumulated input taxes on expenditures related to construction and property development and creditable withholding taxes as well as advances to contractors account for the majority of the increase.

Noncurrent Assets

Noncurrent installment contracts receivable increased to PhP458.7 million from PhP206.4 million in the previous year, and increase of 122%. This represents the portion of receivables from the sale of units from its horizontal and vertical projects collectible in two to three years' time.

Property and equipment amounted to PhP145.8 million as of December 31, 2015 increased by PhP49.9 million (+52%) from PhP95.9 million in December 31, 2014. Intangible assets amounted to PhP94.3 million as of December 31, 2015 increased by PhP25.4 million from PhP68.9 million in the previous year. The purchase and implementation of SAP enterprise software contributed to the net increase in intangible assets.

Investment Property significantly increased and nearly doubled to PhP20.0 billion, an increase of PhP9.5 billion (+90.4%) from PhP10.5 billion in December 31, 2014. This significant increase is mainly attributable to the numerous land acquisitions intended for the CityMall project as well the corresponding construction of these CityMalls along with the Company's other Projects.

Other noncurrent assets as of December 31, 2015 amounted to PhP1.1 billion decreased by PhP840.2 million (+392%) in December 31, 2014. The increase is mainly due to the advances to contractors and suppliers in the ordinary course of business.

Current Liabilities

Accounts payable and other liabilities amounted to PhP1.6 billion as of December 31, 2015 increased by PhP763.0 million from PhP840.2 million in December 31, 2014. The bulk of such increase is attributable to Trade Payables arising from services provided by the contractors and subcontractors for actual progress billings related to existing and new developmental projects.

Short-term notes payable amounted to PhP4.3 billion as of December 31, 2015 increased by PhP3.6 billion from PhP649 million in December 31, 2014. This pertains to the current portion of the Company's Notes Payable and the additional PhP3.1 billion short-term notes availed for 2015 for the development of the Company's on-going projects and working capital purposes.

Noncurrent Liabilities

Noncurrent Liabilities amounted to PhP12.6 billion as of year-end 2015, as against PhP8.7 billion in the previous year, an increase of PhP3.9 billion (+45.6%). During 2015, the Company obtained a total of PhP4.0 billion unsecured long-term loans from various financial institutions. The proceeds from these borrowings were used by the Company to partly finance its capital expenditures, primarily for the development of The Meridian Park, The SkySuites Tower and construction of CityMalls and for general corporate purposes.

Equity Attributable to Holders of the Parent Company

Retained earnings attributable to the holders of the Parent Company increased by PhP512.5 million (+77.4%) from PhP661.8 million in December 31, 2014 to PhP1.2 billion as of December 31, 2015. The increase is due to the cumulative earnings recognized by the Company.

Equity of Non-controlling Interest

Non-controlling interest (NCI) increased by PhP304.4 million (+5.4%) to PhP5.9 billion from PhP5.6 billion in December 31, 2014. The increase is mainly coming from the Company's additional CityMall subsidiaries and DD Meridian Park Development Corp's developments.

Key Performance Indicators

The following are the major financial ratios of the Company for the years ended December 31, 2015 and 2014

	12/31/2015	12/31/2014
Current Ratio	0.87	3.69
Asset to Equity	3.21	2.36
Debt to Equity Ratios		
On Gross Basis	1.78x	1.07x
On Net Basis	1.67x	0.58x
Return on Equity	22.4%	39.2%
Net Income to Revenue	29.0%	32.5%
Revenue Growth	12.8%	158.4%
Net Income Growth	0.63%	421.23%
EBITDA	Php 1,142,957,552	Php 846,624,809
Solvency Ratio	0.033x	0.053x
Debt Service Coverage Ratio	1.26	4.54
Acid Test Ratio	0.23	2.17
Interest Coverage Ratio	0.86	7.05

As of December 31, 2015 the Company's Current Ratio is at 0.87x. The Company's Current Ratio will substantially rise when we raise long term funds as our cash balance will increase by the amount raised and the liability will be considered non-current so it will not affect the denominator (current liabilities) in the Current Ratio formula. As of June 30, 2016, the Company's Current ratio is at 3.02x.

The formulas by which the Company calculates the foregoing performance indicators are as follows:

1. Current Ratio
$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$
2. Asset to Equity Ratio
$$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$$
3. Debt to Equity Ratio (Gross Basis)
$$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$$
4. Debt to Equity Ratio (Net Basis)
$$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt less Cash and Cash Equivalent}}{\text{Total Equity}}$$
5. Return on Equity
$$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$$
6. Net Income to Revenue (Net Profit Margin)
$$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$$
7. Revenue Growth
$$\frac{\text{Total Revenue (Current Period)} - \text{Total Revenue (Prior Period)}}{\text{Total Revenue (Prior Period)}}$$
8. Net Income Growth
$$\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)} - \text{Net Income Attributable to Owners of the Parent (Prior Period)}}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}}$$

9. EBITDA	Income from Operations + Depreciation and Amortization
10. Solvency Ratio	Net Income + Depreciation Total Liabilities
11. Debt Service Coverage Ratio	Income from Operations + Depreciation and Amortization (EBITDA) Interest Paid + Principal Repayments
12. Acid Test Ratio	Cash + Accounts Receivable + Marketable Securities Current Liabilities
13. Interest Coverage Ratio	Earnings before interest and taxes Interest Paid

Calendar Year Ended December 31, 2014 and 2013

Results of Operation

DOUBLEDRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
AUDITED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
For the year ended December 31

	2014	2013	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2014	2013
REVENUES						
Real estate sales	1,073,008,556	511,069,901	561,938,655	110.0%	62.7%	77.2%
Unrealized gains from change in fair values of Inv. Prop.	455,732,211	127,161,634	328,570,577	258.4%	26.6%	19.2%
Sale of mall stall units	140,493,171	-	140,493,171	100.0%	8.2%	0.0%
Rental income	6,046,194	4,029,842	2,016,352	50.0%	0.4%	0.6%
Interest income	30,644,040	18,867,956	11,776,084	62.4%	1.8%	2.9%
Others	4,577,884	806,514	3,771,370	467.6%	0.3%	0.1%
	1,710,502,056	661,935,847	1,048,566,209	158.4%	100.0%	100.0%
COST AND EXPENSES						
Cost of real estate sales	573,338,423	373,754,564	199,583,859	53.4%	33.5%	56.5%
Cost of sale of mall stall units	24,073,820	-	24,073,820	100.0%	1.4%	0.0%
Selling and marketing expenses	70,679,172	23,616,394	47,062,778	199.3%	4.1%	3.6%
General and administrative expenses	200,830,656	84,963,724	115,866,932	136.4%	11.7%	12.8%
Interest expense	37,501,634	9,123,095	28,378,539	311.1%	2.2%	1.4%
	906,423,705	491,457,777	414,965,928	84.4%	53.0%	74.2%
INCOME BEFORE INCOME TAX	804,078,351	170,478,070	633,600,281	371.7%	47.0%	25.8%
INCOME TAX EXPENSE	243,230,803	48,423,362	194,807,441	402.3%	14.2%	7.3%
NET INCOME/TOTAL COMPREHENSIVE INCOME	560,847,548	122,054,708	438,792,840	359.5%	32.8%	18.4%

Attributable to:

Equity holders of the Parent Company	555,890,174	106,649,057	449,241,117	421.2%	32.5%	16.1%
--------------------------------------	-------------	-------------	-------------	--------	-------	-------

Non-controlling interest	4,957,374	15,405,651	(10,448,277)	-67.8%	0.3%	2.3%
	560,847,548	122,054,708	438,792,840	359.5%	32.8%	18.4%

Revenues

Consolidated revenues grew by 158.4% to PhP1.71 billion from last year's PhP661.9 million. Of the PhP1.71 billion consolidated revenues, PhP1.07 billion are from Real Estate Sales, which increased by 110% from PhP511 million last year. The sales take up of existing projects such as W.H. Taft Residences, The Uptown Place, Injap Tower and FirstHomes Subdivision remains strong; while the Company's new projects launched in 2014 namely: The SkySuites Tower, Zion Land and Dragon8 Shopping Center contributed significantly to the increase in Real Estate Sales for the year. The market continues to indicate strong acceptance of DoubleDragon's well-designed and high-quality projects.

Rental income of PhP6 million is recognized from a subsidiary. The Company started its series of launches of CityMalls, which are expected to contribute significantly to revenues in the form of rental income starting 2015.

Interest income from cash held in banks increased by 62.4% to PhP30.6 million, from PhP18.9 million recognized last year.

Other income of PhP4.5 million recognized this period is mainly coming from forfeiture of reservation fees.

As of 31 December 2014, the Company does not anticipate any trends, events or uncertainties that will have a material impact on net sales or revenues of income from continuing operations.

Cost and Expenses

Cost of Real Estate Sales amounted to PhP573.3 million increased by PhP199.5 million from PhP373.7 million. Consolidated cost of sales rate decreased from 73.1% to 53.4% due to the lower cost of sales percentage of new business and developments and tighter cost controls and firmer monitoring of project costs, which resulted to improved gross margin and net income.

Selling expenses amounted to PhP70.6 million, higher by PhP47 million from PhP23.6 million from last year due to increased selling cost and advertising and marketing efforts. General and administrative expenses amounted to PhP200.8 million, higher by PhP115.8 million from last year's PhP85.0 million due to increase in personnel cost, business taxes, professional services acquired, depreciation and leases.

Interest expense on bank loans is capitalized as borrowing costs. Capitalized interest is the interest incurred on loans used directly to finance the development and construction of the Company's projects during the development stage until the date of completion. The capitalized interest is added to the cost of the projects, instead of being expensed on the current period's income statement. This capitalized interest forms part of the projects' cost reported on the Balance Sheet, and will be part of the projects' depreciation expense that will be reported in future Income Statements.

Net Income

The Company's consolidated net income for 2014 grew by PhP438.8 million (360%) to PhP560.8 million from PhP122.1 million posted in the previous year due to significant increase in consolidated revenues driven by strong sales take-up of DD's existing business and new projects, investments and developments, coupled with the decrease in the consolidated cost of sales rate.

For the year 2014, the Company expects the relationship between costs and revenues to remain unchanged, as compared to prior years.

The significant components of the income of the Company for 2014 are coming from its core real estate business and continuing operations.

The Company is diversifying its portfolio of projects to achieve a balanced mix of both developmental and investments projects, providing the Company with a diversified earnings base hedging against down cycles in the property industry. For instance, the CityMall projects to be established in various parts of the country will provide the Company with a steady stream of recurring income from less saturated provincial markets

that are less dependent on economic cycles since the business model of CityMall is the modern replacement for existing demand which is currently being serviced by traditional retailers.

Financial Position

DOUBLEDRAGON PROPERTIES
CORP.

(Formerly Injap Land Corporation)
AUDITED CONSOLIDATED
STATEMENTS OF FINANCIAL
POSITION

	Audited	Audited	Horizontal Analysis		Vertical Analysis	
	December 31, 2014	December 31, 2013	Increase (Decrease)		2014	2013
ASSETS						
Current Assets						
Cash	3,817,191,234	113,304,028	3,703,887,206	3269.0%	20.7%	6.3%
Receivables	732,366,911	310,071,769	422,295,142	136.2%	4.0%	17.3%
Real estate inventories	2,243,407,876	747,630,282	1,495,777,594	200.1%	12.1%	41.6%
Mall Stall Units for Sale	205,115,350	-	205,115,350	100.0%	1.1%	0.0%
Due from related parties	1,030,070	-	1,030,070	100.0%	0.0%	0.0%
Prepaid expenses and other current assets	423,201,167	138,191,808	285,009,359	206.2%	2.3%	7.7%
Total Current Assets	7,422,312,608	1,309,197,887	6,113,114,721	466.9%	40.2%	72.9%
Noncurrent Assets						
Noncurrent installment contracts receivable	206,412,607	75,223,490	131,189,117	174.4%	1.1%	4.2%
Property and equipment - net	95,859,524	20,439,323	75,420,201	369.0%	0.5%	1.1%
Intangible assets - net	68,960,899	3,583,723	65,377,176	1824.3%	0.4%	0.2%
Investment property	10,467,018,818	309,002,797	10,158,016,021	3287.4%	56.7%	17.2%
Other noncurrent assets	214,318,100	79,094,214	135,223,886	171.0%	1.2%	4.4%
Total Noncurrent Assets	11,052,569,948	487,343,547	10,565,226,401	2167.9%	59.8%	27.1%
	18,474,882,556	1,796,541,434	16,678,341,122	928.4%	100.0%	100.0%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other liabilities	840,247,846	145,606,543	694,641,303	477.1%	4.5%	8.1%
Short-term notes payable	649,000,000	300,000,000	349,000,000	116.3%	3.5%	16.7%
Customers' deposits	230,608,277	117,326,861	113,281,416	96.6%	1.2%	6.5%
Due to related parties	280,679,292	37,677,427	243,001,865	645.0%	1.5%	2.1%
Income tax payable	12,223,080	12,820,088	(597,008)	-4.7%	0.1%	0.7%
Total Current Liabilities	2,012,758,495	613,430,919	1,399,327,576	228.1%	10.9%	34.1%
Noncurrent Liabilities						
Payable to other creditors - noncurrent	-	-	-	-	-	-
Long-term notes payable	7,729,243,372	540,000,000	7,189,243,372	1331.3%	41.8%	30.1%
Customers' deposits - Net of Current Portion	176,410,072	-	176,410,072	100.0%	1.0%	0.0%
Other noncurrent payable	552,925,699	-	552,925,699	100.0%	3.0%	0.0%
Deferred tax liability - net	173,369,486	28,022,792	145,346,694	518.7%	0.9%	1.6%
Total Noncurrent Liabilities	8,631,948,629	568,022,792	8,063,925,837	1419.6%	46.7%	31.6%
Total Liabilities	10,644,707,124	1,181,453,711	9,463,253,413	801.0%	57.6%	65.8%

Equity

Equity Attributable to Equity Holders of the Parent Company

Capital stock	222,973,000	165,000,000	57,973,000	35.1%	1.2%	9.2%
Additional paid-in capital	1,358,237,357	318,625,580	1,039,611,777	326.3%	7.4%	17.7%
Retained earnings	661,823,627	106,269,584	555,554,043	522.8%	3.6%	5.9%
	2,243,033,984	589,895,164	1,653,138,820	280.2%	12.1%	32.8%
Non-controlling Interest	5,587,141,448	25,192,559	5,561,948,889	22077.7%	30.2%	1.4%
Total Equity	7,830,175,432	615,087,723	7,215,087,709	1173.0%	42.4%	34.2%
Total Liabilities and Equity	18,474,882,556	1,796,541,434	16,678,341,122	928.4%	100.0%	100.0%

On the Balance Sheet side, consolidated total assets as of December 31, 2014 amounted to PhP18.475 billion, an increase of 928.4% from PhP1.796 billion in the previous year. Consolidated total liabilities increased by 801% to PhP10.645 billion from PhP1.181 billion in the previous year.

Current Assets

Total Current Assets amounted to PhP7.422 billion as of December 31, 2014, higher by 466.9% from PhP1.309 billion in the previous year.

Cash amounted to PhP3.817 billion as of December 31, 2014 increased by PhP3.703 billion from PhP113.3 million in December 31, 2013. Cash are mostly generated from the PhP7.4 billion 7-Year Corporate Notes issued last October 2014.

Receivables amounted to PhP732.366 million as of December 31, 2014, increased by PhP422.295 million (136.2%) from PhP310.1 million in December 31, 2013. Receivables from the sale of newly acquired project, The SkySuites Tower, sale of mall stall units of Dragon8 Shopping Center Divisoria, sale from Zion Land Development PH Inc., and incremental sales from additional construction accomplishments and sales from new buyers of existing projects contributed to the increase in receivables.

Real estate inventories amounted to PhP2.243 billion as of December 31, 2014, increased by PhP1.495 billion (200.1%) from PhP747.6 million in December 31, 2013. Acquisition costs of the new project, The SkySuites Tower, additional construction accomplishments of existing projects, full blast construction of W.H. Taft Residences, and inventories from Zion Land brought the increase in real estate inventories. The full swing construction of Dragon8 Shopping Center gave rise to Mall Stall Units for Sale amounting to PhP205.115 million. This account did not exist in the previous year as Dragon8 Shopping Center was acquired and launched only in 2014.

Prepaid expenses and other current assets amounting to PhP423.201 million as of December 31, 2014 increased by PhP285.009 million (206.2%) from PhP138.2 million in December 31, 2013. Accumulated input taxes on expenditures related to construction and property development and creditable withholding taxes brought the increase in other current assets.

Noncurrent Assets

Noncurrent installment contracts receivable increased to PhP206.412 million from PhP75.223 million in the previous year. This represents the portion of receivables from the sale of units from its horizontal and vertical projects collectible in two to three years' time.

Property and equipment amounted to PhP95.85 million as of December 31, 2014 increased by PhP75.42 million (369.0 %) from PhP20.4 million in December 31, 2013. Intangible assets amounted to PhP68.96 million as of December 31, 2014 increased by PhP65.377 million from PhP3.6 million in the previous year. Additional software licenses were acquired during the period and contributed to the net increase in intangible assets.

Investment Property significantly increased to PhP10.467 billion, an increase of PhP10.158 billion from PhP309.0 million in December 31, 2013. This significant increase is mainly attributable to the Investment Property of a new subsidiary, the DD-Meridian Park Development Corp., accounting for PhP8.489 billion of

the increase. The increase is also brought by the acquisition and full swing renovation of Dragon8 Shopping Center in Divisoria.

Other noncurrent assets as of December 31, 2014 amounted to PhP214.318 million increased by PhP135.223 million (171.0%) in December 31, 2013. The increase is mainly from the security deposits made for the lease of the land for various CityMall locations.

Current Liabilities

Accounts payable and other liabilities amounted to PhP840.24 million as of December 31, 2014 increased by PhP694.64 million from PhP145.6 million in December 31, 2013. The bulk of such increase is attributable to Trade Payables arising from services provided by the contractors and subcontractors for actual progress billings related to existing and new developmental projects. Part of the increase is a result of the acquisition of The SkySuites Tower and the interest expenses related to the 7-Year Corporate Notes.

Short-term notes payable amounted to PhP649 million as of December 31, 2014 increased by PhP349.0 million from PhP300.0 million in December 31, 2013. This pertains to the current portion of the Company's Notes Payable of PhP7.729 billion. In 2013, DoubleDragon obtained unsecured short-term and long-term borrowing from local financing institutions which are payable on various dates up to 2016. In 2014, the Company obtained additional unsecured short-term borrowings, the proceeds of which were used for the development of the Company's on-going projects and working capital purposes.

Customers' deposits amounted to PhP230.608 million as of December 31, 2014 increased by PhP113.281 million (96.6%) from PhP117.3 million in the previous year. The significant increase in sales is the primary driver for the increase in customers' deposits. Customer's deposits represent non-refundable reservation fees paid to the Company by prospective buyers which are to be applied against the installment contracts receivable upon recognition of revenue. This account also includes excess collections from buyers over the related revenue recognized based on the percentage of completion method.

Noncurrent Liabilities

Noncurrent Liabilities amounted to PhP8.631 billion as of year-end 2014, as against PhP568.022 million in the previous year. On October 30, 2014, the Company obtained a total of PhP7.4 billion unsecured bilateral long-term loans from various financial institutions. The proceeds from these borrowings were used by the Company to partly finance its capital expenditures, primarily for the development of The Meridian Park, Dragon8 Shopping Center, The SkySuites Tower and rollout of the first 12 CityMalls and for general corporate purposes. Other noncurrent liabilities consist mainly of the payables to RCBC in relation to the acquisition of The SkySuites Tower.

Equity Attributable to Holders of the Parent Company

Capital stock with par value of P.10 per share increased by PhP57.973 million (35.1 %) from PhP165.0 million in December 31, 2013 to PhP222.973 million as of December 31, 2014. The increase resulted from the initial public offering made on April 7, 2014. The common shares outstanding as of December 31, 2014 is 2,229,730,000 shares. Additional paid in capital increased by PhP1 .04 billion (326.3%) from PhP318.6 million in December 31, 2013 to PhP1.36 billion as of December 31, 2014 also as a result of the initial public offering. Retained earnings attributable to the holders of the Parent Company increased by PhP555.55 million (522.8%) from PhP106.3 million in December 31, 2013 to PhP661.82 million as of December 31, 2014. The increase is due to the cumulative earnings recognized by the Company.

Equity of Non-controlling Interest

Non-controlling interest (NCI) increased by PhP5.561 billion to PhP5.587 billion from PhP25.2 million in December 31 , 2013. The increase is mainly coming from the Company's new subsidiary, DD-Meridian Park Development Corp., business combinations and cumulative earnings attributable to non-controlling interest.

Key Performance Indicators

The following are the major financial ratios of the Company for the years ended December 31, 2014 and 2013

	12/31/2014	12/31/2013

Current Ratio	3.69	2.13
Asset to Equity	2.36	2.92
Debt to Equity Ratios		
On Gross Basis	1.07x	1.37x
On Net Basis	0.58x	1.18x
Return on Equity	39.2%	20.1%
Net Income to Revenue	32.5%	16.1%
Revenue Growth	158.4%	8.8%
Net Income Growth	421.23%	15.64%
EBITDA	PhP846,624,809	PhP184,041,617
Solvency Ratio	0.053x	0.107x
Debt Service Coverage Ratio	4.54	n/a
Acid Test Ratio	2.17	0.68
Interest Coverage Ratio	7.05	5.40

The formulas by which the Company calculates the foregoing performance indicators are as follows:

1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2. Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$
3. Debt to Equity Ratio (Gross Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$
4. Debt to Equity Ratio (Net Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt less Cash and Cash Equivalent}}{\text{Total Equity}}$
5. Return on Equity	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$
6. Net Income to Revenue (Net Profit Margin)	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$
7. Revenue Growth	$\frac{\text{Total Revenue (Current Period)} - \text{Total Revenue (Prior Period)}}{\text{Total Revenue (Prior Period)}}$
8. Net Income Growth	$\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)} - \text{Net Income Attributable to Owners of the Parent (Prior Period)}}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}}$
9. EBITDA	Income from Operations + Depreciation and Amortization
10. Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$
11. Debt Service Coverage	$\frac{\text{Income from Operations} + \text{Depreciation and Amortization (EBITDA)}}{\text{Total Debt}}$

Ratio	Interest Paid + Principal Repayments
12. Acid Test Ratio	$\frac{\text{Cash} + \text{Accounts Receivable} + \text{Marketable Securities}}{\text{Current Liabilities}}$
13. Interest Coverage Ratio	$\frac{\text{Earnings before interest and taxes}}{\text{Interest Paid}}$

As of 31 December 2014, the Company had total assets of PHP 18.5 Billion. Likewise, the Company has a sufficient level of liquidity with current assets amounting to PHP 7.42 Billion as against its current obligations of PHP 2.01 Billion, for a healthy Current Ratio of 3.69. The Company does not anticipate having any cash flow or liquidity problems within the next 12 months. The Company has not been in default or breach of any note, loan, lease or other indebtedness of financing arrangement and a significant amount of trade payables are being paid within stated terms.

The Company does not foresee any 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.

Calendar Year Ended December 31, 2013 and 2012

Results of Operations

DOUBLED DRAGON PROPERTIES
CORP.

(Formerly Injap Land Corporation)
AUDITED CONSOLIDATED
STATEMENTS OF COMPREHENSIVE
INCOME

For the year ended December 31

	2013	2012	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2013	2012
REVENUES						
Real estate sales	511,069,901	596,499,877	(85,429,976)	-14.3%	77.2%	98.1%
Unrealized gains from change in fair values of Inv. Prop.	127,161,634		127,161,634	0.0%	19.2%	0.0%
Rental income	4,029,842		4,029,842	0.0%	0.6%	0.0%
Interest income	18,867,956	11,813,552	7,054,404	59.7%	2.9%	1.9%
Others	806,514	14,908	791,606	5309.9%	0.1%	0.0%
	661,935,847	608,328,337	53,607,510	8.8%	100.0%	100.0%
COST AND EXPENSES						
Cost of real estate sales	373,754,564	446,484,724	(72,730,160)	-16.3%	56.5%	73.4%
Selling and marketing expenses	23,616,394	11,005,463	12,610,931	114.6%	3.6%	1.8%
General and administrative expenses	84,963,724	19,181,680	65,782,044	342.9%	12.8%	3.2%
Interest expense	9,123,095	-	9,123,095	0.0%	1.4%	0.0%
	491,457,777	476,671,867	14,785,910	3.1%	74.2%	78.4%
INCOME BEFORE INCOME TAX	170,478,070	131,656,470	38,821,600	29.5%	25.8%	21.6%
INCOME TAX EXPENSE	48,423,362	39,435,376	8,987,986	22.8%	7.3%	6.5%

NET INCOME/TOTAL COMPREHENSIVE INCOME	122,054,708	92,221,094	29,833,614	32.4%	18.4%	15.2%
Attributable to:						
Equity holders of the Parent Company	106,649,057	92,221,094	14,427,963	15.6%	16.1%	15.2%
Non-controlling interest	15,405,651	-	15,405,651	0.0%	2.3%	0.0%
	122,054,708	92,221,094	29,833,614	32.4%	18.4%	15.2%

DoubleDragon's reported net income for the year ended 31 December 2013 rose by 32.35% to PHP122.05 Million. Bulk of the Company's total revenues is comprised of real estate revenues, followed by unrealized fair value gains from the Company's investment properties. Consistent with its plan to generate a healthy mix of developmental and recurring revenue streams, the Company also began recognizing a minimal amount of rental revenues in 2013. Profitability improved as net profit margins and EBITDA margins for the year increased by 18.43%, and 27.80% respectively.

As of 31 December 2013, the Company does not anticipate any trends, events or uncertainties that will have a material impact on net sales or revenues of income from continuing operations.

For the year 2013, the Company expects the relationship between costs and revenues to remain unchanged, as compared to prior years.

The significant components of the income of the Company for 2013 are coming from its core real estate business and continuing operations.

The Company is diversifying its portfolio of projects to achieve a balanced mix of both developmental and investments projects, providing the Company with a diversified earnings base hedging against down cycles in the property industry. For instance, the CityMall projects to be established in various parts of the country will provide the Company with a steady stream of recurring income from less saturated provincial markets that are less dependent on economic cycles since the business model of CityMall is the modern replacement for existing demand which is currently being serviced by traditional retailers.

Results of Operation as at 31 December 2013 compared to as at 31 December 2012

0.14x Decrease in Real Estate Sales

The decrease in real estate sales was due to a number of sales which did not meet sales recognition criteria as of period end.

0.60x Increase in Interest Income

The increase was due to the interest income recognized from discounting of installment contracts receivables.

0.16x Decrease in Cost of Real Estate Sales

The decrease corresponds to a 14% relative decrease in sales recognized for the period.

1.15x Increase in Selling Expenses

The increase in selling expenses is due to the Company's aggressive marketing efforts that aided in closing of new sales.

3.43x Increase in General and Administrative Expenses

The increase in general and administrative expenses is due to additional overhead arising from the expansion of the Company's operations.

Financial Position

DOUBLED DRAGON PROPERTIES
CORP.

(Formerly Injap Land Corporation)
AUDITED CONSOLIDATED
STATEMENTS OF FINANCIAL
POSITION

	Audited December 31, 2013	Audited December 31, 2012	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2013	2012
ASSETS						
Current Assets						
Cash	113,304,028	17,014,084	96,289,944	565.9%	6.3%	2.0%
Receivables	310,071,769	146,270,088	163,801,681	112.0%	17.3%	17.0%
Real estate inventories	747,630,282	508,362,119	239,268,163	47.1%	41.6%	59.1%
Due from related parties	-	27,230,023	(27,230,023)	100.0%	0.0%	3.2%
Prepaid expenses and other current assets	138,191,808	36,318,915	101,872,893	280.5%	7.7%	4.2%
Total Current Assets	1,309,197,887	735,195,229	574,002,658	78.1%	72.9%	85.5%
Noncurrent Assets						
Noncurrent installment contracts receivable	75,223,490	40,525,701	34,697,789	85.6%	4.2%	4.7%
Property and equipment - net	20,439,323	11,865,985	8,573,338	72.3%	1.1%	1.4%
Intangible assets - net	3,583,723	2,060,928	1,522,795	73.9%	0.2%	0.2%
Investment property	309,002,797	44,739,211	264,263,586	590.7%	17.2%	5.2%
Other noncurrent assets	79,094,214	25,740,287	53,353,927	207.3%	4.4%	3.0%
Total Noncurrent Assets	487,343,547	124,932,112	362,411,435	290.1%	27.1%	14.5%
	1,796,541,434	860,127,341	936,414,093	108.9%	100.0%	100.0%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other liabilities	145,606,543	115,398,921	30,207,622	26.2%	8.1%	13.4%
Short-term notes payable	300,000,000	-	300,000,000	100.0%	16.7%	0.0%
Customers' deposits	117,326,861	166,322,775	(48,995,914)	-29.5%	6.5%	19.3%
Due to related parties	37,677,427	9,484,825	28,192,602	297.2%	2.1%	1.1%
Income tax payable	12,820,088	25,004,712	(12,184,624)	-48.7%	0.7%	2.9%
Total Current Liabilities	613,430,919	316,211,233	297,219,686	94.0%	34.1%	36.8%
Noncurrent Liabilities						
Payable to other creditors - noncurrent	-	67,843,874	(67,843,874)	100.0%	0.0%	7.9%
Long-term notes payable	540,000,000	-	540,000,000	100.0%	30.1%	0.0%
Deferred tax liability - net	28,022,792	3,609,838	24,412,954	676.3%	1.6%	0.4%
Total Noncurrent Liabilities	568,022,792	71,453,712	496,569,080	695.0%	31.6%	8.3%
Total Liabilities	1,181,453,711	387,664,945	793,788,766	204.8%	65.8%	45.1%
Equity						
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	165,000,000	60,000,000	105,000,000	175.0%	9.2%	7.0%
Additional paid-in capital	318,625,580	320,000,000	(1,374,420)	-0.4%	17.7%	37.2%
Retained earnings	106,269,584	92,462,396	13,807,188	14.9%	5.9%	10.7%
	589,895,164	472,462,396	117,432,768	24.9%	32.8%	54.9%
Non-controlling Interest	25,192,559	-	25,192,559	100.0%	1.4%	0.0%
Total Equity	615,087,723	472,462,396	142,625,327	30.2%	34.2%	54.9%
Total Liabilities and Equity	1,796,541,434	860,127,341	936,414,093	108.9%	100.0%	100.0%

As of 31 December 2013, the Company had total assets of PHP 1.80 Billion. Likewise, the Company remains liquid with current assets amounting to PHP 1.31 Billion as against its current obligations of PHP 613.43 Million. The Company does not anticipate having any cash flow or liquidity problems within the next 12 months. The Company has not been in default or breach of any note, loan, lease or other indebtedness of financing arrangement and a significant amount of trade payables are being paid within stated terms.

The Company does not foresee any 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.

The Company's assets are comprised primarily of real estate inventory, receivables and investment property. The 47.1% increase in real estate inventory was driven by the ramp-up in the construction of its projects.

DoubleDragon's receivables are composed mainly of installment contracts receivables from buyers. As of 31 December 2013 none of its receivables have been classified as 'Past Due' or 'Impaired'. Bulk of these receivables is expected to be collected upon turnover of the Injap Tower and The Uptown Place projects.

The Investment Property account represents properties held by the Company for rental income or for capital appreciation. This account increased by 5.91x year-on-year as the Company acquired additional land and commercial units of The Uptown Place and Injap Tower.

To further fuel its growth, the Company acquired debt financing in the form of bank loans during the year. Debt-to-Equity ratio remains healthy at 1.37x.

In 2013, the Company paid out cash dividends of PHP155 per share. The increase in the Company's authorized capital stock from Eight Hundred Thousand to 500 Million shares with par value of PHP1.00 per share was also approved during the year. Out of the aforementioned increase in authorized capital stock, a total of 105 Million common shares with an aggregate value of PHP105 Million have been subscribed and fully paid in cash.

Financial Condition as at 31 December 2013 compared to as at 31 December 2012

5.66x Increase in Cash

The increase in cash was due to the loans availed primarily for land banking and property development.

1.12x Increase in Receivables

The increase in receivables is brought about by the recognition of incremental sales from additional construction accomplishments and sales from new buyers.

0.47x Increase in Real Estate Inventory

The increase in real estate inventory was due to additional construction accomplishments of existing projects and full blast construction of the Company's latest project, W.H. Taft Residences.

1.00x Decrease in Due from Related Parties

The decrease in due from related parties was attributable to the settlement of respective parties of outstanding amounts due from them.

2.81x Increase in Prepaid Expenses

The increase in prepaid expenses was largely due to the recognition of input taxes on expenditures related to construction and property development.

0.86x Increase in Noncurrent Installment Contract

Noncurrent installment contracts represent the portion of receivables from the sale of condominium and subdivision units collectible in two to three years' time. The carrying amounts of the instalment contracts receivable on the Company's balance sheet are based on the total receivable amount discounted by credit adjusted market rates.

0.72x Increase in Property and Equipment

The increase in property and equipment pertains to the fixed assets of Piccadilly Circus Landing, Inc., a 50% subsidiary of the Company acquired during the year.

5.91x Increase in Investment Property

The increase in investment property was due to acquisition of additional investment property and the change in the fair value of existing investment properties. The Group recognized unrealized gain from change in fair values of investment property amounting to PhP127.16 Million in 2013. The land has a total fair market value of about PhP80.99 Million in 2013. On the other hand, the commercial units under construction of The Uptown Place and Injap Tower have total fair market values of about PhP169.28 Million. As of December 2013, construction on Injap Tower and The Uptown Place projects are 81% and 92% complete, respectively.

As a result of changes implemented in 2013 in the business model and plan for all commercial units of the Injap Tower previously intended for sale and included in the "Real Estate Inventories" account, real estate inventories with fair value of PhP89.85 Million were transferred to "Investment Property" account due to change in use from intended for sale to leasing purposes.

2.07x Increase in Other Noncurrent Assets

The increase in other noncurrent asset is attributable to the PPHP60M restricted cash set aside for the development of Umbria Commercial Center.

0.26x Increase in Trade and Other Payables

The increase in trade and other payables was largely due to accruals and actual progress billings related to existing projects.

0.30x Decrease in Customers' Deposit

The decrease in customers' deposit is due to the recognition of the related sales and the application of the deposit to the installment contracts receivable.

2.97x Increase in Due to Related Party

The increase in the due to related party account was brought about by the advances granted to the Company by Injap Investments for working capital requirements.

1.75x Increase in Capital Stock

The increase in capital stock is due to the required additional subscription amounting to PPHP105 Million paid in full by the shareholders to effect the increase in authorized capital stock.

0.15x Increase in Retained Earnings

The increase in retained earnings was due to the recognition of PPHP122.05 Million net income for the year ending 31 December 2013 vis-à-vis PPHP92.22 Million recognized in the previous year.

Key Performance Indicators

	12/31/2013	12/31/2012
Current Ratio	2.13	2.33
Asset to Equity	2.92	1.82
Debt to Equity Ratios		
On Gross Basis	1.37x	0
On Net Basis	1.18x	0
Return on Equity	20.1%	36.8%
Net Income to Revenue	16.1%	15.2%
Revenue Growth	8.8%	409.9%
Net Income Growth	15.64%	2029.83%
EBITDA	PhP184,041,617	PhP132,747,580
Solvency Ratio	0.107x	0.241x
Debt Service Coverage Ratio	n/a	n/a
Acid Test Ratio	0.68	0.51
Interest Coverage Ratio	5.40	n/a

The formulas by which the Company calculates the foregoing performance indicators are as follows:

1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2. Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$
3. Debt to Equity Ratio (Gross Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$
4. Debt to Equity Ratio (Net Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt less Cash and Cash Equivalent}}{\text{Total Equity}}$
5. Return on Equity	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$
6. Net Income to Revenue (Net Profit Margin)	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$
7. Revenue Growth	$\frac{\text{Total Revenue (Current Period)} - \text{Total Revenue (Prior Period)}}{\text{Total Revenue (Prior Period)}}$
8. Net Income Growth	$\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)} - \text{Net Income Attributable to Owners of the Parent (Prior Period)}}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}}$
9. EBITDA	Income from Operations + Depreciation and Amortization
10. Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation}}{\text{Total Liabilities}}$
11. Debt Service Coverage Ratio	$\frac{\text{Income from Operations} + \text{Depreciation and Amortization (EBITDA)}}{\text{Interest Paid} + \text{Principal Repayments}}$
12. Acid Test Ratio	$\frac{\text{Cash} + \text{Accounts Receivable} + \text{Marketable Securities}}{\text{Current Liabilities}}$
13. Interest Coverage Ratio	$\frac{\text{Earnings before interest and taxes}}{\text{Interest Paid}}$

External Audit Fees and Services

The accounting firm of KPMG R.G. Manabat & Co. (“KPMG”) was appointed as the Company’s auditor. Since their appointment, the Company has no disagreement with them on any matters relating to accounting principles and practices, financial statement disclosures, or auditing scope or procedures. The same auditing firm has been endorsed for re-appointment by the Audit Committee to the Executive Committee.

The following are the External Audit Fees paid to KPMG for its services, particularly for the audit of the financial statements for the years ended 31 December 2015 and 31 December 2014, to the Company as well as to its subsidiaries.

31 December 2015

	2015			Total Audit Fees
	Audit Fee	OPE	VAT	
DoubleDragon Properties Corp.	1,000,000	150,000	138,000	1,288,000
CityMall Community Centers Inc.	550,000	82,500	75,900	708,400
DD Happy Homes Residential Centers Inc.	440,000	66,000	60,720	566,720
Piccadilly Circus Landing Inc.	350,000	52,500	48,300	450,800
DD Property Management Corp.	275,000	41,250	37,950	354,200
DoubleDragon Sales Corp.	187,000	28,050	25,806	240,856
Prime DDG Commercial Centers, Inc.	165,000	24,750	22,770	212,520
DD-Meridian Park Developmenet Corp.	165,000	24,750	22,770	212,520
CM-Danao Cebu Inc.	100,000	15,000	13,800	128,800
CM – Goldenfields Bacolod Inc.	100,000	15,000	13,800	128,800
CM – Mandalagan Bacolod Inc.	100,000	15,000	13,800	128,800
CM – Tarlac MacArthur Inc.	100,000	15,000	13,800	128,800
	₱3,532,000	₱ 529,800	₱487,416	₱4,549,216
Consolidation Fee	100,000	N/A	12,000	112,000
GRAND TOTAL	₱3,632,000	₱ 529,800	₱ 499,416	₱4,661,216

31 December 2014

	2014			Total Audit Fees
	Audit Fee	OPE	VAT	
DoubleDragon Properties Corp.	900,000	136,500	124,380	1,160,880
CityMall Community Centers Inc.	500,000	72,700	68,724	641,424
DD Happy Homes Residential Centers Inc.	400,000	57,700	54,924	512,624
Piccadilly Circus Landing Inc.	350,000	51,500	48,180	449,680
DD Property Management Corp.	250,000	36,300	34,356	320,656
DoubleDragon Sales Corp.	170,000	24,100	23,292	217,392
Prime DDG Commercial Centers, Inc.	150,000	21,600	20,592	192,192
DD-Meridian Park Developmenet Corp.	150,000	22,000	20,640	192,640
	₱2,870,000	₱422,400	₱395,088	₱3,687,488

The members of the Company’s Audit Committee are the following:

Chairman	:	Gary P. Cheng
Members	:	Ferdinand J. Sia Rizza Marie Joy J. Sia

The partner-in-charge for the ensuing year is Mr. Ador C. Mejia of R.G. Manabat & Co. SRC Rule 68, Part 3(b)(iv)(ix) provides that “the independent auditors or in the case of an audit firm, the signing partner, of the aforementioned regulated entities shall be rotated after every five (5) years of engagement. A two-year cooling-off period shall be observed in the engagement of the same signing partner or individual auditor”. The Company is compliant with this rule.

The resolution for adoption will be the approval of the appointment of KPMG as the Company's independent external auditor.

Except for the preparation of the financial statements required for the Company's annual filing with the SEC and the submission of the required financial statements in relation to the registration of its securities, the afore-cited independent public accountants provide no other type of services.

In relation to the audit of the Company's annual financial statements, the Company's Audit Committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of our policies, controls, processes and activities; (ii) ensure that other non-audit work provided by the external auditors, if any, are not in conflict with their functions as external auditors; and (iii) ensure our compliance with acceptable auditing and accounting standards and regulations.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no known changes in and disagreements with accountants on accounting and other financial disclosure.

Interest of Named Experts and Counsel

Legal Matters

All legal opinions/matters in connection with the issuance of the Bonds will be passed upon by Tamayao & Affiliates Attorneys-at-law for the Company and Puyat Jacinto & Santos for the Joint Issue Managers and the Joint Lead Underwriters (“PJS Law”). Cayetano Sebastian Ata Dado & Cruz Law is the independent counsel for the Offer.

Tamayao & Affiliates Attorneys-at-law and PJS Law have no direct interest in the Company.

Tamayao & Affiliates Attorneys-at-law and PJS Law may from time to time be engaged to advise in the transactions of the Company and perform legal services on the basis that Tamayao & Affiliates Attorneys-at-law and PJS Law provide such services to its other clients.

Independent Auditors

The consolidated financial statements of the Company as at and for the years ended December 31, 2013, 2014, and 2015 have been audited by R.G. Manabat & Co., a member firm of KPMG, independent auditors, in accordance with Philippine Standards on Auditing as set forth in their report thereon appearing elsewhere in this Prospectus. The condensed consolidated interim financial statements as of June 30, 2016 have been reviewed by R.G. Manabat & Co., in accordance with Philippine Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Auditor of the Entity.

The Audit Committee of the Company, reviews and monitors, among others, the integrity of all financial reports and ensures compliance with both internal financial management manual and pertinent accounting standards, including regulatory requirements. The Audit Committee also performs the following duties and responsibilities relating to the services of the Company’s external auditors:

- Asses and monitor the (i) external auditor’s professional qualifications, competence, independence and objectivity and require the external auditor to make the statements necessary under applicable auditing standards as regards its relationship and services to the Company, discussing any relationship or services which may derogate its independence or objectivity; and (ii) the effectiveness of the audit process in accordance with applicable standards.
 - Obtain objective assurance from the external auditor that the conduct of the audit and the manner of the preparation of the financial statements comply with applicable auditing standards and rules of regulatory bodies, including exchanges on which the securities of the Company are listed.
 - Review and approve the nature and scope of the audit plans of the external auditor, including scope, audit resources and expenses, and reporting obligations before the audit commences.
 - Review the reports or communications of the external auditor and ensure that management or the Board will provide a timely response to the issues raised in such reports or communications.
 - Ensure the development and implementation of policies on the engagement of an external auditor to supply non-audit work, including the fees payable therefor, and evaluate any non-audit work undertaken by the external auditor to ensure that the same does not conflict with its audit functions.
- There is no arrangement that experts and independent counsels will receive a direct or indirect interest in the Issuer or was a promoter, underwriter, voting trustee, director, officer, or employee of the Issuer.

Taxation

The statements herein regarding taxation are based on the laws in force as of the date of this Prospectus and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Bonds.

As used in this section, the term “non-resident alien” means an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a “non-resident alien doing business in the Philippines”; however, a non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year may be considered a “non-resident alien not engaged in trade or business within the Philippines”. A “non-resident foreign corporation” is a foreign corporation not engaged in trade or business within the Philippines.

Taxation of Interest

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine sourced income subject to Philippine income tax. Interest income derived by Philippine citizens and alien resident individuals from the Bonds is thus subject to income tax, which is withheld at source, at the rate of 20% based on the gross amount of interest. Generally, interest on the Bonds received by non-resident aliens engaged in trade or business in the Philippines is subject to a 20% final withholding tax while that received by non-resident aliens not engaged in trade or business is subject to a final withholding tax rate of 25%. Interest income received by domestic corporations and resident foreign corporations from the Bonds is subject to a final withholding tax rate of 20%. Interest income received by non-resident foreign corporations from the Bonds is subject to a 30% final withholding tax.

The foregoing rates are subject to further reduction by any applicable tax treaties in force between the Philippines and the country of residence of the non-resident owner. Most tax treaties to which the Philippines is a party generally provide for a reduced tax rate of 15% in cases where the interest which arises in the Philippines is paid to a resident of the other contracting state. However, most tax treaties also provide that reduced withholding tax rates shall not apply if the recipient of the interest who is a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected with such permanent establishment.

Tax-Exempt Status or Entitlement to Preferential Tax Rate

Bondholders who are exempt from or are not subject to final withholding tax on interest income or entitled to be taxed at a preferential rate may claim such exemption or avail of such preferential rate by submitting the necessary documents. Said Bondholder shall submit the following requirements: (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto; (ii) with respect to tax treaty relief, a copy of the duly filed tax treaty relief application with the International Tax Affairs Division of the BIR as required under the BIR Revenue Memorandum Order NO. 72-2010; including any clarification, supplement or amendment thereto and, once available, a BIR-certified certificate, ruling or opinion addressed to the relevant applicant or Bondholder confirming its entitlement to the preferential tax rate under the applicable treaty; (iii) a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or Bondholder, who has personal knowledge of the exemption based on his official functions, if the applicant purchases, or the Bondholder holds, the Bonds for its account, or (2) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent of any suspension or revocation of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form, with a declaration and warranty of its tax exempt status or entitlement to

a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non- withholding or incorrect withholding of the required tax; and (iv) such other documentary requirements as may be required under the applicable regulations of the relevant taxing or other authorities; provided, that the Issuer, the Registrar and the Paying Agent shall have the exclusive discretion to decide whether the documents submitted are sufficient for purposes of applying the exemption or the reduced rate being claimed by the Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

The foregoing requirements shall be submitted, (i) in respect of an initial issuance of Bonds, to the underwriters or selling agents who shall then forward the same with the Application to Purchase to the Registrar; or (ii) in respect of a transfer from a Bondholder to a purchaser, to the Registrar within three days from settlement date.

Value-Added Tax

Gross receipts arising from the sale of the Bonds in the Philippines by dealers in securities shall be subject to a 12% value-added tax. The term "gross receipt" means gross selling price less acquisition cost of the Bonds sold.

Gross Receipts Tax

Bank and non-bank financial intermediaries performing quasi-banking functions are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

Maturity period is five years or less: 5%
Maturity period is more than five years: 1%

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived:

Maturity period is five years or less: 5%
Maturity period is more than five years: 1%

In case the maturity period of the instruments held by banks, non-bank financial intermediaries performing quasi-banking functions and non-bank financial intermediaries not performing quasi-banking functions is shortened through pre-termination, then the maturity period shall be reckoned to end as of the date of pretermination for purposes of classifying the transaction and the correct rate shall be applied accordingly.

Net trading gains realized within the taxable year on the sale or disposition of the Bonds by banks and nonbank financial intermediaries performing quasi-banking functions shall be taxed at 7%.

Documentary Stamp Tax

A documentary stamp tax is imposed upon the issuance of debt instruments issued by Philippine companies, such as the Bonds, at the rate of PhP1.00 for each PhP200, or fractional part thereof, of the issue price of such debt instruments; provided that, for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be of a proportional amount in accordance with the ratio of its term in number of days to 365 days.

The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted, or transferred, when the obligation or right arises from Philippine sources, or the property is situated in the

Philippines. Any applicable documentary stamp taxes on the original issue shall be paid by the Issuer for its own account.

Taxation on Sale or Other Disposition of the Bonds

Income Tax

Any gain realized from the sale, exchange or retirement of bonds will, as a rule, form part of the gross income of the sellers, for purposes of computing the relevant taxable income subject to the regular rates of 32%, 25%, or 30%, as the case may be. If the bonds are sold by a seller, who is an individual and who is not a dealer in securities, who has held the bonds for a period of more than 12 months prior to the sale, only 50% of any capital gain will be recognized and included in the sellers' gross taxable income.

However, under the Tax Code, any gain realized from the sale, exchange or retirement of bonds, debentures and other certificates of indebtedness with an original maturity date of more than five years (as measured from the date of issuance of such bonds, debentures or other certificates of indebtedness) shall not be subject to income tax.

Moreover, any gain arising from such sale, regardless of the original maturity date of the bonds, may be exempt from income tax pursuant to various income tax treaties to which the Philippines is a party, and subject to procedures prescribed by the Bureau of Internal Revenue for the availment of tax treaty benefits.

Estate and Donor's Tax

The transfer by a deceased person, whether a Philippine resident or a non-Philippine resident, to his heirs of the Bonds shall be subject to an estate tax which is levied on the net estate of the deceased at progressive rates ranging from 5% to 20%, if the net estate is over P200,000. A Bondholder shall be subject to donor's tax based on the net gift on the transfer of the Bonds by gift at either (i) 30%, where the donee or beneficiary is a stranger, or (ii) at progressive rates ranging from 2% to 15% if the net gifts made during the calendar year exceed P100,000 and where the donee or beneficiary is not a stranger. For this purpose, a stranger is a person who is not a: (a) brother, sister (whether by whole or half-blood), spouse, ancestor or lineal descendant; or (b) relative by consanguinity in the collateral line within the fourth degree of relationship.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

The estate tax and the donor's tax, in respect of the Bonds, shall not be collected (a) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (b) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

In case the Bonds are transferred for less than an adequate and full consideration in money or money's worth, the amount by which the fair market value of the Bonds exceeded the value of the consideration may be deemed a gift and may be subject to donor's taxes.

Documentary Stamp Tax

No documentary stamp tax is imposed on the subsequent sale or disposition of the Bonds, trading the Bonds in a secondary market or through an exchange. However, if the transfer constitutes a renewal of the Bonds, documentary stamp tax is payable anew.

Regulatory Framework

Presidential Decree No. 957 as amended, and Batas Pambansa 220 are the principal statutes which regulate the development and sale of real property as part of a condominium project. Presidential Decree No. 957 covers condominium projects for residential or commercial purposes. The HLURB is the administrative agency of the Government which, together with local government units, enforces this decree and has jurisdiction to regulate the real estate trade and business.

All condominium plans for residential, commercial, industrial and other development projects are subject to approval by the pertinent local government unit in which the project is situated. The development of condominium projects can commence only after the local government unit has issued the development permit. The issuance of a development permit is dependent on, among others a) compliance with required project standards and technical requirements which may differ depending on the nature of the project, and b) issuance of the barangay clearance, the HLURB locational clearance, and DENR permits, as discussed below. A bond equivalent to 10% of the total project cost is required to be posted by the project developer to ensure commencement of the project within one (1) year from the issuance of the development permit.

Further, all condominium project plans are required to be filed with and approved by the HLURB. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans, which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant local government unit. Owners of or dealers in real estate projects are required to obtain licenses to sell before making sales or other dispositions of lots or real estate projects. Dealers, brokers and salesmen are also required to register with the HLURB. Project permits and licenses to sell may be suspended, cancelled or revoked by the HLURB by itself or upon complaint from an interested party. Condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision or condominium project and compliance with applicable laws and regulations.

Under the agrarian reform law currently in effect in the Philippines and the regulations issued thereunder by the Department of Agrarian Reform ("DAR"), land classified for agricultural purposes as of or after 15 June 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

Land use may also be limited by zoning ordinances enacted by local government units. Once enacted, land use may be restricted in accordance with a comprehensive land use plan approved by the relevant local government unit. Lands may be classified under zoning ordinances as commercial, industrial, residential or agricultural. While a procedure for change of allowed land use is available, this process may be lengthy and cumbersome.

Maceda Law

Sale of the condominium units are also regulated by the Realty Installment Buyer Protection Act (Republic Act No. 6552) or more popularly known as the Maceda Law. Under the Maceda Law, where the buyer has paid at least two (2) years of installments, the buyer is entitled to the following rights in case he/she/it defaults in the payment of succeeding installments:

1. To pay, without additional interest, the unpaid installments due within the total grace period earned by the buyer, which is hereby fixed at the rate of one month grace period for every one year of installment payments made; provided, that this right shall be exercised by the buyer only once in every five (5) years of the life of the contract and its extensions, if any.
2. If the contract is cancelled, the seller shall refund to the buyer the cash surrender value of the payments on the property equivalent to fifty per cent of the total payments made and, after five years of installments, an additional five per cent every year but not to exceed ninety per cent of the total payments made; provided, that the actual cancellation of the contract shall take place after thirty days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act and upon full payment of the cash surrender value to the buyer.

However, in case where less than two (2) years of installments were paid, the seller shall give the buyer a grace period of not less than sixty (60) days from the date the installment became due. If the buyer fails to pay the installments due at the expiration of the grace period, the seller may cancel the contract after thirty

days from receipt by the buyer of the notice of cancellation or the demand for rescission of the contract by a notarial act.

Condominium Act of the Philippines

Republic Act No. 4726, the Condominium Act of the Philippines, details the requirements for the creation and operation of condominium projects. R.A. No. 4726 requires the annotation of the master deed on the title of the land on which the condominium project shall be located. The master deed contains among other things, the description of the land, building/s, common areas and facilities of the condominium project. A condominium corporation, an association, a board of governors or a management agent, depending on what is provided in the declaration of restrictions, may manage a condominium project. However, whenever the common areas are held by a condominium corporation, such corporation shall constitute the management body of the project. In case the owners of separate units as co-owners hold the common areas, no condominium unit will be conveyed or transferred to persons other than Filipino citizens or corporations which are at least 60% owned by Filipinos. The Act further states that foreigners may own condominium units as long as foreigners acquire not more than 40% of the total units in a project.

VAT-exempt Real Estate Sales

Revenue Regulations 13-2012 identified the threshold for VAT-exempt real estate sales pertaining to sale to one buyer of adjacent residential lots, house and lots, or other residential dwellings such as condominium units which are actually being combined and utilized as one residential unit and documented as separate units in order to avoid payment of VAT by keeping them below the VAT threshold. The thresholds for real estate transactions are as follows:

Transaction	Threshold (Amount in Php)
Sale of residential lot	1,919,500
Sale of house and lot, Condominium units	3,199,200
Lease of residential unit (monthly)	12,800
Sale or lease of goods or properties or performance of services	1,919,500

Amounts exceeding the thresholds will be subjected to 12% VAT. In the sale of residential lots and house and lots, the threshold is the gross selling price, which is equivalent to the selling price stated in the sales document or the fair market value, whichever is higher. In the case of installment sales, VAT should be recognized immediately if the payments received in the year of sale exceed 25% of the gross selling price. For qualified installment sales, VAT will be declared upon the collection of payments.

Environmental Laws

Development projects that are classified by law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate (“ECC”) prior to commencement. The DENR through its regional offices or through the Environmental Management Bureau (“EMB”), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement (“EIS”) to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination (“IEE”) to the proper DENR regional office. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

The EIS refers to both the document and the study of a project’s environmental impact, including a discussion of the direct and indirect consequences to human welfare and ecological as well as environmental integrity. The IEE refers to the document and the study describing the environmental impact, including mitigation and enhancement measures, for projects in environmentally critical areas.

While the EIS or an IEE may vary from project to project, as a minimum, it contains all relevant information regarding the projects’ environmental effects. The entire process of organization, administration and assessment of the effects of any project on the quality of the physical, biological and socio-economic environment as well as the design of appropriate preventive, mitigating and enhancement measures is known as the EIS System. The EIS System successfully culminates in the issuance of an ECC. The issuance of an ECC is a Government certification, that the proposed project or undertaking will not cause a significant negative environmental impact; that the proponent has complied with all the requirements of the

EIS System and that the proponent is committed to implement its approved Environmental Management Plan in the EIS or, if an IEE was required, that it shall comply with the mitigation measures provided therein.

Project proponents that prepare an EIS are required to establish an Environmental Guarantee Fund ("EGF") when the ECC is issued to projects determined by the DENR to pose a significant public risk to life, health, property and the environment. The EGF is intended to answer for damages caused by such a project as well as any rehabilitation and restoration measures. Project proponents that prepare an EIS are mandated to include a commitment to establish an Environmental Monitoring Fund ("EMF") when an ECC is eventually issued. The EMF shall be used to support the activities of a multi-partite monitoring team which will be organized to monitor compliance with the ECC and applicable laws, rules and regulations.

All development projects, installations and activities that discharge liquid waste into and pose a threat to the environment of the Laguna de Bay Region are also required to obtain a discharge permit from the Laguna Lake Development Authority.

The Company incurs expenses for the purposes of complying with environmental laws that consist primarily of payments for Government regulatory fees. Such fees are standard in the industry and are minimal.

Property Registration and Nationality Restrictions

The Philippines has adopted a system of land registration, which conclusively confirms land ownership which is binding on all persons, including the Government. Once registered, title to registered land can no longer be challenged except with respect to claims noted on the certificate of title. Title to registered lands cannot be lost through adverse possession or prescription. Presidential Decree No. 1529, as amended, codified the laws relative to land registration and is based on the generally accepted principles underlying the Torrens System.

After proper surveying, application, publication and service of notice and hearing, unregistered land may be brought under the system by virtue of judicial or administrative proceedings. In a judicial proceeding, the Regional Trial Court within whose jurisdiction the land is situated confirms title to the land. Persons opposing the registration may appeal the judgment within fifteen (15) days to the Court of Appeals or the Supreme Court. After the lapse of the period of appeal, the Register of Deeds may issue an Original Certificate of Title. The decree of registration may be annulled on the ground of actual fraud within one (1) year from the date of entry of the decree of registration. Similarly, in an administrative proceeding, the land is granted to the applicant by the DENR by issuance of a patent and the patent becomes the basis for issuance of the Original Certificate of Title by the Register of Deeds. All land patents such as homestead, sales and free patents, must be registered with the appropriate registry of deeds since the conveyance of the title to the land covered thereby takes effect only upon such registration.

Any subsequent transfer of encumbrance of the land must be registered in the system in order to bind third persons. Subsequent registration and a new Transfer Certificate of Title in the name of the transferee will be granted upon presentation of certain documents and payment of fees and taxes.

All documents evidencing conveyances of subdivision and condominium units should also be registered with the Register of Deeds. Title to the subdivision or condominium unit must be delivered to the purchaser upon full payment of the purchase price. Any mortgage existing thereon must be released within six (6) months from the delivery of title. To evidence ownership of condominium units, a Condominium Certificate of Title is issued by the Register of Deeds. While the Philippine Constitution prescribes nationality restrictions on land ownership, there is generally no prohibition against foreigners owning building and other permanent structures.

However, with respect to condominium developments, the foreign ownership of units in such developments is limited to forty percent (40%).

Zoning and Land Use

LGUs are authorized under the Local Government Code to enact zoning ordinances. These ordinances may restrict or limit the zoning and land use of parcels of land within the locality. LGUs may classify parcels of land as commercial, industrial, residential or agricultural. A procedure for change of land use is allowed, although the process may be lengthy and cumbersome.

Land classified for agricultural purposes as of or after June 15, 1988, cannot be converted to non-agricultural use without the prior approval of DAR.

All subdivision lots and condominium plans for residential, commercial, industrial and other development projects are subject to approval by the local government unit in which the project is situated. The development of subdivision lots and condominium projects can commence only after the local government unit has issued the development permit.

The issuance of a development permit is dependent on compliance with required project standards and technical requirements which may differ depending on the nature of the project. A bond equivalent to 10% of the total project cost is required to be posted by the project developer to ensure commencement of the project within one (1) year from the issuance of the development permit.

Subdivision lots or condominium units may be sold or offered for sale only after a license to sell has been issued by the HLURB. The license to sell may be issued only against a performance bond posted to guarantee the completion of the construction of the subdivision lot or condominium project and compliance with applicable laws and regulations. All documents evidencing conveyances of subdivision and condominium units should be registered with the relevant Registry of Deeds.

Title to the subdivision lot or condominium unit must be delivered to the purchaser upon full payment of the purchase price.

Property Taxation

Real property taxes are payable annually based on the property's assessed value. The assessed value of property and improvements vary depending on the location; use and the nature of the property. Land is ordinarily assessed at 20% to 50% of its fair market value; buildings may be assessed at up to 80% of their fair market value; and machinery may be assessed at 40% to 80% of its fair market value.

Real property taxes may not exceed 2% of the assessed value in municipalities and cities within Metro Manila or in other chartered cities and 1% in all other areas. An additional special education fund tax of 1% of the assessed value of the property is also levied annually.

Local Government Code

The Local Government Code establishes the system and powers of provincial, city, municipal, and *barangay* governments in the country. The Local Government Code general welfare clause states that every local government unit ("LGU") shall exercise the powers expressly granted, those necessarily implied, as well as powers necessary, appropriate, or incidental for its efficient and effective governance, and those which are essential to the promotion of the general welfare.

LGUs exercise police power through their respective legislative bodies. Specifically, the LGU, though its legislative body, has the authority to enact such ordinances as it may deem necessary and proper for sanitation and safety, the furtherance of the prosperity, and the promotion of the morality, peace, good order, comfort, convenience, and general welfare of the locality and its inhabitants. Ordinances can reclassify land, order the closure of business establishments, and require permits and licenses from businesses operating within the territorial jurisdiction of the LGU.

Securities and Exchange Commission

Under the SRC, the SEC has jurisdiction and supervision over all corporations, partnerships or associations that are grantees of primary franchises, license to do business or other secondary licenses. As the government agency regulating the Philippine securities market, the SEC issues regulations on the registration and regulation of securities exchanges, the securities market, securities trading, the licensing of securities brokers and dealers and reportorial requirements for publicly listed companies and the proper application of SRC provisions, as well as the Corporation Code, and certain other statutes.

Department of Trade and Industry

The DTI is the primary government agency with the dual mission of facilitating the creation of a business environment wherein participants could compete, flourish, and succeed and, at the same time, ensuring consumer welfare. It is the enforcement of laws to protect and educate consumers that becomes the driving factor in the relationship of DTI and real estate developers, such as DD.

Department of Labor and Employment

Department of Labor and Employment stands as the national government agency mandated to formulate policies, implement programs and services, and serve as the policy-coordinating arm of the Executive Branch of the Government in the field of labor and employment. The Department has exclusive authority in the administration and enforcement of labor and employment laws and such other laws as specifically assigned to it or to the Secretary of Labor and Employment.

Social Security System and PhilHealth

An employer, or any person who uses the services of another person in business, trade, industry or any undertaking is required under the Social Securities Act of 1997 (Republic Act No. 8282) to ensure coverage of employees following procedures set out by the law and the Social Security System of the Philippines (“SSS”). The employer must deduct from its employees their monthly contributions based on a given schedule, pay its share of contribution and remit these to the SSS within a period set by law and/ or SSS regulations.

PhilHealth is a government corporation attached to the Department of Health of the Philippines (“DOH”) that ensures sustainable, affordable and progressive social health insurance pursuant to the provisions of RA 7875 or the National Health Insurance Act of 1995. Employers are required to ensure enrollment of their employees in a National Health Program being administered by the PhilHealth.

Appendices

Appendix A – Audited Financial Statements for fiscal years ended December 31, 2013, 2014, and 2015

Appendix B – Unaudited Financial Statements for the six (6)-month ended June 30, 2016 and 2015

Appendix C – Audited Financial Statements for fiscal year ended December 31, 2015

Parties to the Offer

Issuer	:	DoubleDragon Properties Corp
Issue Manager	:	BPI Capital Corporation RCBC Capital Corporation
Underwriter's Legal Counsel	:	Puyat Jacinto & Santos Law
Issuer's Legal Counsel	:	Tamayao & Affiliates Attorneys-at-law
Trustee	:	Rizal Commercial Banking Corporation Trust and Investment Group
Registrar and Paying Agent	:	Philippine Depository and Trust Corporation
Auditor	:	KPMG R.G Manabat & Co.