



November 14, 2018

**Philippine Dealing and Exchange Corp.**  
37th Floor, Tower 1, The Enterprise Center  
6766 Ayala Ave cor. Paseo de Roxas, Makati City

Attention: Ms. Paula Beatrice A. Bueno  
OIC, Issuer Compliance and Disclosure Department (ICDD)

**Re: DD 9MOS 2018 Financial Highlights**

Dear Ms. Bueno:

Kindly see attached disclosure of DoubleDragon Properties Corp. ("DoubleDragon") with regard to the above stated subject.

1. DD Disclosure - 14 November 2018 - 9MOS 2018 Financial Highlights

Best regards,

A handwritten signature in blue ink, consisting of a large, stylized 'J' and 'B' intertwined, with a horizontal line extending to the right.

**Atty. Joselito L. Barrera, Jr.**  
*Chief Information Officer*



### **9MOS 2018 FINANCIAL HIGHLIGHTS**

- Consolidated Revenues +15.5% YoY to Php 4.72 Billion
- Recurring Revenues +166.3% YoY to Php 2.03 Billion
- Rental Income +269.8% YoY to Php 1.66 Billion
- Consolidated Net Income +10.4% YoY to Php 1.54 Billion
- Consolidated Equity increased to Php 27.25 Billion
- Consolidated Assets increased to Php 74.27 Billion
- Fixed interest rates on all corporate notes and retail bonds with no key maturity until October 2021
- Zero US-dollar denominated debt exposure
- Pivots to recurring income

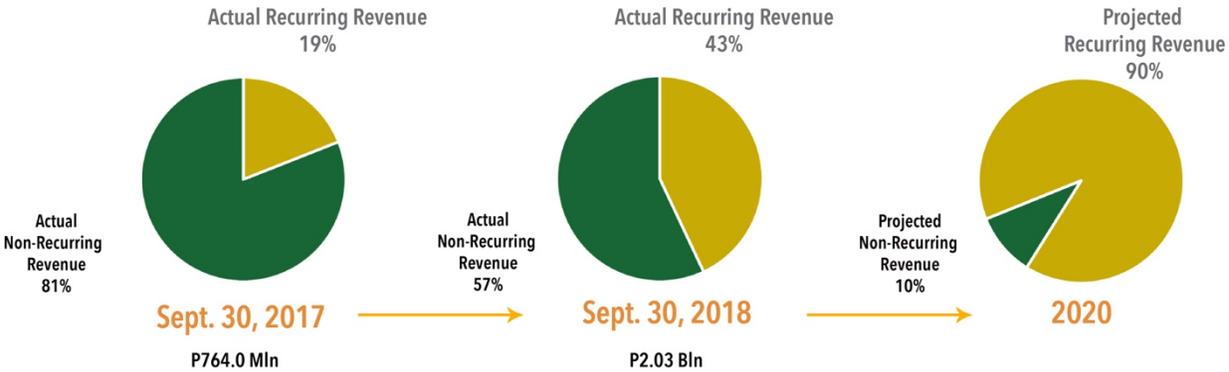
DoubleDragon Properties Corp. (“DoubleDragon” or the “Company”) reports that its recurring revenue has exceeded the Php 2 Billion mark for the first time just in the nine months ending September 30, 2018 alone. The Company’s Php 2.03 Billion in recurring revenue booked in the first three quarters of the year has already surpassed total recurring revenue booked the whole of last year 2017 by +55.7%. Rental Income rose +269.8% year-on-year to Php 1.66 Billion. Hotel revenues rose +19.6% to Php 377.8 Million on back of higher occupancy rates especially in Hotel101-Manila which averaged 84% occupancy. The Company’s mall occupancy remains strong at 96% leased out, while its office building occupancy stands at 100% leased out.

Total Consolidated Revenues of the Company for the quarter ended September 30, 2018 reached Php 1.08 Billion. On a quarter-to-quarter basis, excluding one time gains from revaluation, the Company recognized Total Revenues of Php 926.82 Million vs only Php 124.13 Million in the same quarter in 2017, an increase of +646.6%.

This year, 2018, is notable for the company as it pivots to a substantially recurring income generating company, diluting the effect of one-off gains. Solid and quality recurring income will continuously increase significantly in the next months and one time gains will become an insignificant component in its financials.

Consolidated Net Income figures for the nine months ending September 30, 2018 has reached Php 1.54 Billion, an increase of +10.4% compared to Php 1.40 Billion during the same period last year. Recurring revenues now account for 43.1% of total revenues in the first 9 months of 2018

vs. only 19.0% during the same period last year as the Company forges ahead towards its goal of becoming a 90.0% recurring revenue company by 2020.



Consolidated Total Assets of the Company grew to Php 74.27 Billion while Consolidated Total Equity grew to Php 27.25 Billion as of September 30, 2018. The Company’s financial position continued to strengthen with debt-to-equity ratios improving to 1.30x from 1.56x a year prior, well below its loan covenant debt-to-equity cap of 2.33x. Moreover, the debt-to-asset position of the Company likewise improved to 0.48x from 0.54x a year prior, signifying that its total debt position is now just less than half of the value of its total asset base.

*“The transition from traditional retail to modern retail was well felt in the large Tier 1 areas of Metro Manila between the 1960s to the 1980s while medium Tier 2 areas such as Cebu, Iloilo, Naga, Bacolod, Davao, Baguio, Cagayan de Oro, saw the first modern malls open in their regions between the 1990s to the 2000s. Smaller Tier 3 areas such as Cotabato, Kabankalan, Kalibo, Koronadal, Danao, Boracay, Sorsogon, San Carlos, Capiz, Dipolog and over a hundred more similar markets in the province that are only just starting to experience this transition -- with CityMall at the forefront of it all. CityMall is the first modern retail platform in many of the provincial cities it serves enabling DoubleDragon to be ahead of the curve just as it happened in the past,”* said Edgar “Injap” Sia II, Chairman of DoubleDragon.

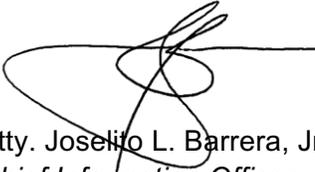
*“The Company’s expansion into the hospitality space has seen a positive reception from the markets especially for its homegrown brand Hotel101. In fact, in just seven months, the Company has already sold over Php 1.6 Billion in units at the recently launched Hotel101-Fort. DoubleDragon expects the Hotel101 brand to continue to contribute significantly as more projects in the pipeline are launched,”* said Hannah Yulo, Chief Investment Officer of DoubleDragon.

*“DoubleDragon has zero US-dollar denominated debt exposure and has fixed the interest rates of all its Corporate Notes and Retail Bonds issued for the entire length of their 7-10 year terms. The interest rates was set based on 7-10 YR PDST-R2 when it was still low in 2014-2017, and the rate formula was determined using that benchmark and set only once during the respective*

*drawdowns back then, and will have the same fixed rate and has no resetting throughout its tenor with key maturities in 2021, 2022, 2023, 2024 and 2026 yet,” added Ms. Yulo.*

The Company targets to complete a leasable portfolio of 1.2 Million square meters by 2020 comprising of 700,000 square meters from 100 CityMalls, 300,000 square meters from its Metro Manila office projects DD Meridian Park and Jollibee Tower, 100,000 square meters from the planned 5,000 hotel rooms of Hotel101 and Jinjiang Inn Philippines, and another 100,000 square meters of industrial warehouse space from various CentralHub sites across Luzon, Visayas and Mindanao.

DoubleDragon’s four pillars of growth continues to strengthen in provincial retail leasing, office leasing, industrial leasing and hospitality which will provide the Company with a diversified source of recurring revenues backed by a string of appreciating hard assets.



By: Atty. Joselito L. Barrera, Jr.  
*Chief Information Officer*