



DOUBLEDRAGON CORPORATION

Offer of ₱2,500,000,000.00
Fixed Rate Corporate Notes

Consisting of
Series 3 Notes: 9.5307% p.a. due 2030

Issue Price: 100% of Face Value

The date of this Information Memorandum is 17 March 2025.

Sole Arranger and Bookrunner



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THE INFORMATION CONTAINED HEREIN SUPERSEDES ANY PREVIOUS INFORMATION DELIVERED TO ANY PROSPECTIVE INVESTOR.

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SECTION 1. FORWARD-LOOKING STATEMENTS

This Information Memorandum contains forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to:

- known and unknown risks;
- uncertainties and other factors which may cause actual results, performance or achievements of DoubleDragon to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

Such forward-looking statements are based on assumptions regarding the present and future business strategies and the environment in which DoubleDragon 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 ability of DoubleDragon to successfully implement its strategies;
- the ability of DoubleDragon to anticipate and respond to market trends;
- the ability of DoubleDragon to successfully manage its growth;
- DoubleDragon's ability to begin construction of its projects without delays due to regulatory or other causes;
- DoubleDragon's ability to successfully manage its future business, financial condition, results of operations and cash flow;
- the condition and changes in the Philippines, Asian or global economies;
- any future political instability in the Philippines, Asia or other regions;
- 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 requirements in the Philippines, Asia or other regions;
- competition in real estate, and hospitality industries;
- legal or regulatory proceedings in which DoubleDragon is or may become involved; and
- those other risks identified in the "Risk Factors" section of this Information Memorandum

These forward-looking statements speak only as of the date of this Information Memorandum. DoubleDragon and the Sole Arranger and Bookrunner 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 expectations of DoubleDragon with regard thereto or any change in events, conditions, assumptions or circumstances on which any statement is based.

This Information Memorandum includes forward-looking statements, including statements regarding the expectations and projections of the Issuer for future operating performance and business prospects. The words "believe", "expect", "anticipate", "estimate", "project", "may", "plan", "intend", "will", "shall", "should", "would" and similar words identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Information Memorandum are forward-looking statements. Statements in this Information Memorandum as to the opinions, beliefs and intentions of the Issuer accurately reflect in all material respects the opinions, beliefs and intentions of the management of DoubleDragon as to such matters at the date of this Information Memorandum,

although the Issuer can give no assurance that such opinions or beliefs will prove to be correct or that such intentions will not change. This Information Memorandum discloses, under the section “Risk Factors” and elsewhere, important factors that could cause actual results to differ materially from the expectation of the Issuer. All subsequent written and oral forward-looking statements attributable to either the Issuer or persons acting on behalf of the Issuer are expressly qualified in their entirety by cautionary statements.

SECTION 2. DOCUMENTS INCORPORATED BY REFERENCE

This Information Memorandum should be read and construed in conjunction with:

- (i) all amendments and/or supplements to this Information Memorandum prepared from time to time by the Issuer;
- (ii) the most recently published audited non-consolidated and (if produced) consolidated annual financial statements and, if published later, the most recently published unaudited interim non-consolidated and (if produced) consolidated financial results of the Issuer, in each case together with any notes to financial statements, management discussion and analysis, audit or review reports prepared in connection therewith (where relevant);
- (iii) latest available marketing documents as publicly disclosed such as but not limited to prospectus and/or offer supplement relating to publicly issued instruments; and
- (iv) disclosures or any material development on the Issuer and/or its business made through the Issuer's website, the Philippine Stock Exchange, or Philippine Dealing & Exchange Corp.

which shall be deemed to be incorporated in, and to form part of, this Information Memorandum and which shall be deemed to modify or supersede the contents of this Information Memorandum to the extent that a statement contained in any such document is inconsistent with such contents.

Any published unaudited interim financial statements of the Issuer which are, from time to time, deemed to be incorporated by reference in this Information Memorandum will not have been audited by the auditors of the Issuer. Accordingly, there can be no assurance that, had an audit been conducted in respect of such financial statements, the information presented therein would not have been materially different, and investors should not place undue reliance upon them.

The Issuer will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office.

SECTION 3. DEFINITION OF TERMS

As used in this Information Memorandum, the following terms shall have the meanings ascribed to them.

Applicable Law	(i) any statute, decree, constitution, regulation, rule, order or any directive of the Government of the Republic of the Philippines; (ii) any treaty, pact, compact or other agreement to which the Republic of the Philippines is a signatory or a party; (iii) any final and non-appealable judicial or administrative interpretation or application of any Applicable Law described in clause (i) and (ii) above; and (iv) any amendment or revision of any Applicable Law described in clause (i), (ii) or (iii) above
Banking Day	A day, other than Saturday, Sunday and a public holiday, on which facilities of the Philippine banking system are open and available for clearing and banks are generally open for the transaction of business in the cities of Pasay and Makati
BIR	Bureau of Internal Revenue
BSP	Bangko Sentral ng Pilipinas
CHICI	CentralHub Industrial Centers, Inc.
CMCCI	CityMall Commercial Centers Inc.
Company, DoubleDragon or Issuer	DoubleDragon Corporation
DDMPR	DDMP REIT, Inc. (formerly DD Meridian Park Development Corp.)
Debt	With respect to the Issuer, all short-term and long-term interest-bearing obligations of the Issuer, direct or contingent, for borrowed money including, for avoidance of doubt, the Issuer'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-to-Equity Ratio	The meaning ascribed to it under Section 9.13
EBITDA	The meaning ascribed to it under Section 9.13
Eligible Noteholders	Resident juridical entities or institutions (excluding natural persons) that, at the point purchase, are Qualified Buyers, whether on the primary or secondary markets
Equity	The equity of the Issuer as derived from the balance sheet of the relevant accounts
Event of Default	An event contemplated under Section 9.15
Fixed Rate Notes	Fixed rate notes that will be issued with an aggregate principal amount of

	₱2,500,000,000.00
GFA	Gross floor area
HOA	Hotel of Asia, Inc.
Interest Payment Date	The date on which the interest on the principal amount of the Fixed Rate Notes are payable while the relevant Fixed Rate Notes are outstanding, in accordance with the
Issue Date	The date of issuance of the Fixed Rate Notes pursuant to and in accordance with the Notes Agreements
JFC	Jollibee Foods Corporation
Majority Noteholders	Noteholders representing not less than 51% of the principal amount of the Fixed Rate Notes then outstanding.
Maturity Date	The date at which a Fixed Rate Note shall be redeemed by the Issuer by paying the principal amount thereof as specifically provided in the Notes Agreements
Market Maker	PCCI Capital, the entity appointed by the Issuer as market maker for the Fixed Rate Notes
Noteholders	Holders of the Fixed Rate Notes
Notes Agreements	Trust Indenture Agreement, the Registry and Paying Agency Agreement, the Issue Management and Placement Agreement, the Master Certificate of Indebtedness (inclusive of the Terms and Conditions), including any amendment or supplement thereto, or any document, certificate or writing contemplated thereby.
Offer	The offer of the Fixed Rate Notes by the Issuer under the terms and conditions and those contained in this Information Memorandum
Paying Agent	The Philippine Depository and Trust Corp., the party which shall receive the funds from the Issuer for payment of principal, interest and other amounts due on the Fixed Rate Notes and remit the same to the Noteholders based on the records shown in the Registry of Noteholders.
PDEX	Philippine Dealing and Exchange Corp
PDTC	PDTC means the Philippine Depository & Trust Corp.
Person	Any individual, firm, corporation, partnership, association, tribunal, limited liability company, trust, joint venture, government or political subdivision or agency or instrumentality thereof, or any other entity or organization.
Peso or ₱ or PHP	The lawful currency of the Republic of the Philippines
PFRS	The Philippine Financial Reporting Standards, which includes statements named PFRS and Philippine Accounting Standards issued by the

	Financial Reporting Standards Council and Philippine Interpretations from International Financial Reporting Interpretations Committee.
PSE	The Philippine Stock Exchange, Inc.
QIB Registrar	SEC-registered qualified investor registrar
Qualified Buyers	The Qualified Buyers, as defined in Rule 10.1.3 of the SRC Rules, are as follows: (a) bank; (b) registered investment house; (c) insurance company; (d) pension fund or retirement plan maintained by the Government of the Philippines or any political subdivision thereof or managed by a bank or other persons authorized by the BSP to engage in trust functions; (e) registered securities dealer; (f) an account managed by a registered broker under a discretionary arrangement as provided for in the other relevant provisions in the SRC Rules; (g) registered investment company (e.g. mutual fund companies); (h) provident fund or pension fund maintained by a government agency or by a government or private corporation and managed by an entity authorized accordingly by the BSP or the SEC to engage in trust function or in fund management; (i) a trust corporation that is authorized by the BSP to perform the acts of a trustee; (j) unit investment trust funds that are established in accordance with rules and regulations of the BSP; (k) a fund established and covered by a trust or investment management activities agreement under a discretionary arrangement in accordance with rules and regulations of the BSP. A discretionary arrangement means that the entity managing the fund is granted authority to decide on the investment of the trust funds or investment management activities funds; (l) a fund established and covered by a trust or investment management activities agreement under a non-discretionary arrangement in accordance with rules and regulations of the BSP, provided that the beneficial owner/s or principal/s of such fund possess the qualifications on financial capacity and sophistication as specified in Rule 10.1.11.1 of the SRC Rules for natural persons, and Rule 10.1.11.2 of the SRC Rules for juridical persons, and provided also, that the treatment of such fund as qualified buyer does not contravene the trust or investment management activities agreement; (m) a fund established and covered by a trust or investment management activities agreement wherein the beneficial owner or principal of the fund has been deemed or conferred as a qualified buyer under Section 10.1 (l) of the SRC or Rule 10.1.11 of the SRC Rules; (n) an entity with quasi bank license issued by BSP; (o) pre-need company authorized by the Insurance Commission;

	(p) collective investment scheme authorized by the relevant regulatory authority pursuant to existing laws and regulations; (q) a listed entity on the PSE, or a related body corporate of a PSE listed entity provided that it engages the service of a professional fund manager, through direct hire or via outsourcing to an authorized fund management entity; (r) a foreign entity not being established or incorporated in the Philippines that, if established or incorporated in the Philippines, would be covered by one of the preceding paragraphs; and (s) such other person as the SEC may by rule or order determine as qualified buyers, on the basis of such factors as financial sophistication, net worth, knowledge, and experience in financial and business matters, or amount of assets under management.
Registrar	Philippine Depository & Trust Corp., being the registrar appointed by the Issuer to maintain the Registry of Noteholders pursuant to the Registry and Paying Agency Agreement.
Registry of Noteholders	The electronic registry book of the Registrar containing the official information on the Noteholders and the amount of the Fixed Rate Notes they respectively hold, including all transfers and assignments thereof or any liens or encumbrances thereon and such other material information in relation to the Notes Agreements.
Registry and Paying Agency Agreement	The Registry and Paying Agency Agreement dated 17 May 2024 between the Issuer and the Registrar and the Paying Agent
SEC	Securities and Exchange Commission
SMIC	SM Investments Corp.
Sole Arranger and Bookrunner or PCCI Capital	Philippine Commercial Capital, Inc.
SRC	Republic Act No. 8799, otherwise known as the Securities Regulation Code
SRC Rules	Implementing Rules and Regulations of the SRC, as amended
Subsidiary	In respect of any Person at any particular time, any company or other business entity: (i) over fifty percent (50%) of whose issued equity share capital (or equivalent) is beneficially owned, by the Issuer and/or one or more of its Subsidiaries; or (ii) for which the Issuer may nominate or appoint a majority of the members of the board of directors or such other body performing similar functions.
Tax Code	National Internal Revenue Code, as amended by Republic Act Nos. 9337, 10963, and 11534.
Trading Participant	Participating broker or dealer of PDEX
Trust Agreement	Trust Indenture Agreement executed on 17 March 2025 between the

Issuer and the Trustee	
Trustee	PCCI Capital - Trust and Investment Group

SECTION 4. COMPANY OVERVIEW

4.1 BRIEF BACKGROUND

DoubleDragon Corporation is an investment holding company in the Philippines, principally engaged in the ownership and operation of a portfolio of leasable properties in its four principal business segments: retail leasing, office leasing, hospitality and industrial leasing. Tony Tan Caktiong and Edgar Injap Sia II, the two entrepreneurs of DoubleDragon, believe that by providing the flexibility for DoubleDragon Corporation to transform into an investment holding company, DoubleDragon will be in a position to capitalise on its strong balance sheet to add worthwhile investments outside of the property sector that would further drive its growth.

The Company's two principal shareholders are Injap Investments Inc., controlled by the Sia family, and Honeystar Holdings Corp. controlled by the Tan and Ang families, who also control Jollibee Foods Corporation ("**JFC**"), the largest fast-food company in the Philippines. Edgar Injap Sia II of the Sia family and Tony Tan Caktiong of the Tan and Ang family have similar entrepreneurial background and have started and grown multiple ventures into household brands in the Philippines.

In 2021, the Company further strengthened its balance sheet with the public offering of shares and listing of DDMP REIT, Inc. (formerly DD Meridian Park Development Corp. ("**DDMPDC**") ("**DDMPR**") and the equity infusion by JFC and its subsidiary into CentralHub Industrial Centers, Inc. ("**CHICI**"), DoubleDragon's industrial leasing subsidiary. As of 30 September 2024, the Company's total equity was ₱94.88 billion and its gross Debt-to-Equity was 0.77x, which is below the Company's cap of 2.33x.

Having met its target of 1.2 million sq.m. of completed gross floor area ("**GFA**") for its leaseable portfolio, the Company intends to pursue a strategy of revenue optimisation for its retail leasing, office leasing, hospitality and industrial leasing operations, with the goal of maximising recurring revenue. As of 30 September 2024, the Company's completed portfolio encompassed 1.298 million sq.m. of GFA. Further, by 2030 the Company targets to increase its portfolio to 2.4 million sq.m. of GFA spread across its four core business segments: 30% in retail, 15% in office, 20% in hospitality, and 35% in industrial leasing.

As of 30 September 2024, through its subsidiary, CityMall Commercial Centers Inc. ("**CMCCI**"), the Company owns and operates 43 CityMalls, primarily located in key strategic locations in Luzon, Visayas and Mindanao. The Company also has seven CityMalls under construction, with an additional land bank for 14 CityMalls. CMCCI is 66% owned by the Company and 34% owned by SM Investments Corp. ("**SMIC**"), the holding company for one of the largest conglomerates in the Philippines. In addition to the 43 CityMalls that were operational as of 30 September 2024, the Company has three other operational malls, namely: Dragon8 Mall in Divisoria Manila City, DoubleDragon Plaza Retail in DD Meridian Park, Pasay City and Umbria Commercial Center in Biñan, Laguna.

The Company's office leasing segment primarily consists of two key projects, DD Meridian Park and Jollibee Tower. DD Meridian Park, a 4.8-hectare project located in the Manila Bay area of Pasay City, and which is 46.67%-owned by the Company, consists of approximately 244,240 sq.m. of leasable space that is primarily used for BPO, outsourcing and support service offices, and corporate offices. The development is expected to feature seven office towers and luxury services residences, with construction in four phases. The first phase of DD Meridian Park comprises Towers 1 to 4 of DoubleDragon Plaza and was completed in 2018. The second phase comprises DoubleDragon Center East and DoubleDragon Center West and was completed in 2019. The fourth phase comprises DoubleDragon Tower and was substantially completed in 2021, while the third phase comprises luxury serviced residences, namely Ascott-DD Meridian Park, and is currently under construction with completion expected in 2024. Jollibee Tower is a Grade A 41-storey commercial and office tower with

approximately 60,394.67 sq.m. of leasable space and is situated in the heart of the Ortigas central business district in Metro Manila. The project, which was completed in 2019, is a joint venture between the Company and JFC, who also serves as the building's anchor tenant. In addition to DD Meridian Park and Jollibee Tower, the Company also owns The SkySuites Tower, comprising two towers, including an office tower that is currently being leased to tenants.

The Company's hospitality segment is operated through its subsidiary, Hotel of Asia, Inc. ("**HOA**"), which is 70%-owned by the Company. As of 30 September 2024, the Company's hospitality operations comprise 6 operational hotels with 1,482 hotel rooms, including the Company's own hotel brand, "Hotel101", which currently has two operating hotels, Hotel101- Manila and Hotel101-Fort. In addition to the 1,482 hotel rooms, with seven hotels under construction and expected to add another 3,463 rooms, and an additional ten hotels under planning and development stages. CSI Hotels, Inc., a 50%-owned subsidiary of HOA, is the Philippines' master franchisee of the "Jinjiang Inn" brand, with three hotels in operation in Ortigas and Makati, Metro Manila and Boracay as of 30 September 2024. Hotel101 Management Corporation, a wholly owned subsidiary of HOA, operates all of HOA's operational hotels including Hotel101-Manila, Jinjiang Inn-Ortigas, Jinjiang Inn-Makati, Jinjiang Inn-Station 1 Boracay and Injap Tower, a 21-storey condotel located in Iloilo City. As of 30 September 2024, the Company had five hotels under construction and nine more hotels in the planning and development stage.

On 30 September 2022, the Company, through its subsidiaries, fully paid for the acquisition of a prime 9,000 sq.m. parcel of land in Hokkaido Prefecture, Japan. The Company expects to develop its first international Hotel101 development, named Hotel101-Niseko, on such acquired land.

On 31 October 2023, through its subsidiary, the company received all the pertinent executed land purchase documents and has made the full complete payment for the purchase of the 6,593 sq.m of prime commercial land in Madrid Spain.

The Company operates its industrial leasing segment through its 60.90%-owned subsidiary, CHICI. As of 30 September 2024, the Company owns 10 CentralHub sites across the Philippines, with a total of 60.57 hectares of prime industrial land. Five of the Company's CentralHub sites, namely CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig, are currently operational. CentralHub-Sta Barbara Iloilo, CentralHub-Davao, and CentralHub-Cebu are under construction while CentralHub-Surigao and CentralHub-Negros are currently in the development stages. As of 30 September 2024, Phases 1 and 2 of CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig were all fully leased out.

The Company, through CHICI, acquired a 6.2-hectare parcel of land in Luisita Industrial Park, Tarlac for its first industrial hub. CentralHub-Tarlac was built over four phases, the first of which was completed in 2018 and leased out to Zenith Foods Corporation (Red Ribbon) as a commissary. The second phase was completed in 2021 and leased out to MerryMart Consumer Corp. as its distribution hub. The third and fourth phases of CentralHub-Tarlac were completed in 2021 and January 2022, respectively. As of 30 September 2024, the third and fourth phases of CentralHub-Tarlac is ongoing tenant turnovers. The Company also acquired a 3.9-hectare parcel of land in Iloilo for its second CentralHub complex, CentralHub-Sta Barbara Iloilo, which is strategically located along a national highway approximately five kilometres from Iloilo International Airport and ten kilometres from the center of Iloilo City. The Company also acquired a 5.2-hectare parcel of land in Danao, Cebu, which will be its third CentralHub complex. The Company acquired the site of its fourth CentralHub complex in 2019, covering an 8.2-hectare parcel of land along the Daan Maharlika Highway in Davao City. In 2022, the Company acquired two other sites, a 10.06-hectare property in Silay Negros for CentralHub- Negros and a 6.40-hectare property in Surigao for CentralHub-Surigao. CentralHub-Sta Barbara Iloilo, CentralHub-Cebu and CentralHub-Davao are under construction while CentralHub- Negros and CentralHub-Surigao are currently in the development stages.

In August 2021, JFC and its wholly owned subsidiary Zenith Foods Corporation (“**ZFC**”) entered into definitive agreements to subscribe to an aggregate of 38.71% of CHICI’s total outstanding shares (post-subscription) in consideration for a cash payment of ₱1.9 billion. JFC acquired common shares of CentralHub and infused its 16.4- hectares of industrial properties in Santolan, Pasig and Carmelray, Laguna, which are currently utilised as commissaries (including the largest operating commissary of JFC). The equity and asset swap between CentralHub and JFC was completed and the transfer of title for the two CentralHub- Laguna and CentralHub-Pasig were completed. The Company and JFC intend to prepare CHICI for the Philippines’ first industrial REIT IPO.

The Company intends to acquire additional sites that are strategically located across Luzon, Visayas and Mindanao. The industrial centers will contain standardised, multi-use, and industrial quality warehouses suited for commissaries, cold storage and logistics centers to be leased to locators operating nationwide in the Philippines.

DoubleDragon reported Consolidated Net Income of ₱2.52 Billion for the first nine months ending 30 September 2024 as compared to the same period the prior year.

CentralHub, which to date has 60.57 hectares of industrial assets, continues to ramp up construction of its industrial warehouse portfolio following the equity joint venture with Jollibee Foods Corp. through the building out its ₱24.8 Billion industrial leasing portfolio in line with its preparation for the Philippine’s first Industrial REIT IPO in the second half of 2025.

With interest rates now starting to consistently decline, REIT listing of DD’s Industrial Warehouse subsidiary, CentralHub, may push through by the 2nd half of 2025. Once the cap rates start to go back to 5-to-6% level which would most likely be possible by the second half of next year 2025.

DoubleDragon’s net Debt-to-Equity ratio continued to stay at a healthy 0.72x as of 30 September 2024.

Total Assets increased to ₱192.42 Billion in the first nine months ending 30 September 2024. Total Equity increased to ₱94.88 Billion in the first nine months ending 30 September 2024 making DoubleDragon on track to exceed ₱100 Billion in Total Equity for the first time in 2024. DoubleDragon happens to be one of the very few companies that has not only positioned a diversified hard asset portfolio spread out across the Philippines, but it also happens to be one of the very few that has organically developed a novel asset-light concept and highly unique business model in Hotel101 (“**HBnB**”) that is portable and exportable to other continents globally. The export of Hotel101 is expected to eventually become one of the major US Dollar inflow generator to the Philippine economy.

The Company is positioned to become one of the few companies in the Philippines with Total Equity at 12-digit level.

DoubleDragon Corporation is also one of the few companies in the Philippines with credit rating PRS Aaa (Triple A) from Philippine Rating Services Corporation, the highest rating tier by PhilRatings.

DoubleDragon’s string of titled investment properties strategically planted in prime locations spread out in Luzon, Visayas, Mindanao and Overseas serves as its strong underlying solid foundation.

On top of its string of diversified hard assets portfolio in the Philippines, DoubleDragon happens to be one of the few companies in the Philippines that was able to organically develop a novel and unique business model and brand in Hotel101 that is highly portable and exportable to multiple continents.

DoubleDragon in less than 10 years has completed over 1.3 million square meters of diversified asset portfolio consisting of a chain of provincial community malls in Luzon, Visayas and Mindanao, office

buildings in Metro Manila, hotels in the Philippines and overseas, and warehouse complexes around the country.

DoubleDragon is one of the few companies that operates its modern community malls in the countryside, as far as Cotabato City, Koronadal City, Dipolog City in Zamboanga Del Norte and Isulan Sultan Kudarat that further stimulates the countryside local economy, but at the same time enables the positive economic growth to be felt by the real provincial countryside. DoubleDragon is one of the very few companies that has commercial investment as far as Basilan Sulu in the Bangsamoro Autonomous Region.

DoubleDragon's nationwide Philippine portfolio of titled hard assets footprint strategically located in Luzon, Visayas and Mindanao, is expected to fully mature by 2025.

DoubleDragon expects its Hotel101 subsidiary being an Asset-light business model to become one of the major homegrown brand and business model Export to other countries that would generate a significant US Dollar inflow to the Philippines.

Hotel101 is also expected to further elevate the globally renowned Filipino brand of hospitality to each of the country where Hotel101 eventually operates.

4.2 COMPETITIVE STRENGTHS

4.2.1 Diversified Philippine property group with four recurring income growth pillars

The Company is predominantly a developer and owner of a portfolio of investment properties with an aggregate value of ₱ 152.2 billion as of 30 September 2024. The Company continues to ramp up its pace of growth and widen its presence and deepen penetration across the Philippines, with plans to increase its portfolio across the retail, office, hospitality and industrial segments and to maximise recurring revenue. As of 30 September 2024, the Company's completed portfolio encompassed 1.298 million sq.m. of GFA, with 53% in retail, 28% in office, 8% in hospitality and 11% in industrial leasing. The Company is moving towards a business model which is expected to derive a significant majority of its revenues from recurring income streams. For the year ended 31 December 2022 and 2023, 55.9% and 45.3%, respectively, of its total revenue (excluding unrealised gains from change in fair values of investment property) came from rent income and hotel operations.

4.2.1.1 Retail

As of 30 September 2024, the Company had 46 operational malls with approximately 689,389 sq.m. of GFA and an aggregate occupancy rate of 87.0%, and seeks to have 50 operational CityMalls by 2025. As of 30 September 2024, seven CityMalls were under construction, and the Company had additional land bank for 14 new CityMalls. The Company intends to establish a nationwide presence of CityMalls in prime locations within the natural daily movement of the general population that the Company serves. CityMall sites are secured in areas located along main roads to increase visibility and maximise exposure and accessibility to its target market.

The Company believes that there remains significant organic growth within its CityMalls business model. Tenants on fixed rental agreement are charged fixed annual escalation ranging from 5% to 10%. Moreover, there is potential for further upside with the transition to a turnover rent structure from the base rent structure, as its business scales up and its tenants' retail sales continue to increase.

4.2.1.2 Office

DD Meridian Park is the Company's flagship project in Metro Manila and is located along the

corners of the main roads of Macapagal Avenue, EDSA Extension and Roxas Boulevard in the Bay Area of Metro Manila. DoubleDragon Plaza, comprising four office towers, commenced full operations in 2018. As of 30 September 2024, 70.9% of the leasable space of DoubleDragon Plaza was leased out. DoubleDragon Center East and Double Dragon Center West, comprising phase 2 of DD Meridian Park, were completed in 2019. DoubleDragon Center East, the fifth office tower of DD Meridian Park, was 100% leased out as of 30 September 2024, and DoubleDragon Center West was 95.1% leased out as of 30 September 2024. DoubleDragon Tower has been leased out 82.0% as of 30 September 2024. As of 30 September 2024, 77.2% of the aggregate operational office and retail leasable space of DD Meridian Park were leased out.

Complementing DD Meridian Park is Jollibee Tower, a premium-grade office building which will be the future headquarters of JFC.

4.2.1.3 Hospitality

Through the Company's three-star hotel chains – Hotel101, Jinjiang Inn and Injap Tower – under the Company's Subsidiary, HOA, the Company expects to benefit from the strong growth of the Philippine economy and the expected long-term healthy performance of the Philippines' tourism sector. As of 30 September 2024, the Company's hospitality operations comprise 1,482 hotel rooms, including the Company's own hotel brand, "Hotel101", which currently has two operating hotels, Hotel101 Manila and Hotel101 Fort. Hotel101 has received several accolades, including Trip Advisor's Travellers' Choice Award in 2021, Expedia's Top 3-Star Hotel in the Metro Manila category in 2019 and Ctrip 2019 Golden Dolphin Award for Service Excellence. Hotel101-Manila has 518 rooms and had an average annual occupancy rate of 86.2% in 2023 while Hotel101 Fort started operating in 2023.

CSI Hotels, Inc., a 50% subsidiary of HOA, is the exclusive master franchisee of the Chinese hotel chain Jinjiang Inn in the country – awarded the Best Local Hotel Brand in 2016/2017 by City Traveler. As of 30 September 2024, the Company, through CSI Hotels, Inc. had three Jinjiang Inn hotels: Jinjiang Inn-Ortigas, Jinjiang Inn-Makati, and Jinjiang Inn-Station 1 Boracay.

Hotel101 Management Corporation, a wholly owned subsidiary of HOA, operates all of HOA's hotel properties including Injap Tower, a 21-storey 194-room condotel located in Iloilo City.

All of the hotels under both brands are strategically located in areas which are in close proximity to one or all of the following: business hubs, shopping malls, and dining options.

4.2.1.4 Industrial Leasing

In addition, the Company formed its owned subsidiary CentralHub Industrial Centers Inc. ("**CHICI**") as its industrial leasing arm. The Company envisions CHICI to be a branded modern institutional quality logistics platform suited for commissaries, cold storage and logistic centers. As of 30 September 2024, the Company owns 10 CentralHub sites across the Philippines, with a total of 60.57 hectares of prime industrial land. Five of the Company's CentralHub sites, namely CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig, are currently operational. CentralHub-Sta Barbara Iloilo, CentralHub-Davao, CentralHub-Cebu are under construction while CentralHub-Surigao and CentralHub-Negros are currently in the development stages. As of 30 September 2024, Phases 1 and 2 of CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig were all fully leased out. CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig were infused into CHICI by JFC pursuant to the definitive agreements executed between the Company and JFC on 19 August 2021 implementing the ₱4.0 billion investment of JFC in CHICI. JFC acquired common shares of CentralHub and infused its 16.4 hectares of industrial properties in Santolan, Pasig and Carmelray, Laguna which are currently utilised as commissaries (including the largest operating commissary

of JFC). As of 30 September 2024, the equity and asset swap between CentralHub and JFC was completed and the transfer of title for the two CentralHub- Laguna and CentralHub-Pasig were completed. The Company and JFC intend to prepare CHICI for the Philippines' first industrial REIT IPO in 2025.

The Company also acquired a 3.9-hectare parcel of land in Iloilo for its second CentralHub complex, to be named CentralHub-Sta Barbara Iloilo, which is strategically located along a national highway approximately five kilometres from Iloilo International. Moreover, the Company acquired a 5.2-hectare parcel of land in Danao, Cebu which will have a capacity of 27,212 sq.m. of industrial warehouse space and an 8.2-hectare parcel of land along the Daan Maharlika Highway in Davao City with an estimated capacity of 40,392 sq.m. of leasable industrial warehouse space. In 2022, the Company acquired two other sites, a 10.06-hectare property in Silay Negros for CentralHub-Negros, and a 6.40-hectare property in Surigao for CentralHub-Surigao. CentralHub-Sta Barbara Iloilo, CentralHub-Davao, and CentralHub-Cebu are under construction while CentralHub-Negros and CentralHub-Surigao are currently in the development stages.

The Company currently has plans for development for CentralHub industrial centers strategically located across Luzon, Visayas and Mindanao. Finally, the Company believes that its recurring income stream is underpinned by a portfolio of quality assets that will likely appreciate in value given their location. The Company believes that these assets, collectively, will generate strong cash flows and a well-capitalised balance sheet.

4.2.2 Well-defined execution capability with proven track record

Leveraging the Company's end-to-end capabilities as a real estate developer and owner, encompassing site identification, master planning, development, marketing, leasing, business events, client relationship management, data analytics, the Company believes that it has the ability and resources to create a market leading business model.

4.2.3 Standard project blueprint enables a highly cost-efficient rapid roll-out strategy across its business segments

The Company remains focused on growing its business segments to achieve economies of scale and drive cost efficiencies. For example, with its aim to be the largest community mall player in first class municipalities and second and third-class cities, the rollout of its expansion plans allows the Company to achieve operational efficiencies as it has the optionality to offer multiple CityMall construction projects to the contractors within the same province. As a result of repeated transactions with the local contractors, not only does the Company have direct interaction with workers who have better on-the-ground experience in sourcing labour and local materials, the Company believes that it gains familiarity with the execution process to ensure that its development timelines are met. Similar to CityMalls, the Company plans to scale up significantly to dominate and be the largest player in the Philippines hospitality and industrial segments to benefit from economies of scale. To ensure rapid roll-out to achieve economies of scale, the Company has developed and adopted a standardised approach to the development and marketing of its business segments. For example, the timeline for the start of development to stabilised operations for each of its CityMalls is approximately 18 months (construction permit to opening of 12 months and a further six months to stabilise), which has enabled the Company to deliver new malls to the market in an expedited manner. As of 30 September 2024, 43 CityMalls were operational, with seven CityMalls under construction. Similarly, the Company is adopting a standardised approach in developing its hotels and industrial leasing businesses to shorten the development-to-cash generating cycle.

4.2.4 Proven execution ability in delivery

The Company believes that it has an established execution track record. Since its listing in 2014, the Company has managed to build up an investment property portfolio with a total value of ₱152.20 billion, as of 30 September 2024.

As of 30 September 2024, the Company has 304.99 hectares of land bank and has secured as of 30 September 2024. The Company's believes that its standardised and scalable operational model enables it to establish a track record of timely delivery of its projects.

4.2.5 Strategic acquisitions to enter into new business segments

The Company has made swift and strategic acquisitions to enter into the hospitality and industrial leasing businesses. In October 2016, the Company acquired 70% of HOA, an existing hotel business. The Company plans to expand HOA to eventually contribute revenues through the operation of 6,835 rooms, which including rooms to be contributed by its pipeline of projects to be developed. For its industrial leasing business, as of 30 September 2024, the Company has acquired ten CentralHub sites, with a total of 60.57 hectares of prime industrial land.

4.2.6 Proven ability to raise funding

The Company has demonstrated a strong ability to secure funding, raising approximately ₱110.0 billion in long-term capital since the Company's listing to fund the Company's vision. The Company has also been able to diversify sources of funds which include bank borrowings, and issuance of preferred shares and fixed-rate corporate bonds, which enhance the Company's financial flexibility in raising capital. On 15 December 2016, the Company debuted in the local debt market with the listing of its ₱5.3 billion fixed rate bonds due 2026, as an initial tranche of its up to ₱15 billion bonds shelf registration. On 13 July 2018, the Company listed an additional 143,370,600 shares via a follow-on equity offering at ₱30.00 per share, or total gross proceeds of ₱4.3 billion. On 27 July 2020, the Company, through its subsidiary DDWPL, issued US\$75.0 million 7.25% guaranteed senior notes due 2025. On 24 March 2021, the Company completed the listing of DDMPR raising ₱9.0 billion. The follow-on offering and listing of DDMPR resulted in the increase of the Company's total equity, further strengthening its financial position. On 10 March 2022, DDWPL issued an additional US\$55.0 million 7.25% guaranteed senior notes due 2025. On 4 November 2022, the Company's credit rating was upgraded to PRS Triple A by Philippine Rating Services Corp., a Philippine debt watcher. On 25 November 2022, DDWPL issued an additional US\$30.0 million 7.25% guaranteed senior notes due 2025. As of 30 September 2024, the Company had a gross Debt-to-Equity ("D/E") ratio of 0.77x which is below the 2.33x maximum gross D/E ratio the Company is required to maintain under its debt covenants. The Company believes that this financial headroom enables the Company to react faster to growth and any potential inorganic opportunities that are value accretive for its business.

4.2.7 First mover advantage as the leading community mall operator outside of Tier 1 cities

The Company believes that it is currently the dominant player in the modern format branded community mall segment across Philippines. As of 30 September 2024, the Company has secured 64 CityMall sites.

The Company believes that it is one of the first movers at the forefront of retail modernisation in first class municipalities and second and third-class cities, and has created a business model that is positioned to significantly benefit from the transition from traditional retail to modern retail, attributed to high barriers of entry for foreign players and varying strategic focus of local players.

Foreign players face issues including the following: (i) constitutional restrictions, which limit foreign

ownership to not more than 40% for companies that own land and retail businesses, among others, and (ii) a lack of local relationships, existing local network and knowledge, preventing them from gaining access to land bank and expanding on a similar scale. In the community malls segment, notable domestic players such as Waltermart Supermarket, Inc., Gaisano Grand Group, Gaisano Capital, Robinsons, and Vista Land contribute to the diverse landscape. While these companies have made significant strides in their expansion efforts, CityMall stands out for its distinctive approach and extensive reach. Unlike many competitors whose primary focus lies within supermarkets, CityMall's vision centers around providing a holistic shopping experience that integrates cinemas, varied retail options, dining venues, and grocery shopping. Its expansion strategy spans beyond major cities, reaching first-class municipalities and second and third-class cities, ensuring inclusivity and accessibility for a diverse consumer base nationwide.

4.2.8 Well-positioned to benefit from positive macroeconomic fundamentals in the Philippines

The Company believes that the Philippines' macroeconomic fundamentals support the Company's growth trajectory. In 2023, the Philippines' GDP rebounded by growing 5.6% year-on-year. For 2022, according to the Asian Development Bank, the Philippines' GDP is expected to grow by at least 6% as socioeconomic activities normalise.

The Philippine retail market is currently evolving from unorganised retail formats to multi-tenanted malls, with the latter providing a compelling alternative to traditional retail pathways such as wet markets and provision shops and introducing the modern shopping experience to the local communities. The Company believes that the modern retail format is attractive to customers as this provides them a one-stop platform for both discretionary and non-discretionary consumption. In particular, the presence of a clean, air-conditioned indoor one-stop mall in first class municipalities and second and third-class cities is expected to be highly attractive to the cities' population. Based on industry research, the Company believes that this is also attractive to tenants given significantly higher footfall and sales per sqm achieved compared to unorganised retail, and this format provides quality control with guaranteed infrastructure and logistics that helps to build brand equity. The Company believes this trend is only starting to occur in first class municipalities and second-class and third-class cities, and its entry into these markets is well-timed to take advantage of this shift.

The Company believes that the sustained dynamism of the BPO-led services sector and growth in other key economic sub-sectors such as construction, telecommunications, banking and finance, warehousing and logistics, and manufacturing would sustain the demand for larger and high-quality office space.

The Philippines' favorable macroeconomic dynamics is expected to translate into strong and sustainable demand for logistics facilities underpinned by limited stock of logistics facilities, in particular modern logistics facilities in the Philippines. Strong real GDP growth, private consumption, as well as a large and rapidly growing middle-income population is expected to boost the Philippine consumer market. Notably, most of the Company's current CityMall tenants are heavy users of logistics space. However, the majority of the current stock of logistics warehouses is old generation properties and fragmented, which provide less efficient warehousing conditions. In contrast, modern logistics warehouses carry features such as large floor areas, high ceilings of 14 metres high, high load tolerances, wide column spacing within the warehousing area, modern loading docks and enhanced safety systems which provide greater accessibility and efficiency. The Company believes that demand for logistics facilities and warehousing facilities is expected to grow with the expansion of the modern retailing format in the Philippines and the growth of the manufacturing sector, together with the improved infrastructure in the Philippines as a result of Government-initiated infrastructure projects nationwide.

4.2.9 Supported by strategic partnerships with credible local and international business

groups

The ability to attract and establish strategic relationships with the JFC and SM Groups validates its vision, positioning and execution capabilities as the leading owner, operator, and developer of branded community malls across first class municipalities and second and third-class cities in the Philippines. The SM Group's "SaveMore" supermarket brand is one of the anchor tenants in CityMalls. JFC food brands anchor the "FoodWorld" section of every CityMall and the Company consider this to be an irreplaceable advantage of the partnership and highly attractive for its consumers. Together, these strategic partnerships are expected to solidify the dominance of CityMalls all over the Philippines.

Its partnerships with other business groups have also provided it with the ability to rapidly and significantly expand into the hospitality and office sectors and gain access to valuable land sites. The Company acquired a 70% stake in HOA, which currently serves as its hospitality arm through 3-star hotels Hotel101 and Jinjiang Inn located in prime locations across key cities in the Philippines. The Company's strategic partnership with JFC also includes the development of Jollibee Tower, a 41-storey commercial and office tower on a prime commercial lot in Ortigas. DD Meridian Park, a joint venture between DD and the initial landowner, is strategically located at the corner of EDSA Extension, Roxas Boulevard and Macapagal Avenue, main thoroughfares in Metro Manila close to the Entertainment City and the SM Mall of Asia complex.

4.2.10 Experienced board and management team with strong corporate governance

The Company's board of directors is highly experienced, with an average of 32 years of experience in the Philippine real estate and commercial sectors. The board is led at the helm by its Chairman and Chief Executive Officer, Edgar "Injap" Sia, whose experience stems from growing the Mang Inasal chain from one branch in his hometown of Iloilo City in 2003 to over 338 branches nationwide by 2010. Its Co-Chairman Tony Tan Caktiong opened his first ice cream parlour at the age of 22, and since then, Jollibee has grown to become the largest fast-food chain in the Philippines. Injap's and Tony's foresight in entering the quick service restaurants business ahead of competitors and the knowledge they have obtained from expanding their businesses in first class municipalities and second and third-class cities will be instrumental in growing the Company and enabling it to achieve its targets.

Similarly, the Company's senior management team has a proven track record in developing, investing in, managing, and enhancing commercial real estate, possessing an average of 13 years of experience in the Philippine real estate and commercial sectors. The team covers the entire value chain of the business, including asset development and enhancement, asset management, and commercial operations.

The Company has also adopted governance policies and mechanisms to serve as its foundation and guiding principle for good governance. The Company also continues to adopt policies and mechanisms in accordance with established rules and best practices.

4.3 BUSINESS STRATEGIES

The Company's business strategies include the following:

4.3.1 A nationwide expansion plan to grow recurring income stream across four property pillars: retail, office, industrial and hospitality

The Company is working towards building a strong base of recurring revenue through the accumulation of completed portfolio nationwide, across the retail, office, industrial and industrial property segments. The Company has established a successful track record of expansion by accumulating an investment property portfolio with a total value of ₱152.2 Billion as of 30 September 2024. The significant pace of execution was achieved through two key success factors:

- Direct access to land bank opportunities, and a high level of familiarity with first class municipalities and second- and third-class cities resulting in the ability to transact quickly; and
- Adaptable approach to site acquisition by entering into joint ventures or strategic alliances with landowners, which contribute land to the joint venture while the Group provides its development expertise.

The Company intends to establish a nationwide footprint through strategically selected projects that are located in prime locations both in Metro Manila and the different provinces in the Philippines. The Company believes that the combination of macroeconomic factors and sector trends across the country is expected to support a robust outlook in the near and medium-term period. This would allow the Company to diversify its recurring income source through a balance of stable growth and high growth industries. Specifically, while the Metro Manila office leasing space provides a stable base of income stream, the Company believes that the remaining portfolio is well positioned for upside given exposure to the following trends:

- Transition of traditional retail to modern retail. According to Savills, modern retail is still in its early stages in first class municipalities and second- and third-class cities, which, coupled with the significant GDP and population growth the Philippines, indicates that the Philippine retail market is geared towards significant growth.
- Strong and sustainable demand for logistics facilities underpinned by limited supply, in particular modern logistics facilities in the Philippines. According to Savills, the current supply of quality logistics facilities in the Philippines is fragmented, as there is no one major owner of logistics facilities across the country.

4.3.2 Identifying shifts and capitalizing on real estate segments where it can be a leading player

Prior to entering a segment, the Company put in significant effort to conduct in-depth market research and analysis to help it identify markets where the Company has the resources and ability to dominate either now, or over a period of time.

One of the transitions that the Company had observed earlier was the evolution of traditional retail into modern retail in first class municipalities and second- and third-class cities – particularly notable in the supermarket segment, which is relevant to the its business model since the supermarket typically occupies one-third of the leasable space of CityMalls. To leverage on this trend, the Company conceptualized CityMalls such that it was able to utilize the growing shift of retailers from traditional to modern formats, offering select retail stores in addition to its anchor hardware, appliance and supermarket stores, among others. The Company continues to reinforce that CityMall is a replacement to traditional retail, tapping its existing demand. Given its success in this segment, one of the focus points is to entrench its market-leading position as the largest and fastest-growing retail developer, owner and operator of community malls in provincial areas of the Philippines.

- The Company's target is to achieve a strong portfolio of CityMalls across first class municipalities and second- and third-class cities. Its key strategy is to continue to develop, own and operate a nationwide retail mall network, funding further expansion by using recurring income from its operating malls as well as profits from the sale of its development properties, supported by additional debt funding if required.
- The Company will continue to innovate, to implement optimal tenant mixes best suited to the Philippine consumer, to introduce new retail experiences adapted to market dynamics, and to adapt best practices and concepts from retail leaders elsewhere in Southeast Asia; and

- The Company will continue to create barriers into the community mall segment, by targeting underserved lower tier areas. The Company chooses such sites based on the following criteria: (i) sites that give the Company a first-mover advantage in areas where there is less operational baggage from costs, but also (ii) sites where the Company are familiar with and (iii) sites with scarce presence of competitors and suitably sized lots within and in surrounding prime city center areas.

The Company continues to believe that the tourist segment will be an important economic sector for the country. As of 30 September 2024, the Company had a total of 1,482 hotel rooms, with seven hotels under construction and expected to add another 3,463 rooms, and an additional ten hotels under planning and development stages. under its Jinjiang and Hotel101 brands – essentially giving it a market dominating position over other major real estate players.

The Company has also paid attention to the increasing number of outbound tourists from the Philippines, including to popular places such as Japan. As such, the Company has recently acquired a 9,000 sqm parcel of land in Hokkaido Prefecture, Japan, where it expects to build its first Hotel101 venture outside the Philippines, named Hotel101-Niseko. In 2023, the Company, through its subsidiary also fully acquired a 6,593 sqm of prime commercial land in Madrid Spain.

The Company's management team has also continued to assess and adapt to shifts in the demands in the real estate industry. For example, the Company added industrial leasing as its fourth pillar as the Company believes that warehousing in the Philippines is currently fragmented, and there remains favorable local macroeconomic dynamics to translate into strong and sustainable demand for logistics facilities and underpinned by limited stock of existing logistics facilities. Given the significant overlap of tenants in its retail mall business and their corresponding needs for industrial space, the Company believes that it is in a position to not only tap into this existing demand but to also help its tenants achieve operating efficiencies. The current industrial landscape is such that majority of the current stock of logistics warehouse is old generation and fragmented properties that often provide less efficient warehousing conditions – existing warehouses are not suitable for distribution needs as one of the key specifications requires the floor-to- ceiling height to be 14 meters high, while most of the current facilities are only six meters high.

The Company's industrial business model is focused on providing modern logistics warehouses with features to drive greater accessibility and efficiency, and its ability to execute this strategy is underpinned by its shareholders who have experience in food and beverage, commissaries, cold storage logistics – a large part of each industrial center's leasable space is catered to these specific segments. The Company sees its CentralHub industrial centers as the first branded modern industrial centre chain in the Philippines, and like CityMall and Hotel101, all industrial centers will look the same and will be located in strategic locations around the country. The Company believes that through this segment, it will be able to provide an additional layer of service to its retail tenants, and increase their level of stickiness to its overall ecosystem.

The Company believes that its overall business model is highly sustainable. The Company believes it is positioned to capitalize on emerging industry trends, and more importantly, its businesses are setup to serve the low to middle income population of the Philippines. The Company intends to leverage its leading market position, economies of scale and its local market knowledge to consolidate and continue to grow its market share over time.

4.3.3 Focus on building recurring revenue based on a foundation of appreciating assets and operate a capital efficient business model

The Company is focused on developing properties that will create a steady stream of cash flows backed by a string of appreciating assets. The Company believes that cash flows sourced from recurring

revenue streams are of greater quality than cash flows generated from sale of properties which are non-recurring in nature and are dependent on continued reinvestment.

The Company has met its 2022 leasable portfolio target of 1.2 million sq.m. of completed GFA, and its envisioned 2.4 million sq.m. of completed GFA by 2030 is expected to generate cash flows and project yields that will organically grow without continuous capital outlay, primarily driven by the embedded escalation rates in its lease contracts with its tenants.

The Company books its assets held for lease as investment property. As the Company has adopted the fair value method, its investment property is generally revalued on an annual basis by a third-party appraiser based on comparable market transactions relative to the location of its properties held for lease. Generally, the Company's investment property has seen substantial gains from revaluation on top of cash flows contributed from leasing operations.

The Company's business model is also geared to be highly capital efficient in deployment of capital once it achieves scale in its CityMalls expansion, coupled with the completion of other developments that are earmarked to provide recurring income. This is mostly driven by CityMall's relatively quick churn rate, with an estimated time to completion of 12 months and a further six months to stabilise, thus ensuring that raised capital is quickly converted into cash-generating hard assets.

For its Hotel101 business, the Company has adopted a "sale-and-managed" model, where individual condotel units are sold to third-party investors but the Company continues to manage the condotel units post-sale. Sale proceeds are consequentially used to fund the development cost, which reduces its equity requirements for any project. In addition, the Company plans to subfranchise its Jinjiang Inn brand, and under this model, the capital expenditure for any repairs of these subfranchised hotels is to be borne by the subfranchisee. Overall, these streams of income will reduce the equity contribution required from the Company to fund any future capital expenditure plans. The Company also aims to expand its Hotel101 business globally, and has filed a global patent application for its Hotel101 condotel concept. The Company aims to become the first Filipino hotel chain to be exported worldwide, and expand its Hotel101 business via Hotel101 Global Pte. Ltd. through partnerships and joint ventures, first targeting Asia and subsequently, Europe and the United States. The Company also developed a Hotel101 application and is already available on iOS and Android. As of 2023, the Company through its Global Subsidiary secured its overseas Hotel101 projects in Niseko Hokkaido Japan and Madrid Spain.

Further, similar to its first REIT, DDMP REIT, Inc., focusing on office leasing properties, the Company intends to continue to develop and build its industrial warehouse leasing portfolio to prepare for potentially the Philippines' first industrial property REIT. In 2022, the Company completed its equity partnership with JFC to further grow both the recurring rental revenue portfolio and warehouse assets of CentralHub.

4.3.4 Maintain a strong balance sheet, prudent risk and capital management and good governance

By maintaining a strong balance sheet, the Company believes that it is in a position to withstand economic and financial cycles, while allowing it to fund its planned expansion. This will also give it the flexibility to make acquisitions or fund capital expenditures when opportunities arise. In addition, the Company believes that its strong balance sheet is reinforced by its cost-efficient business model – rollout of expansion plans for CityMall, Hotel101 and industrial centers via the same format allows for economies of scale and reduces any cost inefficiencies that could result from unnecessities.

The Company intends to take a disciplined approach to the allocation of capital across its projects, with

the strict application of hurdle rates and benchmarks for each investment. Its planned capital expenditure is principally earmarked for the expansion of its mall network. The Company plans to fund its capital expenditure plan through its recurring income, pre-sales, external financing, and its access to diverse sources of funds will increase its financial flexibility. The Company has been a repeat issuer in the domestic bond market, including bonds arranged by BPI Capital Corporation, BDO Capital & Investment Corporation, Maybank ATR Kim Eng Capital Partners Inc., and RCBC Capital Corporation, demonstrating its established relationships across both domestic and international banks. Besides the domestic bond market, the Company has also tapped into diversified sources of funding which include Preferred Shares and bank funding, highlighting its diversified capital base, comprising of retail and institutional investors.

The Company also plans to manage its debt maturity profile, reduce cost of funding and diversify its sources of funding, including potentially accessing the capital markets again. To achieve these objectives, its key areas of focus are as follows:

- Company's focus on developments with a "for-sale" component, pre-sale proceeds from the sales can be used to partially fund the development costs of the project components;
- Reduce cost of funding by growing a steady stream of recurring rental income while utilizing pre-sales to reduce overall funding needs;
- Continue to diversify funding sources and lower its cost of capital by monitoring the markets for favorable opportunities to build up its capital resources through various financing options such as equity issuances, loans and public debt issuances, among others

4.4 PRINCIPAL SHAREHOLDER(S)

The Company's two principal shareholders are Injap Investments Inc., controlled by the Sia family, and Honeystar Holdings Corp. controlled by the Tan and Ang families, who also control Jollibee Foods Corporation ("JFC"), the largest fast-food company in the Philippines. Edgar Injap Sia II of the Sia family and Tony Tan Caktiong of the Tan and Ang family have similar entrepreneurial background and have started and grown multiple ventures into household brands in the Philippines.

4.5 PRINCIPAL EXECUTIVE OFFICES

DoubleDragon executive offices are located at 10th Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Macapagal Ave cor EDSA Ext, Bay Area, Pasay City, Metro Manila, Philippines. The telephone number at this address is (02) 8856-7111 and the fax number is (02) 8856-9111.

4.6 RISK FACTORS

This Information Memorandum contains forward-looking statements that involve risks and uncertainties. DoubleDragon 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" of this Information Memorandum. 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 DoubleDragon, 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 Information Memorandum including the risk factors described below, before deciding to invest in the Offer. The business, financial

condition and results of operations of the Company could be materially and adversely affected by any of these risk factors.

4.6.1 Key Risks Relating to the Issuer's Business

1. The Company may not be able to successfully manage and implement its growth or expansion strategies.
2. Although the Company plans to increase the percentage of its recurring income through the continued expansion of its leasing portfolio, historically the Company's revenues have been driven primarily by real estate sales and growth in fair value of its investment property. Therefore, its historical results may not be indicative of its future performance.
3. The Company's business may be materially and adversely affected by adverse public health developments such as the recent coronavirus pandemic.
4. The interests of the Company's joint venture partners may differ from those of the Company and such partners may take actions that adversely affect the Company or its subsidiaries.
5. The Company is exposed to risks associated with offering deferred payment schemes, including the risk of customer default.
6. Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.
7. The Company's rollout of CityMalls may not be successful, and the Company's existing malls may not be able to continue to benefit from a favorable retail environment.
8. The Company's rollout of CentralHub industrial centers may not be successful, and the Company's existing industrial centers may not be able to continue to benefit from a favorable business environment.
9. Competition for the acquisition of land for new projects and risks relating to the management of its land bank, including fluctuations in demand and prices, may adversely affect the Company's business.
10. The Company is exposed to risks relating to the leasing business.
11. The Philippine property market is cyclical.
12. Historically low interest rates, expansion in overall liquidity, extensive construction of housing units and other factors could lead to the risk of formation of asset bubbles in real estate.
13. The real estate market is highly competitive, and any inability to effectively compete could limit the Company's ability to maintain or increase its market share and profitability.
14. The Company's cash ratio is less than 1.0, which exposes the Company to liquidity risk.
15. The Company faces risks relating to project cost and completion, including its ability to generate sufficient cash flow to support its operations and service its debt. Further, the real estate industry in the Philippines is capital intensive, and the Company may be unable to readily raise necessary amounts of funding to acquire new land or complete existing projects.
16. The Company has multiple related-party transactions with affiliated companies, and transactions with certain affiliates constitute a substantial percentage of the Company's revenues.
17. Titles over land owned by the Company may be contested by third parties.
18. Certain of the Company's projects may be located in areas covered by the Indigenous Peoples' Rights Act which may adversely affect its rights over such projects
19. Some of the Hotel101's projects are located on parcels of land that are leased on a short-term basis, which exposes it to certain risks such as its ability to obtain the best lease terms
20. Disruptions in the financial markets could adversely affect the Company's ability to refinance existing obligations or raise additional financing, including equity financing.

21. There is no assurance that the Company will be able to refinance its existing indebtedness when these come due on maturity.
22. Environmental laws applicable to the Company's projects and enforcement by Philippine regulators of environmental regulations and policies could have a material adverse effect on its business, financial condition and results of operations.
23. The Company's reputation will be adversely affected if projects are not completed on time or if projects do not meet customers' requirements and may be adversely affected by other factors over which the Company does not have control.
24. Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.
25. Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims.
26. Damage to, or other potential losses involving, the Company's assets may not be covered by insurance.
27. The Company may not be successful in protecting its brand image or its interests in certain trademarks and domain names.
28. The Company is controlled by the DD Majority Shareholders, whose interests may not be the same as those of other shareholders.
29. The Company's business and operations are dependent upon key executives.
30. Any deterioration in the Company's employee relations could materially and adversely affect the Company's operations.
31. The Company may, from time to time, be involved in legal and other proceedings arising out of its operations.
32. There can be no assurance that the Company will not suffer from substantial sales cancellations.
33. Electronic commerce platforms may challenge the viability of the retail tenants of the Company.
34. Adoption of the deferred provisions on revenue recognition on real estate and IFRIC agenda decision on over time transfer of constructed goods may result in a restatement of the Company's financial statements for prior fiscal years which could be materially different from the audited consolidated financial statements of the Company included in this Offer Supplement.
35. The Company may be affected by the Comprehensive Tax Reform Program and other tax regulations

4.6.2 Key Risks Relating to the Philippines

1. A significant portion of the Company's business activities are conducted in the Philippines and a significant portion of its assets are located in the Philippines, which exposes the Company to risks associated with the Philippines, including the performance of the Philippine economy.
2. Volatility in the value of the Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Company's businesses.
3. The credit ratings of the Philippines may restrict the access to capital of Philippine companies, including the Company.
4. A significant portion of the Company's operations and assets are based in the Philippines and, therefore, a slowdown in economic growth in the Philippines could materially and adversely affect the Company's business, financial position and results of operations.
5. Political instability may have a negative effect on the business, financial position or results of operations of the Company.
6. Acts of terrorism and violent crimes could destabilise the country and could have a material

adverse effect on the Company's business, financial position and results of operations.

7. Natural or other catastrophes, including severe weather conditions, may adversely affect the Company's business, materially disrupt the Company's operations and result in losses not covered by its insurance.
8. Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.
9. Developments outside of the Philippines, including U.S. policies related to global trade and tariffs could adversely affect our business, financial condition and results of operations

4.6.3 Key Risks Relating to the Fixed Rate Notes

1. The Fixed Rate Notes are unsecured obligations.
2. The Company is a holding company with limited assets and will depend on payments from its subsidiaries to provide it with funds to meet its obligations under the Fixed Rate Notes.
3. Substantial leverage and debt service obligations could adversely affect the Company's businesses and prevent the Company from fulfilling its obligations under the Fixed Rate Notes.
4. Payments under the Fixed Rate Notes will be structurally subordinated to liabilities and obligations of certain of the Company's subsidiaries, associates and joint ventures, and the Fixed Rate Notes are not secured.
5. The Company is subject to certain covenants pursuant to the Trust Agreement that may limit the Company's ability to finance the Company's future operations and capital needs and to pursue business opportunities and activities.
6. The Issuer may raise other capital which affects the price of the Fixed Rate Notes
7. The liquidity and price of the Fixed Rate Notes following this offering may be volatile.
8. Credit Rating and Label Retention Risk
9. The Fixed Rate Notes may be redeemed at the Issuer's option upon the occurrence of certain events.
10. Even if the Fixed Rate Notes are enrolled and traded on the PDEX, an active or liquid trading market for the Fixed Rate Notes may not develop.
11. Rules for trading the Fixed Rate Notes may be promulgated that affect the ability to transact these on the secondary market.
12. Holders of the Fixed Rate Notes may face possible taxable gain or a capital loss if the Fixed Rate Notes are sold at the secondary market.
13. The Fixed Rate Notes have no preference under Article 2244(14) of the Civil Code.
14. The BIR's tax treatment of the Fixed Rate Notes may vary from the tax treatment described in this Information Memorandum. Any adverse tax consequences upon the Noteholder arising from any variance in tax treatment shall be for such Noteholder's sole risk and account.

4.6.4 Key Risks Relating to the Information Memorandum

1. This Offer Supplement contains certain statistical and industry information which have not been independently verified by the Company.
2. There may be possible deviations in the Use of Proceeds.
3. Certain information contained herein is derived from unofficial publications.

4.7 RECENT DEVELOPMENTS

4.7.1 Issuance of 8% p.a. Retail Bonds due 2030

On 11 November 2024, the Issuer launched the offer of up to ₱10 billion 8% p.a Fixed-Rate Bonds due 2030. The offer of the Bonds concluded on 18 November 2024 and ₱10 billion Fixed-Rate Bonds were issued and listed on the PDEX on 27 November 2024.

4.7.2 Hotel101 Global App hits one million registered users milestone

On 28 January 2025, the Issuer's subsidiary Hotel101 Global has achieved milestone of exceeding 1,000,000 (one million) registered users on its Hotel101 Global APP.

4.7.3 Filing and Submission of F-4 Registration Statement

On 01 February 2025 (31 January 2025, New York time), the Company through its subsidiaries, HBNB and Hotel101 Global have officially filed and submitted its F-4 Registration Statement to the US SEC.

4.7.4 Issuance of 7.77% p.a. Retail Bonds due 2032

On 03 February 2025, the Issuer launched the offer of up to ₱10 billion 7.77% p.a. Fixed-Rate Bonds due 2032. The offer of the Bonds concluded on 14 February 2025 and ₱9.1 billion Fixed-Rate Bonds were issued and listed on the PDEX on 21 February 2025.

4.7.5 Organizational Changes in the Board of Directors and Officers of DoubleDragon Corporation

On 28 February 2025, the Company's Board of Directors has approved the following:

- 1) the promotion of Mr. Ferdinand J. Sia, to the role of Vice Chairman of DoubleDragon Corporation,
- 2) appointment of Atty. Rodolfo Ma. Ponferrada as a member of the Board and President of DoubleDragon Corporation,
- 3) appointment of Ms Rizza Marie Joy S. Javelona as Board Adviser to DoubleDragon Corporation.

SECTION 5. SUMMARY OF FINANCIAL INFORMATION

The summary of financial and operating information of DoubleDragon presented below were derived from the consolidated financial statements of DoubleDragon, audited by R.G. Manabat & Co., a member firm of KPMG International, and prepared in compliance with the Philippine Financial Reporting Standards ("PFRS").

The information below should be read in conjunction with the consolidated financial statements of DoubleDragon.

The historical financial condition, results of operations and cash flows of DoubleDragon are not a guarantee of its future operating and financial performance.

5.1.1 Consolidated Statements of Financial Position

	(Unaudited) Nine months Ended 30 September	(Audited) Years Ended 31 December		
	2024	2023	2022	2021
ASSETS				
Current Assets				
Cash and cash equivalents	₱5,370,154,075	₱2,918,467,996	₱5,547,000,190	₱7,763,034,480
Receivables – net	16,915,076,797	14,295,415,072	11,802,956,253	8,215,798,308
Inventories	5,635,831,110	4,522,224,068	2,857,589,016	2,391,400,824
Due from related parties	49,356,220	49,356,220	52,146,970	55,150,000
Prepaid expenses and other current assets – net	6,785,833,275	6,248,446,537	5,721,899,025	4,878,316,568
Total Current Assets	34,756,251,477	28,033,909,893	25,981,591,454	23,303,700,180
Noncurrent Assets				
Receivables - net of current portion	298,601,611	298,601,611	156,587,874	318,545,851
Property and equipment - net	1,236,797,469	1,201,682,700	709,212,832	845,853,666
Goodwill and other intangible assets	1,080,156,441	1,091,535,467	1,110,495,457	1,147,931,606
Investment property	152,198,116,822	147,937,015,015	126,150,988,095	112,391,162,203
Right-of-use assets	4,815,777	15,331,566	-	-
Deferred tax assets	233,819,399	145,948,729	161,343,987	298,778,364
Other noncurrent assets	2,607,833,074	2,515,921,894	2,530,300,751	3,350,232,010
Total Noncurrent Assets	157,660,140,593	153,206,036,982	130,818,928,996	118,352,503,700
	₱192,416,392,070	₱181,239,946,875	₱156,800,520,450	₱141,656,203,880

LIABILITIES AND EQUITY

Current Liabilities

Accounts payable and other current liabilities	₱6,927,016,470	₱8,420,812,394	₱6,648,971,202	₱3,867,205,235
Short-term loans payable and current maturities of long-term notes payable, net of debt issue costs	16,594,647,560	15,283,212,952	12,533,818,782	14,618,971,659
Customers' deposits	1,435,056,277	685,020,347	153,723,291	119,867,995
Due to related parties	560,811,433	560,812,383	567,878,460	727,613,383
Dividends payable	1,087,105,890	486,308,726	456,645,828	147,771,638
Income tax payable	29,110,004	18,038,820	31,146,770	14,470,655
Total Current Liabilities	26,633,747,634	25,454,205,622	20,392,184,333	19,495,900,565

Noncurrent Liabilities

Long-term notes payable - net of current maturities and debt issue costs	37,047,317,917	29,425,257,668	28,588,393,178	21,525,798,815
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	(Unaudited) Nine months Ended 30 September	(Audited) Years Ended 31 December		
	2024	2023	2022	2021
Bonds payable - net of bond issue costs	19,702,057,779	18,553,351,918	14,925,384,467	14,897,619,317
Deferred tax liabilities	11,532,222,068	10,695,557,305	8,560,424,714	13,612,338,447
Lease liabilities - noncurrent portion	1,313,468,577	1,219,162,429	1,043,542,515	1,282,638,534
Retirement benefits liability	45,795,658	45,795,658	30,036,573	30,547,752
Customers' deposits - net of current portion	-	-	104,403,289	367,412,148
Other noncurrent liabilities	1,257,038,736	1,278,244,992	1,550,576,852	1,135,495,249
Total Noncurrent Liabilities	70,897,900,735	61,217,369,970	54,802,761,588	52,851,850,082
Total Liabilities	97,531,648,369	86,671,575,592	75,194,945,921	72,347,750,647
Equity Attributable to Equity Holders of the Parent Company				
Capital stock	₱10,237,310,060	₱10,237,310,060	₱10,237,310,060	₱10,237,310,060
Additional paid-in capital	5,540,589,852	5,540,589,852	5,540,589,852	5,540,589,852
Retained earnings	37,503,427,086	37,357,785,252	29,610,178,785	25,251,421,362
Treasury stock	(391,673,305)	(391,673,305)	(391,673,305)	(167,160,000)
Reserves	(679,646,928)	(510,591,641)	(79,957,722)	117,125,176
	52,210,006,765	52,233,420,218	44,916,447,670	40,979,286,450
Non-controlling Interests	42,674,736,936	42,334,951,065	36,689,126,859	28,329,166,783
Total Equity	94,884,743,701	94,568,371,283	81,605,574,529	69,308,453,233
	₱192,416,392,070	₱181,239,946,875	₱156,800,520,450	₱141,656,203,880

5.1.2 Consolidated Statements of Comprehensive Income

	(Unaudited) Nine Months Ended September 30		(Audited) Years Ended 31 December		
	2024	2023	2023	2022	2021
INCOME					
Rent income	₱2,983,178,143	₱2,799,988,388	₱3,069,901,899	₱3,237,808,132	₱3,420,413,009
Real estate sales	838,618,516	1,210,391,583	1,353,923,660	1,536,286,229	778,084,021
Hotel revenues	618,143,255	457,086,661	671,672,070	478,865,495	577,925,107
Unrealized gains from changes in fair values of investment property	-	-	16,482,580,156	7,484,825,891	9,667,665,180
Income from forfeitures	-	-	60,784,006	4,572,248	21,659,710
Interest income	58,653,299	87,751,963	195,515,998	63,101,706	94,473,724
Others – net	1,920,376,313	1,590,804,338	2,907,502,128	1,324,847,077	1,365,615,357
	6,418,969,526	6,146,022,933	24,741,879,917	14,130,306,778	15,925,836,108
COSTS AND EXPENSES					
Cost of real estate sales	429,901,247	617,300,337	644,771,282	860,600,043	434,024,370
Cost of hotel operations	432,749,223	320,493,927	493,929,215	335,339,091	326,289,350
Selling expenses	117,803,109	92,486,575	116,339,563	164,529,147	127,401,011
General and administrative expenses	1,543,239,574	1,350,934,607	3,066,755,839	2,613,855,837	2,281,984,861
Interest expense	1,179,968,287	1,142,375,426	2,265,309,234	1,944,141,097	1,720,301,746
	3,703,661,440	3,523,590,872	6,587,105,133	5,918,465,215	4,890,001,338

	(Unaudited)		(Audited)		
	Nine Months Ended September 30		Years Ended 31 December		
	2024	2023	2023	2022	2021
INCOME BEFORE INCOME TAX					
	2,715,308,086	2,622,432,061	18,154,774,784	8,211,841,563	11,035,834,770
INCOME TAX EXPENSE					
Current	-	-	74,442,187	205,502,967	33,269,891
Deferred	-	-	2,152,973,094	(4,916,386,677)	(277,908,750)
	195,349,186	149,517,511	2,227,415,281	(4,710,883,710)	(244,638,859)
NET INCOME	2,519,958,900	2,472,914,550	15,927,359,503	12,922,725,273	11,280,473,629
OTHER COMPREHENSIVE INCOME (LOSS)					
<i>Items that can be reclassified to profit or loss</i>	-				
Net gain (loss) on cash flow hedges	-	-	-	(124,900,600)	128,048,157
Loss on exchange differences on translation of foreign operations	-	-	(423,298,190)	(77,904,258)	(11,070,749)
	-	-	(423,298,190)	(202,804,858)	116,977,408
<i>Item that will never be reclassified to profit or loss</i>	-				
Remeasurement gain (loss) on defined benefit liability	-		(9,780,974)	7,629,282	7,234,766
Deferred tax effect on remeasurement on defined benefit liability	-		2,445,245	(1,907,321)	(2,160,579)
	-	-	(7,335,729)	5,721,961	5,074,187
	-	-	(430,633,919)	(197,082,897)	122,051,595
TOTAL COMPREHENSIVE INCOME	₱2,519,958,900	₱2,472,914,550	₱15,496,725,584	₱12,725,642,376	₱11,402,525,224

5.1.3 Consolidated Statements of Cash Flows

	Unaudited		(Audited)		
	Nine Months Ended September 30		Years Ended December 31		
	2024	2023	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Income before income tax	₱2,715,308,086	₱2,622,432,061	₱18,154,774,784	₱8,211,841,563	₱11,035,834,770
Adjustments for:					
Unrealized gains from changes in fair values of investment property	-	-	(16,482,580,156)	(7,484,825,891)	(9,667,665,180)

	Unaudited Nine Months Ended September 30		(Audited) Years Ended December 31		
	2024	2023	2023	2022	2021
Interest expense	1,179,968,287	1,142,375,426	2,265,309,234	1,944,141,097	1,720,301,746
Impairment loss on receivables	39,856,480	40,349,660	796,078,002	373,719,876	387,344,960
Interest income	(58,653,299)	(87,751,963)	(195,515,998)	(63,101,706)	(94,473,724)
Depreciation and amortization	86,517,672	41,415,571	175,576,873	234,551,431	162,557,861
Retirement costs	-	-	5,978,110	7,118,103	8,153,966
Operating income before working capital changes	3,962,997,226	3,758,820,755	4,719,620,849	3,223,444,473	3,552,054,399
Decrease (increase) in:					
Receivables	(2,138,900,057)	(2,245,849,508)	(3,318,627,267)	(4,874,407,833)	(2,277,039,532)
Inventories	(1,113,607,042)	(305,820,763)	(1,664,635,052)	(466,188,192)	(79,589,030)
Due from related parties	-	-	2,790,750	3,003,030	-
Prepaid expenses and other current assets	(537,386,737)	(360,596,544)	(526,547,512)	(843,582,457)	(370,716,322)
Increase (decrease) in:					
Accounts payable and other current liabilities	(746,427,850)	(996,454,961)	2,163,307,321	2,036,643,074	(1,715,848,315)
Customers' deposits	750,035,930	112,088,764	407,849,613	(229,153,563)	(31,550,899)
Due to related parties	(950)	(9,506,901)	(7,066,077)	(159,734,923)	(263,918,719)
Cash generated from (used for) operations	176,710,520	(47,319,158)	1,776,692,625	(1,309,976,391)	(1,186,608,418)
Interest received	4,046,304	87,751,963	83,592,707	49,800,710	43,761,462
Interest paid	(3,212,154,805)	(3,335,312,839)	(4,330,991,493)	(3,059,285,556)	(3,724,803,512)
Income tax paid	(11,574,357)	(629,475)	(511,918,103)	(188,826,852)	(87,961,967)
Net cash used in operating activities	(3,042,972,338)	(3,295,509,509)	(2,982,624,264)	(4,508,288,089)	(4,955,612,435)
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in non-controlling interest	-	-	-	2,095,107,907	3,845,764,073
Net proceeds from secondary offering of shares of a subsidiary	-	-	-	-	8,983,606,572
Additions to:					
Investment property	(1,929,808,711)	(1,237,719,348)	(3,205,752,900)	(3,184,053,596)	(2,201,858,120)
Property and equipment	(110,253,415)	(825,274,713)	(641,834,328)	(55,020,547)	(126,244,369)
Other intangible assets	-	-	(4,698,846)	(5,453,901)	(9,990,001)
Additional investment in a subsidiary	-	-	-	-	(1,922,882,036)
Additions to investments in associates	-	-	-	-	(382,884,451)
Decrease (increase) in other noncurrent assets	(91,140,417)	(247,157,955)	14,378,858	695,030,659	(415,306,505)
Net cash provided by (used in) investing activities	(2,131,202,543)	(2,310,152,016)	(3,837,907,216)	(454,389,478)	7,770,205,163
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from:					
Availment of notes, net of debt issue costs	10,757,779,527	7,179,540,909	₱7,584,232,549	₱14,625,829,353	₱12,700,273,271
Availment of bonds	10,820,150,480	3,579,009,554	3,615,000,000	-	-
Payment of:					
Notes and loans, net of debt issue costs	(1,989,665,392)	(3,134,471,021)	(4,002,749,880)	(9,706,053,453)	(9,290,628,455)
Bonds	(9,700,000,000)	-	-	-	-
Dividends	(2,081,812,363)	(1,561,709,487)	(2,504,265,932)	(1,990,241,492)	(2,064,740,813)
Lease liability	(159,415,519)	-	(227,885,591)	(242,819,780)	(12,413,264)
Redemption of common shares	-	-	-	(224,513,305)	-
Increase (decrease) in other noncurrent liabilities	(21,175,773)	(281,846,848)	(272,331,860)	284,441,954	(360,399,259)

	Unaudited Nine Months Ended September 30		(Audited) Years Ended December 31		
	2024	2023	2023	2022	2021
Net cash provided by financing activities	7,625,860,960	5,780,523,107	4,191,999,286	2,746,643,277	972,091,480
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,451,686,079	174,861,582	(2,628,532,194)	(2,216,034,290)	3,786,684,208
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,918,467,996	5,547,000,190	5,547,000,190	7,763,034,480	3,976,350,272
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱5,370,154,075	₱5,721,861,772	₱2,918,467,996	₱5,547,000,190	₱7,763,034,480

5.1.4 Other Financial Data and Ratios

	Unaudited 30 September 2024	31 December 2023	31 December 2022	31 December 2021
Current Ratio ⁽¹⁾	1.30	1.10	1.27	1.20
Asset to Equity ⁽²⁾	2.03	1.92	1.92	2.04
Debt to Equity Ratios				
<i>On Gross Basis</i> ⁽³⁾	0.77x	0.67x	0.69x	0.74x
<i>On Net Basis</i> ⁽⁴⁾	0.72x	0.64x	0.62x	0.62x
Return on Equity ⁽⁵⁾	2.88%	19.05%	12.93%	19.79%
Net Income to Revenue ⁽⁶⁾	23.46%	37.39%	39.29%	46.49%
Revenue Growth ⁽⁷⁾	4.44%	75.10%	-11.27%	11.66%
Net Income Growth ⁽⁸⁾	5.16%	23.25%	14.56%	87.22%
EBITDA ⁽⁹⁾	₱3,981.79 Million	₱20.60 Billion	₱10.39 Billion	₱12.92 Billion
Acid Test Ratio ⁽¹⁰⁾	0.84	0.68	0.85	0.82
Solvency Ratio ⁽¹¹⁾	0.027x	0.19	0.17	0.16
Interest Coverage Ratio ⁽¹²⁾	1.21	4.71	3.32	3.92

Notes:

1. Current Ratio is computed as total current assets divided by total current liabilities
2. Asset to Equity Ratio is computed as total assets divided by total stockholders' equity
3. Debt to Equity Ratio (Gross Basis) is computed as total interest bearing short-term and long-term debt divided by total equity
4. Debt to Equity Ratio (Net Basis) is computed as total interest bearing short-term and long-term debt less cash and cash equivalent divided by total equity
5. Return on Equity is computed as net income attributable to owners of the parent divided by average equity attributable to the owners of the parent
6. Net Income to Revenue is computed as net income attributable to owners of the parent divided by total revenue
7. Revenue Growth is computed as total revenue (current period) - total revenue (prior period) divided by total revenue (prior period)
8. Net Income Growth is computed as net income (current period) – net income (prior period) divided by net income (prior period)
9. EBITDA is computed as income from operations + depreciation and amortization + interest expense
10. Acid Test Ratio is computed as cash + accounts receivable + marketable securities divided by current liabilities
11. Solvency Ratio is computed as net income + depreciation divided by total liabilities
12. Interest Coverage Ratio is computed as earnings before interest and taxes divided by interest paid

SECTION 6. CERTAIN LEGAL PROCEEDINGS

The Company is not involved in any bankruptcy, receivership or similar proceedings. Neither is it aware of any bankruptcy, receivership or similar proceedings involving any of its subsidiaries.

Neither the Company nor any of its subsidiaries, directors, executive officer, promoter or control person are involved in, or the subject of, any legal proceedings which, if determined adversely to the Company or the relevant Subsidiary's interests, would have a material effect on the business or financial position of the Company or any of its subsidiaries. However, in the ordinary course of business, the Corporation is involved in the following legal proceedings as of 30 September 2024 which while the Corporation believes are nuisance cases and without any merit, are being disclosed. These do not pose any serious question on the integrity or capability of the Corporation or any of its directors, executive officer, promoter or control person.

1. Cesar Tirol, Vicente G. Tirol, and Conception Tirol-Viray vs. CityMall Commercial Centers, Inc. (Regional Trial Court of Buruanga, Aklan – Branch 6 (Civil Case No. 10558))

The unfounded case was filed despite the valid Lease Agreement entered into by CityMall Commercial Centers Inc. ("CM") with the other heirs of the decedent who own the subject lot. Plaintiffs' failure to allege and show proof of prior physical possession of the subject property in its complaint, an essential element to prove forcible entry, led the Municipal Circuit Trial Court to dismiss the case on 28 December 2016. Such ruling was affirmed by the Regional Trial Court on 19 September 2022.

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, hence Plaintiffs filed the instant case praying among others for reasonable compensation for the use and occupation of the subject land at the rate of not less than ₱300,000.00 per month from October 2014 until delivery, ₱5,000,000.00 moral damages and ₱100,000.00 litigation expenses. 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 February 4, 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. On December 8, 2016, the case was dismissed for lack of jurisdiction and lack of cause of action. Plaintiffs appealed the dismissal of the case in February 2017. On 19 September 2022, the Regional Trial Court affirmed the decision of the Municipal Circuit Trail Court. Thereafter, Plaintiffs-Appellants elevated the case to the Court of Appeals, via a Petition for Review on Certiorari. The Court of Appeals remanded the case to the Regional Trial Court. CM filed a Motion for Reconsideration against the Court of Appeals' ruling.

2. Kelly L. Luym, Ludo & Luym Foundation, Inc., Crane Holdings Corporation, Victor L. Luym and Paterno L. Luym, Jr., vs. Johnson Eric S. Luym, Spouses David Lu and Marilyn Lu, Spouses Douglas Luym and Annabelle Luym, John L. Luym, Timothy Ryan S. Luym, Eusebio Tanco, Dunes and Eagle Land Development Corp., Grand Options Holding Corp., Melati Investments Corp., Ayalaland Hotels & Resorts Corp. and Citymall Commercial Centers, Inc. (Regional Trial Court of Cebu City, Branch 11 (Civil Case No. R-CEB20-03708-CV))

CityMall Commercial Centers, Inc. is merely impleaded as lessee in good faith of one (1) of the thirty-

two (32) properties previously owned by a corporation with disputing stockholders.

CityMall Commercial Centers, Inc. ("**CM**"), which is not a stockholder of Ludo and Luym Development Corporation (LudoDev), was merely impleaded in this case as a lessee of one (1) of the thirty-two (32) properties previously owned by LudoDev, a prime lot located in Cebu City covered by TCT No. 107-2012002645 (the "**Leased Premises**") now registered under the name of Dunes and Eagle Land Development Corp. (DELDC), the lessor.

CM maintains that at the time that it entered into the lease agreement with DELDC for the Leased Premises, CM relied, in good faith, on the clean TCT of the property presented by DELDC, bearing NO annotations. CM is in full possession of the lot and never had any legal impediment in constructing the building.

On March 20, 2024, the Regional Trial Court dismissed the complaint against CM and four other defendant corporations for being premature.

SECTION 7. SUMMARY OF THE OFFER

This Information Memorandum and offering relates to the Fixed Rate Notes. The following summary of the offer does not purport to be complete and is taken from, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Information Memorandum.

The summary of the offer herein supersedes any previous information delivered to any prospective investor.

Issuer	DoubleDragon Corporation (“DD”, the “Issuer” or the “Company”)
Sole Arranger and Bookrunner	Philippine Commercial Capital, Inc. (“PCCI Capital”)
Issue	PHP-denominated, SEC-registration exempt, fixed-rate corporate note(s) to be enrolled with the Philippine Dealing and Exchange Corp (“PDEX”) (the “Fixed Rate Note”, “Series 3 Note”, or the “Note”)
Issue Amount	Up to ₱2,500,000,000.00
Use of Proceeds	Land banking and acquisitions, and other general corporate purposes
Credit Rating	The Note is unrated. The Issuer has a Corporate Credit Rating of PRS Aaa (corp.) with a Stable Outlook from Philippine Rating Services Corporation
Issue Price	Par or 100% of face value
Issue Date	20 March 2025
Form and Denomination	The Fixed Rate Note shall be issued in scripless form in minimum denominations of ₱1,000,000.00 each, and in integral multiples of ₱1,000,000.00 thereafter, and traded at a minimum denomination of ₱1,000,000.00 and in integral multiples of ₱1,000,000.00 thereafter in the secondary market.
Manner of Offering	The offering of the Fixed-Rate Notes will be limited to Philippine resident juridical persons or entities who, at the point of offer, purchase and on the Issue Date, are classified or considered as Qualified Buyers under Section 10.1(l) of the SRC and Rule 10.1.3 of the SRC IRR, and when applicable, duly qualified by a SEC-registered qualified investor registrar. No offering shall be made to individuals or non-resident investors.
Tenor and Maturity Date	The Fixed Rate Note shall mature in five (5) years from the Issue Date or on 20 March 2030 The Fixed Rate Note shall be redeemed at par or 100% face value on the Maturity Date unless earlier redeemed or purchased and cancelled by the Issuer.

	In the event that the Maturity Date does not fall on a Banking Day, the payments of all amounts due on such date shall be made by the Issuer through the Paying Agent, without adjustment for accrued interest, on the succeeding Banking Day.
Interest Rate	9.5307% per annum Interest shall accrue from the Issue Date until the Maturity Date or when the Fixed Rate Note is otherwise redeemed.
Interest Payment Dates and Interest Payment Computation	Interest payment on the Fixed Rate Note shall be paid quarterly, in arrears and will be calculated on a European 30/360-day count basis, regardless of the actual number of days in a month. If the Interest Payment Date is not a Banking Day, interest will be paid on the next succeeding Banking Day, without adjustment as to the amount of interest to be paid.
Title	The beneficial interest to the Fixed Rate Note shall be shown on and recorded in the Registry of Noteholder(s) maintained by the Registrar. A notice confirming the principal amount of the Fixed Rate Note purchased by the applicant in the offering shall be issued by the Registrar to the Noteholder following the Issue Date. Upon any assignment, title to the Fixed Rate Note shall pass by recording the transfer from a transferor to the transferee in the Registry of Noteholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the Fixed Rate Note, 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 Noteholder.
Redemption for Taxation Reasons	If payments under the Fixed Rate Note 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 Fixed Rate Note 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 Noteholder.
Redemption due to Change in Law	The Issuer may also redeem the Fixed Rate Note, 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 Fixed Rate Note 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 Noteholder and the Fixed Rate Note 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 Fixed Rate Note 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.

Negative Pledge

The Fixed Rate Note 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.

Purchase and Cancellation

The Issuer may purchase the Fixed Rate Note at any time in the open market or by tender or by contract at any price, in accordance with PDEX rules applicable to the Fixed Rate Note.

Any Fixed Rate Note so purchased shall be redeemed and cancelled and may not be re-issued. Upon enrollment of the Fixed Rate Note in PDEX, the Issuer shall disclose any such transaction in accordance with the applicable disclosure rules of the PDEX.

Status of the Fixed Rate Note

The Fixed Rate Note shall constitute the direct, unconditional and unsecured Peso-denominated obligation of the Issuer and will rank *pari passu* and ratably without any preference or priority among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, other than obligations mandatorily preferred by law.

Covenants

Standard affirmative and negative covenants applicable to securities of a similar nature.

Financial Ratios

The Issuer shall maintain at all times a Debt-to-Equity Ratio of not more than 70:30 and a 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 other financial ratio.

Debt-to-Equity Ratio means, as of the date of determination, (a) the Issuer's total Debt, divided by (b) total Equity, each as reflected in the Issuer'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 Issuer's total Debt means, without duplication all short-term and long-term interest-bearing obligations of the Issuer, direct or contingent, for borrowed money including, for avoidance of doubt, the Issuer'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. The outstanding preferred shares of the Issuer are classified as Equity, in accordance with its classification set by the Issuer's independent auditors.

Debt Service Coverage Ratio means the (a) Issuer's EBITDA utilizing the Issuer'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 Issuer for the year when the determination is made; provided, that for purposes of computing the Debt Service Coverage Ratio, the Issuer's aggregate amount of Indebtedness means, without duplication, all short-term and long-term interest-bearing obligations of the Issuer, direct or contingent, for borrowed money, including, for avoidance of doubt, the Issuer'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

EBITDA means earnings before interest, taxes, depreciation and amortization. It is the net income of the Issuer for that relevant period after adding back (a) depreciation and amortization, (b) interest and other financial expenses, (c) income tax, and (d) taxes other than income tax and value-added tax, each item determined in accordance with Philippine Financial Reporting Standards.

Indebtedness means: (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; and (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.

Provided, further that calculation of DSCR on the last year of determination shall exclude the final debt principal repayment of the loan and the loan under other loan facilities if the Issuer is able to present

	satisfaction on the date of such determination and at least three months prior to maturity of the said loans, (i) signed underwritten commitment from any reputable bank or financial institutions for the refinancing of the loans by their stated maturity date, or (ii) proof of availability of sufficient cash (whether consisting of unrestricted retained earnings specifically reserved for servicing of the loans, money on hand, bank deposits and account balances, customer checks and marketable securities and undrawn portion of a credit line) to settle the loan.
Registration	The offer of the Fixed-Rate Note is made as an exempt transaction under Section 10.1(l) of the SRC and Rule 10.1.3 of the SRC IRR. The offer is limited to juridical persons or entities that, at the point of offer or sale and on Issue Date, are Qualified Buyers that are juridical persons.
Taxation	<u>Documentary Stamp Tax</u> Documentary stamp tax for the primary issue of the Fixed Rate Note shall be for the Issuer's account. <u>Interest on the Fixed Rate Note</u> Interest income on the Fixed Rate Note is subject to a final withholding tax at a rate of 20%, or such other rate or treatment under relevant law, rule or regulation. 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 posed by or on behalf of the 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. Noteholders who are exempt from withholding tax, or are subject to preferential final withholding tax rate, on interest income may claim such exemption or preferential rate by submitting the necessary documents as required by the Bureau of Internal Revenue ("BIR") and the Issuer. <u>Sale or Other Disposition of the Fixed Rate Note</u> Transfers taking place in the Registry of Noteholders after the Fixed Rate Note is enrolled with PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. A selling or purchasing Noteholder claiming tax-exempt status is required to submit to the Registrar the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Registry and Paying Agency Agreement upon submission of account opening documents to the Registrar. Income arising from gains on the sale or disposition of the Fixed Rate Note will form part of the relevant Noteholders' income and may be subject to tax. Noteholders should consult their own tax advisers on the ownership and disposition of the Fixed Rate Note, including the applicability of any state, local or foreign tax laws. The BIR's tax treatment of the Fixed Rate Note may vary from the tax

	treatment described herein. Any adverse tax consequences upon the Noteholder arising from any variance in tax treatment shall be for such Noteholder's sole risk and account.
Enrollment or Listing	The Issuer intends to apply for the enrollment of the Fixed Rate Note with PDEX for purposes of having these admitted for trading on the PDEX Trading System commencing on Issue Date, subject to the guidelines of the PDEX in force from time to time.
Selling and Transfer Restrictions	Initial placement of the Fixed Rate Note and subsequent transfers of interests therein shall be subject to applicable selling restrictions under Philippine law and the restrictions under PDEX rules.
Non-Reliance	The Noteholder represents and warrants to the Issuer, the Sole Arranger and Bookrunner and the Trustee that it has independently and, without reliance on the Issuer, the Sole Arranger and Bookrunner or 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 the Noteholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Issuer, the Sole Arranger and Bookrunner or the Trustee. The Noteholder agrees to indemnify and hold the Issuer, the Sole Arranger and Bookrunner or 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 Issuer, the Sole Arranger and Bookrunner or the Trustee in respect of its obligations hereunder, except for its gross negligence or willful misconduct.
Own Risk	Investment in the Fixed Rate Note is not covered by the Philippine Deposit Insurance Corporation ("PDIC"). Any loss or depreciation in the value of the assets of the Noteholders, resulting from the investments or reinvestment in the Fixed Rate Note shall be for the account of the Noteholder.
Governing Law	The Fixed Rate Note will be issued pursuant to the laws of the Republic of the Philippines.
Trustee	Philippine Commercial Capital, Inc.- Trust and Investment Group
Registrar	Philippine Depository & Trust Corporation
Paying Agent	Philippine Depository & Trust Corporation
Market Maker	Philippine Commercial Capital, Inc.

SECTION 8. USE OF PROCEEDS

Following the offer and sale of the Fixed Rate Notes, DoubleDragon expects that the net proceeds of the offer shall be used for: (i) land banking and acquisitions and (ii) other general corporate purposes.

SECTION 9. DESCRIPTION OF THE FIXED RATE CORPORATE NOTES

The Fixed Rate Notes will be issued with an aggregate principal amount of ₱2,500,000,000.00 (the **“Fixed Rate Notes”**) under this Information Memorandum. The Fixed Rate Notes shall be considered as an SEC-registration exempt transaction under Section 10.1 (I) of the SRC and Rule 10.1.3 of the SRC Rules as the offering is limited to juridical entities or institutions that, at the point of offer or purchase, whether on the primary or secondary markets, are classified or considered as Eligible Investors, who are juridical persons, duly determined as such by an SEC-registered qualified investor registrar (**“QIB Registrar”**) in applicable cases. No offering shall be made to individuals or non-resident investors. As an exempt transaction, the issuance of the Fixed Rate Notes shall not be registered with the SEC, and no notice of exemption shall be filed with, nor confirmation or declaration of exemption shall be obtained from, the SEC in respect of such transaction. Such issuance of the Fixed Rate Notes will be covered by disclosures to be filed by DoubleDragon describing the transaction.

The Fixed Rate Notes are constituted by a Trust Agreement executed on 17 March 2025 (the **“Trust Agreement”**), between the Issuer and Philippine Commercial Capital, Inc. - Trust and Investment Group (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 Fixed Rate Notes set out below includes summaries of, and is subject to, the detailed provisions of and defined terms in the Trust Agreement and the Registry and Paying Agency Agreement executed on [•] (the **“Registry and Paying Agency Agreement”**) between the Issuer and the PDTC, as the Registrar and the Paying Agent.

PDTC has no interest in or relation to DoubleDragon which may conflict with its roles as Registrar and as Paying Agent for the Offer. The Trustee has no interest in or relation to DoubleDragon which may conflict with its role 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 and the Registrar. The holders of the Fixed Rate Notes (the **“Noteholders”**) 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.

9.1 ELIGIBLE NOTEHOLDERS

Eligible Noteholders will be limited to resident juridical entities or institutions (excluding natural persons) that, at the point of offer or purchase, are Qualified Buyers, whether on the primary or secondary markets.

For reference, the Qualified Buyers, as defined in Rule 10.1.3 of the SRC Rules, are as follows:

- (a) bank;
- (b) registered investment house;
- (c) insurance company;
- (d) pension fund or retirement plan maintained by the Government of the Philippines or any political subdivision thereof or managed by a bank or other persons authorized by the BSP to engage in trust functions;
- (e) registered securities dealer;
- (f) an account managed by a registered broker under a discretionary arrangement as provided for in the other relevant provisions in the SRC Rules;
- (g) registered investment company (e.g. mutual fund companies);

- (h) provident fund or pension fund maintained by a government agency or by a government or private corporation and managed by an entity authorized accordingly by the BSP or the SEC to engage in trust function or in fund management;
- (i) a trust corporation that is authorized by the BSP to perform the acts of a trustee;
- (j) unit investment trust funds that are established in accordance with rules and regulations of the BSP;
- (k) a fund established and covered by a trust or investment management activities agreement under a discretionary arrangement in accordance with rules and regulations of the BSP. A discretionary arrangement means that the entity managing the fund is granted authority to decide on the investment of the trust funds or investment management activities funds;
- (l) a fund established and covered by a trust or investment management activities agreement under a non-discretionary arrangement in accordance with rules and regulations of the BSP, provided that the beneficial owner/s or principal/s of such fund possess the qualifications on financial capacity and sophistication as specified in Rule 10.1.11.1 of the SRC Rules for natural persons, and Rule 10.1.11.2 of the SRC Rules for juridical persons, and provided also, that the treatment of such fund as qualified buyer does not contravene the trust or investment management activities agreement;
- (m) a fund established and covered by a trust or investment management activities agreement wherein the beneficial owner or principal of the fund has been deemed or conferred as a qualified buyer under Section 10.1 (l) of the SRC or Rule 10.1.11 of the SRC Rules;
- (n) an entity with quasi bank license issued by BSP;
- (o) pre-need company authorized by the Insurance Commission;
- (p) collective investment scheme authorized by the relevant regulatory authority pursuant to existing laws and regulations;
- (q) a listed entity on the PSE, or a related body corporate of a PSE listed entity provided that it engages the service of a professional fund manager, through direct hire or via outsourcing to an authorized fund management entity;
- (r) a foreign entity not being established or incorporated in the Philippines that, if established or incorporated in the Philippines, would be covered by one of the preceding paragraphs; and
- (s) such other person as the SEC may by rule or order determine as qualified buyers, on the basis of such factors as financial sophistication, net worth, knowledge, and experience in financial and business matters, or amount of assets under management.

For the avoidance of doubt, natural persons and non-residents are not eligible buyers or holders of the Fixed Rate Notes.

9.2 HANDLING OF LOSS OF ELIGIBILITY OF NOTEHOLDERS

If prior to the Maturity Date of the Fixed Rate Notes, and after the purchase or issuance thereof, it is discovered that the buyer did not qualify as an Eligible Noteholder at the point of purchase on the primary or secondary market, then the Remediation Procedure shall be implemented as provided in Section 9.4 of this Information Memorandum.

If, for any reason, after the relevant point of purchase but prior to the Maturity Date of the Fixed Rate Notes, a buyer loses its status as an Eligible Noteholder after the point of purchase, the Remediation Procedure, as provided in Section 9.4, shall not apply, and the buyer shall not be forced to sell its holdings, as outlined in the Remediation Procedure below, and the exempt nature of the purchase by

such buyer of the of the Fixed Rate Notes will not be affected. However, such buyer shall no longer be eligible to purchase additional Fixed Rate Notes.

9.3 CONTINUING RESTRICTION OF HOLDINGS TO ELIGIBLE NOTEHOLDERS IN THE SECONDARY MARKET

The restriction of holdings to Eligible Noteholders shall be maintained throughout the tenor of the Fixed-Rate Notes, and to this end Trading Participants that trade on the Fixed Rate Notes in the secondary market shall have the following additional responsibilities to the Fixed Rate Notes:

- (a) Each participating broker or dealer of PDEX (“**Trading Participant**”) shall determine the eligibility and suitability of each buyer, and ensure that the buyer fully understands the terms and conditions of, and the risks involved in, the Fixed Rate Notes, including the option and tax features of the same.
- (b) Each Trading Participant shall warrant that it is fully informed of the special features and mechanics relating to the Fixed Rate Notes as contained in this Information Memorandum each time it executes a trade.
- (c) Each Trading Participant shall represent and warrant that their clients (for brokers) or counterpart clients (for dealers) are Eligible Noteholders as defined above at the point of purchase either on the primary or secondary market, and eligible to purchase and hold the Fixed Rate Notes.
- (d) For each Eligible Noteholder falling under Section 9.1(s) above, each Trading Participant shall indicate the QIB Registrar of such Qualified Buyer clients or counterpart clients, and represent and warrant that the QIB Registrar is duly registered as such with the SEC.
- (e) The Issuer shall rely on determinations made by the Trading Participants regarding the eligibility of their clients and counterpart clients at the point of purchase of the Fixed Rate Notes. The Issuer shall not incur any liability to any party arising from the ineligibility of a Trading Participant’s client/counterpart clients causing prejudice to the exempt nature of the Fixed Rate Notes. The Issuer shall not assume any cost incurred for remediation of the ineligibility (e.g., costs of triggering a sell-out provision below), and shall not assume any cost incurred to implement the Remediation Procedure below.

9.4 REMEDIATION PROCEDURE – SELL OUT MECHANISM

If it is discovered after purchase that (i) a buyer is not an Eligible Noteholder at the point of purchase, or (ii) a transfer or recording of ownership has been made to an entity who is not an Eligible Noteholder (each of (i) and (ii) shall be deemed as a “**Sell Out Trigger**”), a remediation procedure via the sell-out mechanism (“**Sell Out Mechanism**”) of such ineligible investor’s or Noteholder’s Fixed Rate Notes will be done in accordance with the following:

- (a) In case of violation of the restrictions of the Eligible Noteholders, the Registrar shall not effect any account opening at the Registry of Noteholders and no transfer will be possible from the depository to the Registry of Noteholders.
- (b) The party that discovers a violation in the eligibility requirements (e.g. Trading Participant, Registrar) must immediately inform PDEX of the violation.
- (c) PDEX shall inform the Trading Participant involved to trigger Sell-Out Mechanism as follows:
 - i. The ineligible buyer’s Trading Participant shall sell out the ineligible client buyer’s holdings at the market. In the absence of a better bid, then it must sell to the Market Maker.

- ii. The Trading Participant must execute the sell-out transaction no later than three (3) trading days from the day of discovery of the Sell Out Trigger.
- iii. No ineligible investor shall be allowed to hold the Fixed Rate Notes by the end of three (3) trading days from the day of discovery of the Sell Out Trigger.
- iv. The Sell-Out Mechanism may result in a price difference between the original purchase and the sell-out price. If the price difference results in a loss, such loss shall be assumed by the responsible Trading Participant. If the price difference results in a gain, it shall accrue to the ineligible investor that was forced to sell out the holdings.
- v. The sell-out shall be reported to the SEC and the responsible Trading Participant may be subject to SEC action.

9.5 FORM, DENOMINATION AND TITLE

9.5.1 Form and Denomination

The Fixed Rate Notes are in scripless form, and shall be issued, in denominations of One Million Pesos (₱1,000,000.00) each, as a minimum, and in integral multiples of One Million Pesos (₱1,000,000.00) thereafter.

9.5.2 Title

The beneficial interest to the Fixed Rate Notes shall be shown on and recorded in the Registry of Noteholders maintained by the Registrar. A notice confirming the principal amount of the Fixed Rate Notes purchased by each applicant in the offering shall be issued by the Registrar to all Noteholders following the Issue Date. Upon any assignment, title to the Fixed Rate Notes shall pass by recording the transfer from a transferor to the transferee in the Registry of Noteholders maintained by the Registrar. Settlement in respect of such transfer or change of title to the Fixed- Rate Notes, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamp taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Noteholder.

9.6 TRANSFER OF THE FIXED RATE NOTES

9.6.1 Registry of Noteholders

The Issuer shall cause the Registry of Noteholders to be kept by the Registrar, in electronic form. The names and addresses of the Noteholders and the particulars of the Fixed Rate Notes held by them and of all transfers of Fixed Rate Notes shall be entered into the Registry of Noteholders.

As required by Circular No. 428-04 issued by the BSP, the Registrar shall send each Noteholder 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 Fixed Rate Notes that is effected in the Registrar's system (at the cost of the Issuer). Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Noteholder as of the date thereof. Any requests of Noteholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Noteholder. No transfers of the Fixed Rate Notes may be made during the Closed Period. As used herein, the term "Closed Period" shall refer to the following periods: (a) the period commencing on a Record Date until the relevant Interest Payment Date; or (b) the period after any of the Fixed Rate Notes have been previously called for redemption.

9.6.2 Transfers; Tax Status

Subject to the provisions of the Registry and Paying Agency Agreement and Section 9.6.1 of this

Information Memorandum, Noteholders may transfer their Fixed Rate Notes at any time, provided that the transferor and the transferee falls within the same Tax Category (as defined below). Settlement in respect of such transfer or change of title to the Fixed Rate Notes, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamp taxes, if any, arising from subsequent transfers, shall be settled directly between the transferor and/or transferee Noteholders.

In accordance with the Terms and Conditions of the Fixed Rate Notes and subject to Section 9.6.1 of this Information Memorandum, transfers across Tax Categories shall not be allowed except on Interest Payment Dates that fall on a Banking Day; 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 on PDEX, ensuring the computations are based on the applicable withholding tax rate of the taxable party to the trade. Should this transaction occur, the tax-exempt entity shall be treated as being of the same Tax Category as its taxable counterpart for the interest period within which such transfer occurred. For purposes hereof, "Tax Categories" refer to the two (2) applicable withholding tax categories covering, particularly, tax-exempt entities, and twenty percent (20%) tax-withheld entities. This restriction shall be in force until a non-restricted trading & settlement environment for corporate securities is implemented. Transfers taking place in the Registry of Noteholders after the Fixed Rate Notes are enrolled with PDEX may be allowed between taxable and tax-exempt entities without restriction and observing the tax exemption of tax-exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC.

Gain on transfer of Fixed Rate Notes by a corporate Noteholder shall form part of such selling entity's gross income, for purposes of computing the relevant taxable income, which shall generally be subject to twenty five percent (25%) regular corporate income tax.

A Noteholder claiming tax-exempt status is required to submit to the Registrar the required tax-exempt supporting documents, as detailed in the Registry and Paying Agency Agreement, upon submission of the account opening documents to the Registrar.

Prospective purchasers of the Fixed Rate Notes should consult their own tax advisors regarding tax considerations of an investment in, receiving income from, and a disposition of, the Fixed Rate Notes.

9.6.3 Registrar

For transfers and record updates, notices and communication with the Registrar may be made at the address below, through the appropriate intermediary:

PHILIPPINE DEPOSITORY & TRUST CORPORATION

37th Floor Enterprise Centre Tower I
Ayala Avenue, Makati City, Metro Manila

Telephone No.: (632) 8884-4425
(632) 8884-4413

Fax No.: (632) 757-6025
(632) 664-5099

Email: baby_delacruz@pds.com.ph
patricia.garcia@pds.com.ph

Attention: **JOSEPHINE F. DELA CRUZ**
Director

PATRICIA CAMILLE R. GARCIA
Registry Officer

9.6.4 Secondary Trading of the Fixed Rate Notes

The Issuer intends to enroll the Fixed Rate Notes with PDEX for secondary market trading. The Fixed Rate Notes will be traded in a minimum board lot size of ₱1,000,000.00 as a minimum, and in multiples of ₱1,000,000.00 in excess thereof for as long as any of the Fixed Rate Notes are traded on PDEX.

The Fixed Rate Notes shall be subject to the commitment of at least one (1) market maker that will commit to provide a live bid using the tax-withheld series name for the Fixed Rate Notes in the order-driven system good for the minimum trading lot for the issue and a cumulative trading commitment of at least ₱10,000,000.00 per trading day per issue.

In addition to the special provisions on the continuing restriction to Eligible Noteholders under Section 9.3 above, secondary market trading in PDEX shall follow the applicable PDEX rules, conventions, operating framework, and guidelines governing trading and settlement between Noteholders of different tax status and shall be subject to the relevant fees of PDEX and PDTC. The Market Maker further commits to:

- (a) Adopt and abide by a rate reasonability standard that is consistent with PDEX rules, conventions and guidelines, and
- (b) Disclose and explain its reference and pricing methodology and any deviations therefrom to PDEX and regulators, upon written request.

9.7 RANKING

The Fixed Rate Notes constitute direct, unconditional, and unsecured 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* with all other present and future unsecured obligations of the Issuer, other than obligations preferred by the law.

9.8 INTEREST

9.8.1 Interest Payment Dates

The Fixed Rate Notes bear interest on its principal amount from and including Issue Date at the fixed rate of 9.5307% per annum, payable quarterly in arrears on 20 March, 20 June, 20 September, and 20 December of each year while the relevant Fixed Rate Notes are outstanding (each of which, for purposes of this section is an “**Interest Payment Date**”) commencing on 20 June 2025 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.

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

9.8.2 Interest Accrual

Each Fixed Rate Note shall cease to bear interest, net of applicable withholding taxes, from and including the relevant Maturity Date, as defined in the discussion on “Final Redemption”, unless, upon

due presentation, payment of the principal in respect of the Fixed Rate Note then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see “*Penalty Interest*”) shall apply.

9.8.3 Determination of Interest

The interest shall be calculated on a European 30/360-day count basis regardless of the actual number of days in a month.

9.9 REDEMPTION AND PURCHASE

9.9.1 Final Redemption

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

Each Noteholder in whose name the Fixed Rate Notes are registered in the Registry of Noteholders at the close of business on the Record Date preceding any Maturity Date shall be entitled to receive the principal amount of the Fixed Rate Notes. In all cases, repayment of principal shall be remitted to the Noteholders in accordance with the terms of the Registry and Paying Agency Agreement.

9.9.2 Redemption for Taxation Reasons

If payments under the Fixed Rate Notes 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 relevant Fixed Rate Notes series in whole, and not in part only, on any Interest Payment Date (having given not more than sixty (60) days nor less than thirty (30) days’ written notice to the Trustee, Registrar and Paying Agent) at par (or 100% of face value) and paid together with the accrued interest thereon, subject to the requirements of Applicable Law; provided that if the Issuer does not redeem the Fixed Rate Notes then all payments of principal and interest in respect of the Fixed Rate Notes shall be made free and clear of, and without withholding or deduction for, any such new or additional taxes, duties, assessments or governmental charges, unless such withholding or deduction is required by Applicable Law. In that event, the Issuer shall pay to the Noteholders concerned such additional amount as will result in the receipt by such Noteholders of such amounts as would have been received by them had no such withholding or deduction for new or additional taxes been required.

Upon receipt by the Trustee of a written notice from the Issuer hereunder, the Trustee through the Issuer shall secure from the Registrar an updated list of Noteholders as of the Record Date indicated in the notice from the Issuer and provide written notices to all registered Noteholders of the intended early redemption. Each Noteholder in whose name the Fixed Rate Notes subject of the early redemption are registered in the Registry of Noteholders at the close of business on the relevant Record Date shall be entitled to receive the principal of the Fixed Rate Notes subject of the early redemption and the interest accrued thereon. The Issuer shall pay the Noteholders in accordance with the terms of the Registry and Paying Agency Agreement.

9.9.3 Redemption by Reason of Change in Law or Circumstance

Upon the occurrence of a Change in Law or Circumstance (as enumerated below), the Issuer may redeem the Fixed Rate Notes in whole, but not in part, having given not more than sixty (60) days nor

less than thirty (30) days' written notice to the Trustee, the Registrar and the Paying Agent, at par (or 100% of the face value) and paid together with the accrued interest thereon.

The following events shall be considered as changes in law or circumstance ("Change in Law or Circumstance") as it refers to the obligations of the Issuer and to the rights and interests of the Noteholders under the Trust Agreement:

- (i) 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 Fixed Rate Notes shall be modified, withdrawn or withheld in a manner which will materially and adversely affect the ability of the Issuer to comply with such obligations; or
- (ii) Any provision of the Notes Agreements (in whole or in part) is or becomes, for any reason, invalid, illegal or unenforceable to the extent that it becomes for any reason unlawful for the Issuer to give effect to its rights or obligations thereunder or to enforce any provision thereunder; or any law is introduced or any existing Applicable Law is modified or rendered ineffective or inapplicable to prevent or restrain the performance by the Issuer of its obligations under the Notes Agreements; or
- (iii) Any concession, permit, right, franchise or privilege required for the conduct of the business and operations of the Issuer shall be revoked, cancelled or otherwise terminated, or the free and continued use and exercise thereof shall be curtailed or prevented, in such manner as to materially and adversely affect the financial condition or operations of the Issuer; or
- (iv) The Philippines or any competent authority thereof takes any action to suspend the whole or a substantial portion of the operations of the Issuer and to condemn, seize, nationalize or appropriate (either with or without compensation) the Issuer or any material portion of its properties or assets, unless such act, deed or proceedings are contested in good faith by the Issuer or the same does not materially and adversely affect the financial condition or operations of the Issuer.

Upon receipt by the Trustee of a written notice from the Issuer on the occurrence of any Change in Law or Circumstance, the Trustee shall secure from the Registrar an updated list of Noteholders and as of the Record Date indicated in the notice from the Issuer and provide written notices to all registered Noteholders of the intended early redemption. Each Noteholder in whose name the Fixed Rate Notes subject of the early redemption are registered in the Registry of Noteholders at the close of business on the relevant Record Date shall be entitled to receive the principal of the Fixed Rate Notes subject of the early redemption and the interest accrued thereon. The Issuer shall pay the Noteholders in accordance with the terms of the Registry and Paying Agency Agreement.

Accrued interest on the Fixed Rate Notes to be redeemed under this section for the last Interest Payment Date up to the relevant redemption date shall be calculated on a European 30/360-day count basis regardless of the actual number of days in a month.

9.9.4 Purchase and Cancellation

The Issuer may, at any time, purchase any of the Fixed Rate Notes in the open market or by tender or by contract at market price, in accordance with PDEX rules without any obligation to purchase (and the Noteholders shall not be obliged to sell) Fixed Rate Notes pro-rata from all Noteholders. Any Fixed Rate Notes so purchased shall be redeemed and cancelled and may not be re-issued. Upon enrollment of the Fixed Rate Notes on PDEX, the Issuer shall disclose any such transaction in accordance with the applicable PDEX disclosure rules.

9.10 PAYMENTS

The principal of, interest on, and all other amounts payable on the Fixed Rate Notes shall be paid to the Noteholders by crediting of the cash settlement accounts designated by each of the Noteholders. The principal of, and interest on, the Fixed Rate Notes shall be payable in Philippine Pesos.

The Issuer shall ensure that so long as any of the Fixed Rate Notes remains outstanding, there shall, at all times, be a Paying Agent for the purposes of the Fixed Rate Notes and the Issuer or the Paying Agent may only 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, the Issuer 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.

9.11 PAYMENT OF ADDITIONAL AMOUNTS; TAXATION

9.11.1 Payment of Interest on the Fixed Rate Notes

Interest income on the Fixed Rate Notes is generally subject to a final withholding tax at 20%. 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 Fixed Rate Notes prescribed under the Tax Code and its implementing rules and regulations as may be in effect from time to time. Noteholders who are exempt from or not subject to final withholding tax rate shall be required to submit the requirements of the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance, and the documents required under Section 9.12 hereof; 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 Noteholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Registrar;
- (b) Gross Receipts Tax under Section 121 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Noteholder, whether or not subject to withholding; and
- (d) Value-added tax (VAT) under Sections 106 to 108 of the Tax Code.

9.11.2 Sale or Other Disposition of the Fixed Rate Notes

Income Tax

Transfers taking place in the Registry of Noteholders after the Fixed Rate Notes are enrolled in PDEX may be allowed between taxable and tax-exempt entities, if and/or when allowed under, and are in accordance with the relevant rules, conventions, guidelines, and requirements of PDEX and PDTC. A selling or purchasing Noteholder claiming tax-exempt status is required to submit to the Registrar the tax status of the transferor or transferee, as appropriate, together with the supporting documents specified under the Registry and Paying Agency Agreement upon submission of account opening documents to the Registrar.

Income arising from gains on the sale or disposition of the Fixed Rate Notes will form part of the relevant Noteholders' income and may be subject to tax. Noteholders should consult their own tax advisers on the ownership and disposition of the Notes, including the applicability of any state, local or foreign tax laws.

If a sale or disposition of the Fixed Rate Notes is subject to Philippine tax, then a holder will recognize gain or loss upon the sale or other disposition of a Fixed Rate Notes, including a redemption, in an amount equal to the difference between the amount realized from such disposition and such Noteholder's basis in the Fixed Rate Note.

Gains derived by domestic corporations and resident foreign corporations from a sale or other dispositions of the Fixed Rate Notes is subject to twenty five percent (25%) regular corporate income tax, if applicable.

The BIR's tax treatment of the Fixed Rate Notes may vary from the tax treatment described herein. Any adverse tax consequences upon the Noteholder arising from any variance in tax treatment shall be for such Noteholder's sole risk and account.

Donor's Tax

A Noteholder shall be subject to donor's tax at the rate of six percent (6%) based on the total gifts in excess of ₱250,000 exempt gift made during the calendar year, whether the donor is a stranger or not.

The donor's tax payable in the Philippines may be credited with the amount of any donor's tax imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor.

In case the Fixed Rate Notes 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 securities exceeded the value of the consideration may be deemed a gift and may be subject to donor's taxes. However, a sale, exchange, or other transfer made in the ordinary course of business (a transaction which is a bona fide, at arm's length, and free from any donative intent), will be considered as made for an adequate and full consideration in money or money's worth.

Documentary Stamp Tax

No documentary stamp tax is imposed on the subsequent sale or disposition of the Fixed Rate Notes, trading the Fixed Rate Notes in a secondary market or through an exchange. However, if the transfer constitutes a renewal of the Fixed Rate Notes, documentary stamp tax may be payable anew.

9.12 TAX-EXEMPT STATUS OR ENTITLEMENT TO PREFERENTIAL TAX RATE

A Noteholder 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:

- (a) a current and valid Bureau of Internal Revenue ("BIR")-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR addressed to the relevant applicant or Noteholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the corporate secretary of the Bondholder that: (a) the exemption certificate is a true copy of the original; (b) the

original is in the possession of the corporate secretary as the duly authorized custodian of the same; and (c) the Corporate Secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change or any circumstance affecting said certification's validity, or a copy of the law of the country of domicile allowing a deemed paid tax credit in an amount to the 15% spared or waived by the Philippines duly authenticated by the Philippine embassy or, for countries that are members to the Apostille Convention, an apostilled copy of the law of the country of domicile which apostilled or authenticated copy shall be valid for one year from the date of issuance. Should the submitted tax exemption certificate, ruling or opinion expire during the Offer Period, the Bondholder must submit an updated/revalidated tax exemption certificate;

- (b) a duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such applicant or Noteholder, who has personal knowledge of the exemption or preferential rate treatment based on his official functions, if the applicant purchases, or the Noteholder holds, the Offer Notes 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 Notes 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 (1) of any suspension or revocation, amendment or invalidation (in whole or in part) of the tax exemption certificate, certificate, ruling or opinion issued by the BIR, executed using the prescribed form under this Agreement, (2) if there are any material changes in the factual circumstances of the Noteholder including but not limited to its character, nature, and method of operation, which are inconsistent with the basis for its income tax exemption; or (3) if there are any change of circumstance, relevant treaty, law or regulation or any supervening event that may or would result in the interest income of the Bonds being ineligible for exemption or preferential rate, 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, and the Sole Arranger and Bookrunner free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax, provided, that in case of corporate, partnership or trust account investors, such Noteholder shall also submit an original certification from the corporate secretary or an equivalent officer of the investor, setting forth the resolutions of its board of directors or equivalent body authorizing the execution of the undertaking and designating the signatories, with their specimen signatures, for the said purpose;
- (c) with respect to tax treaty relief,
 - (i) prior to the payment of the initial interest due, (1) three (3) originals of the duly executed and apostilled/consularized BIR Form No. 0901-I (Interest Income) or the Application Form for Treaty Purposes filed by the Applicant or, if the Applicant is a fiscally transparent entity, each of the Applicant's owners or beneficiaries with the proof of receipt by the concerned office of the BIR, as required under BIR Revenue Memorandum Order ("RMO") No. 14-2021 (2) one (1) original of the apostilled/consularized tax residency certificate issued by the respective foreign tax authority of the country of residence of the Applicant or, if the Applicant is fiscally transparent entity, the country of residence of each of the Applicant's owners or beneficiaries, in the form acceptable for recognition under Law, (3) the relevant provision of the applicable tax treaty providing for the claimed tax exemption or preferential tax

rate, in a form acceptable to the Issuer, (4) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, special power of attorney executed by the Applicant or the Applicant's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents that are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Applicant or the Applicant's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief, and (5) such other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, including but not limited to the documentary requirements enumerated in BIR RMO No. 14-2021 in relation to BIR Revenue Memorandum Circular ("RMC") Nos. 77-2021 and 20-2022, which shall be submitted by the Noteholder to the Issuer no later than the first (1st) day of the month when such initial interest payment shall fall due and, if applicable, including any clarification, supplement, or amendment thereto;

For the avoidance of doubt, the Issuer shall retain sole discretion in determining whether the non-resident Noteholder is entitled to the preferential tax treaty rate based on the documents submitted by the non-resident Noteholder, provided that all the conditions for the availment thereof, other than residency, have been satisfied; and

- (ii) prior to the payment of subsequent interests due, (i) three (3) originals of the duly executed and apostilled/consularized new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of apostilled/consularized tax residency certificate duly issued by the respective foreign tax authority of the country of residence of the Noteholder or, if the Noteholder is a fiscally transparent entity, the country of residence of each of the Noteholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously tax residency certificate has already lapsed; and (iii) such other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, including but not limited to the documentary requirements enumerated in BIR RMO No. 14-2021 in relation to BIR RMC Nos. 77-2021 and 20-2022, which shall be submitted by the Noteholder to the Issuer no later than the first (1st) day of the month when such subsequent interest payments shall fall due and, if applicable, including any clarification, supplement, or amendment thereto
- (d) such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent, or as required under the applicable regulations of the relevant taxing or other authorities, e.g. BIR Revenue Memorandum Order No. 14-2021 and BIR RMO Circulation No. 20-2022, which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Noteholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Noteholder is not doing business in the Philippines; provided, that the Issuer 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 Noteholder on the interest payments to such Noteholder; 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 (or with reduced rates, as the case may be), subject to the submission by the Noteholder claiming the benefit of any exemption or preferential rate of the required documents and of additional reasonable evidence of such tax-exempt or preferential rate status to the Registrar.

Unless otherwise indicated above, the foregoing requirements shall be submitted, (i) in respect of an initial issuance of Fixed Rate Notes, upon submission of the application to purchase to the Sole Arranger and Bookrunner who shall then forward the same to the Registrar; or (ii) in respect of a transfer from a Noteholder to a purchaser, through the intermediary to the Registrar, upon submission of the account opening documents.

Failure on the part of the Noteholder to submit the aforementioned document/s within the time prescribed shall result in the application of the regular tax rates.

9.13 FINANCIAL RATIOS

The Issuer shall maintain at all times a Debt-to-Equity Ratio of not more than 70:30 and a 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 other financial ratio.

Debt-to-Equity Ratio means, as of the date of determination, (a) the Issuer's total Debt, divided by (b) total Equity, each as reflected in the Issuer'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 Issuer's total Debt means, without duplication, all short-term and long-term interest-bearing obligations of the Issuer, direct or contingent, for borrowed money including, for avoidance of doubt, the Issuer'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. The outstanding preferred shares of the Issuer are classified as Equity, in accordance with its classification set by the Issuer's independent auditors.

Debt Service Coverage Ratio means the (a) Issuer's EBITDA utilizing the Issuer'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 Issuer for the year when the determination is made; provided, that for purposes of computing the Debt Service Coverage Ratio, the Issuer's aggregate amount of Indebtedness means, without duplication, all short-term and long-term interest-bearing obligations of the Issuer, direct or contingent, for borrowed money, including, for avoidance of doubt, the Issuer'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

EBITDA means earnings before interest, taxes, depreciation and amortization. It is the net income of the Issuer for that relevant period after adding back (a) depreciation and amortization, (b) interest and other financial expenses, (c) income tax, and (d) taxes other than income tax and value-added tax, each item determined in accordance with Philippine Financial Reporting Standards ("PFRS").

Indebtedness means: (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; and (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.

Provided, further that calculation of DSCR on the last year of determination shall exclude the final debt principal repayment of the loan and the loan under other loan facilities if the Issuer is able to present satisfaction on the date of such determination and at least three months prior to maturity of the said loans, (i) signed underwritten commitment from any reputable bank or financial institutions for the refinancing of the loans by their stated maturity date, or (ii) proof of availability of sufficient cash (whether consisting of unrestricted retained earnings specifically reserved for servicing of the loans, money on hand, bank deposits and account balances, customer checks and marketable securities and undrawn portion of a credit line) to settle the loan.

9.14 NEGATIVE PLEDGE

The Fixed Rate Notes 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.

9.15 EVENTS OF DEFAULT

Each of the following events shall constitute an “Event of Default” under the Fixed Rate Notes and the Trust Agreement:

- (a) the Issuer defaults in the payment when due of any amount payable to the Noteholders under the Trust Agreement unless such failure arises solely as a result of an administrative or technical error or a Disruption Event and payment is made within three (3) Banking Days after the date such payment is due (a “**Payment Default**”). For purposes of this provision, Disruption Event shall refer to either or both of: (i) a material disruption to those payment communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the transactions contemplated by the Trust Agreement to be carried out which disruption is not caused by, and is beyond the control of, any of the parties; or (ii) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a party preventing that party from: (a) performing its payment obligations under the Trust Agreement and the Registry and Paying Agency Agreement; or (b) communicating with other relevant parties (including, but not limited to, the Trustee and Paying Agent) in accordance with the terms of the Trust Agreement and the Registry and Paying Agency Agreement;
- (b) the Issuer fails to perform, comply with, or violates any material provision, term, condition, covenant or obligation contained in the Trust Agreement (other than by reason of paragraph (a) above), and any such failure, non-compliance or violation is not remediable or, if remediable, continues unremedied for a period of thirty (30) days (or such longer curing period granted to the Issuer by the Majority Noteholders) from the date after written notice thereof shall have been given to the Issuer by the Trustee;
- (c) any representation or warranty which is made by the Issuer or any of the directors or officers of the Issuer in the Trust Agreement or otherwise in connection with the Trust Agreement, or in any certificate delivered by the Issuer under or in connection with the Trust Agreement, shall prove to have been untrue or incorrect in any material respect as of the time it was made;
- (d) 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 (PhP500,000,000.00).

- (e) The Company voluntarily suspends, threatens to cease, 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.
- (f) 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 percent (70%) of the value of the Company's Total 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 undismissed or unstayed for a period of more than sixty (60) calendar days.
- (g) a decree or order by a court or other Governmental Authority having jurisdiction over the premises is entered without the consent or application of the Issuer:
 - (1) adjudging the Issuer bankrupt or insolvent;
 - (2) approving a petition seeking a suspension of payments by or a reorganization of the Issuer under any applicable bankruptcy, insolvency or reorganization law;
 - (3) appointing a receiver, liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or of all or substantially all of the business or assets of the Issuer;
 - (4) providing for the winding up or liquidation of the affairs of the Issuer;
 - (5) with a view to the rehabilitation, administration, liquidation, winding-up or dissolution of the Issuer; or
 - (6) taking other action under Applicable Law which is similar to any of the events mentioned in paragraphs (1) to (5) above (inclusive);

provided, that, the issuance of any such decree or order shall not be an Event of Default if the same shall have been dismissed or stayed by injunction or otherwise within ninety (90) days from issuance thereof;

- (b) the Issuer:
 - (1) institutes voluntary proceedings to be adjudicated bankrupt or insolvent or consents to the filing of a bankruptcy or insolvency proceeding against it;
 - (2) files a petition seeking a suspension of payments by it or its reorganization under any applicable bankruptcy, insolvency or reorganization law or consents to the filing of any such petition;
 - (3) seeks or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or substantially all of its business or assets;
 - (4) makes an assignment for the benefit of its creditors or admits in writing its inability to pay its debts generally as they become due;
 - (5) files a petition seeking the winding up or liquidation of its affairs or consents to the filing of any such petition;
 - (6) takes any other step with a view to its rehabilitation, administration, liquidation, winding-up or dissolution or a suspension of payments by it; or
 - (7) takes other action under Applicable Law which is similar to any of the events

mentioned in paragraphs (1) to (6) above (inclusive);

- (c) final and executory judgment(s) or order(s) are rendered by a court of competent jurisdiction against the Issuer or its properties or assets from which no appeal may be made for the payment of money which will have a material adverse effect and such judgment or order shall continue unsatisfied or undischarged after ninety (90) days;
- (d) the Issuer shall suspend or discontinue all or a substantial portion of its business operations, whether voluntarily or involuntarily for a period of thirty (30) consecutive days except in cases of strike, lockout, or closure when necessary to prevent business losses or when due to fortuitous events, or in cases of *force majeure*, *provided* that in any such event of strikes, lockouts, closure, or force majeure, there is no material adverse effect; and
- (e) any event or circumstance that will have a material adverse effect has occurred and is continuing.

9.16 NOTICE OF DEFAULT

The Trustee shall, within five (5) Banking Days after receipt of written notice from the Issuer or the Majority Noteholders of the occurrence of an Event of Default, give to all the Noteholders written notice of any such Event of Default unless the same shall have been cured before the giving of such notice; provided, that in the case of a Payment Default (as described in paragraph (a) of Section 9.15) the Trustee shall immediately notify the Noteholders upon the occurrence of such Payment Default.

9.17 CONSEQUENCES OF DEFAULT

- (a) If any one or more of the Events of Default shall have occurred and be continuing after the lapse of the period given to the Issuer within which to cure such Event of Default, if any, or upon the occurrence of such Event of Default for which no cure period is provided, (i) the Trustee upon the written direction of the Majority Noteholders, by notice in writing delivered to the Issuer, or (ii) the Majority Noteholders, by notice in writing delivered to the Issuer and the Trustee, may declare the Issuer in default ("**Declaration of Default**") and declare the principal of the Fixed Rate Notes then outstanding, together with all accrued and unpaid interest thereon and all amounts due thereunder, to be due and payable not later than five (5) Banking Days from the receipt of the Declaration of Default ("**Default Payment Date**") with a copy to the Paying Agent who shall then prepare a payment report in accordance with the Registry and Paying Agency Agreement. Thereupon, the Issuer shall make all payments due on the Fixed Rate Notes in accordance with the Registry and Paying Agency Agreement.
- (b) All the unpaid obligations under the Fixed Rate Notes, including accrued interest, and all other amounts payable thereunder, shall be declared to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Issuer.

9.18 PENALTY INTEREST

In case any amount payable by the Issuer under the Fixed Rate Notes, whether for principal, interest, or otherwise, is not paid on the relevant due date, the Issuer shall, without prejudice to its obligations to pay the said principal, interest and other amounts, pay a penalty fee on the defaulted amount(s) at the rate of twelve percent (12%) per annum (the "**Penalty Interest**") from the time the amount fell due until it is fully paid in accordance with the Terms and Conditions of this Offer and the Trust Agreement.

9.19 PAYMENTS IN THE EVENT OF DEFAULT

Upon the occurrence of any Event of Default, and provided that there has been a Declaration of Default and acceleration of payment of the Fixed Rate Notes by the Majority Noteholders, then in any such case:

- (a) the Issuer will pay the Noteholders, through the Paying Agent, the whole amount which shall then have become due and payable on such outstanding Fixed Rate Notes with interest at the rate borne by the Fixed Rate Notes on the overdue principal and with Penalty Interest, where applicable, based on the payment report no later than the Default Payment Date. The Issuer also undertakes that it shall give the Trustee written notice of its intention to make any payments under this paragraph (a); and
- (b) the Trustee shall have the right to require the Registrar and the Paying Agent, upon demand in writing, to do the following:
 - (i) to hold all sums, documents and records held by them in respect of the Fixed Rate Notes on behalf of the Trustee; and/or
 - (ii) deliver all evidence of the Fixed Rate Notes and all sums, documents and records held by them in respect of the Fixed Rate Notes to the Trustee or as the Trustee shall direct in such demand; provided, that such demand shall be deemed not to apply to any documents or records which the Paying Agent or the Registrar is not allowed to release by any law or regulation; and/or
 - (iii) subject to the terms of the Registry and Paying Agency Agreement, apply any money received from the Issuer pursuant to this section in the order of preference provided in Section 9.20 below.

9.20 APPLICATION OF PAYMENTS

Any money collected by the Trustee as a consequence of a Declaration 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 or to the Registry and Paying Agency Agreement, shall be applied by the Trustee in the order of preference as follows:

- (a) *First:* To the *pro rata* payment to the Trustee, the Registrar, Paying Agent and PDEX of the reasonable, actual and documented costs, expenses, fees, and other charges of collection, including reasonable compensation to them, their agents, attorneys, and all reasonable, actual and documented expenses and liabilities incurred or disbursements made by them, without gross negligence or bad faith in carrying out their respective obligations under their respective agreements with the Issuer in connection with the Fixed Rate Notes.
- (b) *Second:* to the payment of all outstanding interest, including any Penalty Interest, in the order of maturity of such interest, based on the information on Noteholders reflected in the relevant register account to be provided by the Registrar and Paying Agent in accordance with the Registry and Paying Agency Agreement.
- (c) *Third:* to the payment of the principal amount of the Fixed Rate Notes then due and payable based on the information on Noteholders reflected in the relevant register account to be provided by the Registrar and Paying Agent in accordance with the Registry and Paying Agency Agreement.
- (d) *Fourth:* the remainder, if any, shall be paid to the Issuer, its successors, or assigns, or to whoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

9.21 PRESCRIPTION

Claims in respect of principal and interest or other sums payable under the Fixed Rate Notes shall prescribe unless the claim is made within ten (10) years (in the case of principal or other sums) or five (5) years (in the case of interest) from the date on which payment becomes due.

9.22 REMEDIES

All remedies conferred by the Trust Agreement to the Trustee and the Noteholders shall be cumulative and not exclusive and shall not be so construed as to deprive the Trustee or the Noteholders of any legal remedy by judicial or extra judicial proceedings appropriate to enforce the conditions and covenants of the Trust Agreement, subject to the discussion under Section 9.23 below.

No delay or omission by the Trustee or the Noteholders 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 by the Trust Agreement to the Trustee or the Noteholders may be exercised from time to time and as often as may be necessary or expedient.

9.23 ABILITY TO FILE SUIT

No Noteholder shall have any right by virtue of 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 under the Trust Agreement on account of principal, interest and other charges, or for the appointment of a receiver or trustee, or for any other remedy hereunder unless (i) such Noteholder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof and the related request for the Trustee to convene a meeting of the Noteholders to take up matters related to their rights and interests under the Fixed Rate Notes in accordance with the provisions on notice of default (See Description of the Fixed Rate Notes – Notice of Default); (ii) the Majority Noteholders shall have decided and made the written request upon the Trustee to institute such action, suit or proceeding in its own name; (iii) the Trustee, for sixty (60) days after the receipt of such notice and request, shall have neglected or refused to institute any such action, suit or proceeding; and (iv) no directions inconsistent with such written request shall have been given under a waiver of default by the Noteholders, it being understood and intended, and being expressly covenanted by every Noteholder with every other Noteholder and the Trustee, that no Noteholder shall have any right in any manner whatever 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 Fixed Rate Notes 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 the Noteholders.

9.24 WAIVER OF DEFAULT BY THE NOTEHOLDERS

The Majority Noteholders 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 may, on behalf of the Noteholder, waive any past default except the Events of Default defined as a Payment Default, insolvency default or closure default, and its consequences. In case of any such waiver, the Issuer, the Trustee and the Noteholders shall be restored to their former positions and rights under the Trust Agreement; provided, that, no such waiver shall extend to any subsequent or other default or impair any right consequent thereto. Any such waiver by the Majority Noteholders shall be conclusive and binding upon all Noteholders 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 Fixed Rate Notes.

9.25 SUBSTITUTION

Substitution of the Fixed Rate Notes is not contemplated.

9.26 TRUSTEE; NOTICES

The following discussion is qualified by the more detailed information as contained in the Trust Agreement.

9.26.1 Notice to the Trustee

All documents required to be submitted to the Trustee and all other notices, requests and other communications must be in writing and will be deemed to have been duly given only if delivered personally, by facsimile transmission, or mailed (first class postage prepaid) or emailed to the Trustee at the following address, facsimile number or email address; and addressed to the individuals named below:

PHILIPPINE COMMERCIAL CAPITAL, INC. – TRUST AND INVESTMENT GROUP

6th floor PCCI Corporate Center
118 L.P. Leviste St., Salcedo Village
Makati City 1227

Email: tebbie.aquino@pccicapital.com.ph
 katherine.ongchangco@pccicapital.com.ph

Attention: **MA. ELIZABETH P. AQUINO**
 Chief Trust Officer

KATHERINE ANNE E. ONGCHANGCO
Deputy Trust Officer

All such notices, requests and other communications will: (i) if delivered personally to the address as provided above, be deemed given upon delivery; (ii) if delivered by facsimile transmission to the facsimile number as provided above, be deemed given upon receipt in readable form; and (iii) if delivered by mail or email in the manner described above to the address as provided above, be deemed given upon receipt and in case of email if received in readable form (in each case regardless of whether such notice, request or other communication is received by any other Person on behalf of such individual to whom a copy of such notice, request or other communication is to be delivered). The Trustee may from time to time change its address, facsimile number or other information for the purpose of notices hereunder by giving notice specifying such change.

Any notice, report or communication received on a non-working day or after business hours in the place of receipt will only be deemed given on the next working day in that place.

9.26.2 Notice to the Noteholders

The Trustee shall send all notices to Noteholders to their mailing address as set forth in the Registry of Noteholders. Except where a specific mode of notification is provided for in the Notes Agreements, notices to Noteholders shall be sufficient when made in writing and transmitted in any one of the following modes: (i) registered mail; (ii) ordinary mail; (iii) by publication for at least once a week for two (2) consecutive weeks in at least two (2) newspapers of general circulation in the Philippines; (iv) personal delivery to the address of record in the Registry of Noteholders; or (v) disclosure through the Online Disclosure System of the PDEX. The Trustee shall rely on the Registry of Noteholders in

determining the Noteholders 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 ordinary mail; (iii) on the date of last publication, if notice is made by publication; or (iv) on the date of delivery, for personal delivery; or (v) on the date of disclosure, if notice is made by disclosure through the Online Disclosure System of the PDEX.

A notice made by the Issuer to the Trustee is notice to the Noteholders. The publication in a newspaper of general circulation in the Philippines of a press release or news item about a communication or disclosure made by the Issuer to the PDEX on a matter relating to the Fixed Rate Notes shall be deemed a notice to the Noteholders of said matter on the date of the first publication or the date of the disclosure, as the case may be.

9.26.3 Duties and Responsibilities of the Trustee

- (a) The Trustee is appointed as trustee for and on behalf of the Noteholders and accordingly shall perform such duties and shall have such responsibilities as provided in the Trust Agreement. The Trustee 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 observance by the Issuer 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 Noteholders, and to whom the Noteholders shall communicate with respect to any matter that must be taken up with the Issuer.
- (b) 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 such diligence, judgment and care which, under the circumstances then prevailing, those individuals of prudence, discretion, and intelligence, and familiar with such matters will exercise in the management of their own affairs.
- (c) None of the provisions contained in the Trust Agreement and this Information Memorandum shall require or be interpreted to require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers under the Trust Agreement.

9.26.4 Resignation and Change of Trustee

- (a) The Trustee may resign at any time by giving ninety (90) days' prior written notice to the Issuer and to the Noteholders of such resignation.
- (b) Upon receipt of such notice of resignation of the Trustee, the Issuer shall immediately appoint a successor trustee by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the resigning Trustee and one (1) copy to the successor trustee. If no successor shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor, or any Noteholder who has been a bona fide holder for at least the immediately preceding six (6) months may, for and in behalf of the Noteholders, petition any such court for the appointment of a successor. Such court may thereupon after notice, if any, as it may deem proper, appoint a successor trustee.
- (c) Subject to paragraph (f) below, a successor trustee must possess all the qualifications

required under pertinent laws and the Trust Agreement; otherwise, the incumbent Trustee shall continue to act as such until a successor trustee is duly appointed.

- (d) In case, at any time, the Trustee shall become incapable of acting, or has acquired conflicting interest, or shall be adjudged as bankrupt or insolvent, or a receiver for the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its properties or affairs for the purpose of rehabilitation, conservation or liquidation, or for other causes set out in the Trust Agreement, then the Issuer may within thirty (30) days therefrom remove the Trustee concerned, and appoint a successor trustee, by written instrument in duplicate, executed by its authorized officers, one copy of which instrument shall be delivered to the Trustee so removed and one (1) copy to the successor trustee. If the Issuer fails to remove the Trustee concerned and appoint a successor trustee, any Noteholder who has been a bona fide holder for at least the immediately preceding six (6) months may petition any court of competent jurisdiction for the removal of the Trustee concerned and the appointment of a successor trustee. Such court may thereupon after such notice, if any, as it may deem proper, remove the Trustee and appoint a successor trustee.
- (e) The Majority Noteholders may, at any time, remove the Trustee for cause, and with consent of the Issuer, and appoint a successor trustee, by the delivery to the Trustee so removed, to the successor trustee and to the Issuer of the required evidence of the action in that regard taken by the Majority Noteholders, which removal shall take effect thirty (30) days from receipt of such notice by the Trustee; provided, that if no successor trustee shall have been appointed within ninety (90) days from the receipt of the Issuer of the required evidence of the action taken, the Majority Noteholders may appoint a successor trustee without the consent of the Issuer. This is without prejudice to whatever remedies may be available to the Majority Noteholders under the law or in equity.
- (f) Without prejudice to any liability of the Trustee which has accrued, any resignation or removal of the Trustee and the appointment of a successor trustee pursuant to any of the provisions in the Trust Agreement shall become effective upon the earlier of: (i) the acceptance of appointment by the successor trustee as provided in the Trust Agreement; or (ii) the effectivity of the resignation notice sent by the Trustee under the Trust Agreement; provided, however, that after the effectivity of the resignation notice and, as relevant, until such successor trustee is qualified and appointed ("**Holdover Period**"), the resigning Trustee shall discharge duties and responsibilities solely as a custodian of records for turnover to the successor trustee promptly upon the appointment thereof by the Issuer; provided further that, the resigning Trustee shall be entitled to the payment of the fee stipulated in the Trust Agreement during the Holdover Period.

9.26.5 Successor Trustee

- (a) Any successor trustee appointed shall execute, acknowledge and deliver to the Issuer and to its predecessor trustee an instrument accepting such appointment, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusteeship with like effect as if originally named as Trustee in the Trust Agreement. The foregoing notwithstanding, on the written request of the Issuer or of the successor trustee, the trustee ceasing to act as such shall execute and deliver an instrument transferring to the successor trustee, all the rights, powers and duties of the trustee so ceasing to act as such. Upon request of any such successor trustee, the Issuer shall execute any and all instruments in writing as may be necessary to fully vest in and confer to such successor trustee all such rights, powers and duties. Upon effectivity of the removal or resignation of the Trustee as provided above, the Trustee's liabilities and obligations shall immediately cease.

- (b) Upon acceptance of the appointment by a successor Trustee, the Issuer shall notify the Noteholders in writing of the succession of such trustee to the trusteeship and/or by publication once in a newspaper of general circulation in Metro Manila, Philippines. If the Issuer fails to notify the Noteholders within ten (10) days after the acceptance of appointment by the successor trustee, the latter shall cause the Noteholders to be notified at the expense of the Issuer.

9.26.6 Reports to the Noteholders

The Trustee shall submit to the Noteholders on or before March 1 of each year, from the Issue Date until full payment of the Fixed Rate Notes, a brief report dated as of December 31 of the immediately preceding year with respect to:

- (a) the property, if any, physically in the possession of the Paying Agent held in trust for the Noteholders on the date of such report which shall be based on the report to be given by the Paying Agent to the Trustee upon request by the Trustee through the Issuer; and
- (b) any action taken by the Trustee in the performance of its duties under the Trust Agreement which it has not previously reported and which in its opinion materially affects the Fixed Rate Notes, except action in respect of a default, notice of which has been or is to be withheld by it.

The Trustee shall submit to the Noteholders a brief report within ninety (90) days from the making of any advance for the reimbursement of which it claims or may claim a lien or charge which is prior to that of the Noteholders on the property or funds held or collected by the Paying Agent with respect to the character, amount and the circumstances surrounding the making of such advance; provided that, the remaining unpaid amounts of such advance is at least ten percent (10%) of the aggregate outstanding principal amount of the Fixed Rate Notes at such time.

9.26.7 Inspection of Documents

Upon due notice to the Trustee, the following pertinent documents may be inspected during regular business hours on any Banking Day at the principal office of the Trustee:

- (a) the Trust Agreement;
- (b) the Registry and Paying Agency Agreement;
- (c) the Articles of Incorporation and By-laws of the Company; and
- (d) this Information Memorandum.

9.27 MEETINGS OF THE NOTEHOLDERS

A meeting of the Noteholders may be called at any time for the purpose of taking any actions authorized to be taken by or in behalf of the Noteholders of any specified aggregate principal amount of Fixed Rate Notes under any other provisions of the Trust Agreement or under the law and such other matters related to the rights and interests of the Noteholders under the Fixed Rate Notes.

The following discussion is qualified by the more detailed information as contained in the Trust Agreement.

9.27.1 Notice of Meetings

The Trustee may, at any time, call a meeting of the Noteholders, on its own accord or upon the written request by the Issuer, or the Majority Noteholders, for purposes of taking any actions authorized under the Trust Agreement. The meeting may be held at such time and at such place as the Trustee shall determine.

Unless otherwise provided in the Trust Agreement, the Trustee shall give notice of every meeting of the Noteholders (which notice must set forth the time, place, and purpose of such meeting in reasonable detail) to the Issuer and each of the registered Noteholders not earlier than forty five (45) days nor later than fifteen (15) days prior to the date fixed for the meeting and shall publish such notice once in a newspaper of general circulation; provided, that the Trustee shall fix the record date for determining the Noteholders entitled to notice and vote during the meeting, which record date shall not be earlier than forty five (45) days before the date of the meeting; provided, further, that all reasonable, actual and documented costs and expenses incurred by the Trustee for the proper dissemination of the requested meeting shall be reimbursed by the Issuer within ten (10) days from receipt of the duly supported billing statement, subject to obtaining prior written consent of the Issuer for reasonable, actual and documented costs and expenses in excess of Fifty Thousand Pesos (₱50,000.00) per occurrence.

9.27.2 Failure of the Trustee to Call a Meeting

Failure of the Trustee to call a meeting upon the written request of either the Issuer or the Majority Noteholders within five (5) Banking Days from receipt of such request shall entitle the requesting party to send and publish the appropriate notice of Noteholders' meeting and fix the record date for determining the Noteholders entitled to attend and vote in accordance with the procedure set forth under "Description of the Fixed Rate Notes – Notice of Meetings". The costs for calling such a meeting shall be for the Trustee's account in case of unjustified failure of the Trustee to call the meeting is due to its willful misconduct, fraud, evident bad faith or gross negligence.

9.27.3 Quorum

The presence of Majority Noteholders, personally or by proxy, shall be necessary to constitute a quorum to do business at any meeting of the Noteholders. The Trustee shall determine and record the presence of the Majority Noteholders based on the list of Noteholders prepared by the Registrar in accordance with the Registry and Paying Agency Agreement (which list shall include all information necessary to the performance of the duties and powers of the Trustee under the Trust Agreement, such as, but not limited to, specimen signatures of the Noteholders' authorized signatories). The Registrar shall provide the Trustee with the foregoing list and information upon receipt of a written request from the Trustee through the Issuer.

9.27.4 Procedure for Meetings

- (a) The Trustee shall preside at all the meetings of the Noteholders, unless the meeting shall have been called by the Issuer or by the Majority Noteholders as provided under Section 9.27.2 in which case the Issuer or the Majority Noteholders calling the meeting, as the case may be, shall move for the election of the chairman and secretary of the meeting. The elected secretary shall take down the minutes of the meeting, covering all matters presented for resolutions by and the results of the votes cast by the Noteholders entitled to vote at the meeting and/or the Person appointed in writing by a public instrument as proxy or agent by any such Noteholder in accordance with the procedure set forth Section 9.27.5. The elected secretary shall immediately provide the Trustee with a copy of the minutes of the meeting which copy shall be made available at any time to the Issuer and all Noteholders upon receipt of written request.
- (b) Any meeting of the Noteholders 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 as so adjourned may be held without further notice. Any such adjournment may be ordered by Persons representing a majority of the aggregate principal amount of the Fixed Rate Notes represented at the meeting and entitled to vote, whether or not a quorum shall be present at the meeting.

9.27.5 Voting Rights

To be entitled to vote at any meeting of the Noteholders, a Person should be a registered holder of the Fixed Rate Notes as reflected in the Registry of Noteholders on the relevant record date fixed by the Trustee, the Issuer, or the Majority Noteholders, as the case may be, or a Person appointed in writing by a public instrument as proxy or agent by any such Noteholder (and, in case of corporate or institutional Noteholders, duly supported by the resolutions of its board of directors or equivalent body authorizing the appointment of the proxy or agent duly certified by its corporate secretary or an authorized officer) for the meeting. Noteholders shall be entitled to one vote for every Five Million Pesos (₱5,000,000.00) principal amount of the Fixed Rate Notes. The only Persons who shall be entitled to be present or to speak at any meeting of the Noteholders shall be the Persons entitled to vote at such meeting, the Trustee, and any representative of the Issuer and its legal counsel.

9.27.6 Voting Requirement

Except as provided in Section 9.27.10, all matters presented for resolution by the Noteholders in a meeting duly called for the purpose shall be decided or approved by the affirmative vote of the Majority Noteholders (present or represented in a meeting at which there is a quorum). Any resolution of the Noteholders which has been duly approved with the required number of votes of the Noteholders as herein provided shall be binding upon all the Noteholders and the Trustee as if the votes were unanimous.

9.27.7 Role of the Trustee in Meetings of the Noteholders

Notwithstanding any other provisions of the Trust Agreement, the Trustee may make such reasonable regulations (not inconsistent with the Trust Agreement) as it may deem advisable for any meeting of the Noteholders, with regard to proof of ownership of the Fixed Rate Notes, the appointment of proxies by the Noteholders, 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 evidence of the right to vote and such other matters concerning the conduct of the meeting as it shall deem fit.

9.27.8 Evidence Supporting the Action of the Noteholders

Wherever in the Trust Agreement it is provided that the holders of a specified percentage of the aggregate outstanding principal amount of the Fixed Rate Notes may take any action (including the making of any demand or requests and 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 Noteholders in person or by the agent or proxy appointed in writing, or (ii) the duly authenticated record of voting in favor thereof at the meeting of the Noteholders duly called and held in accordance herewith, or (iii) a combination of such instrument and any such record of meeting of the Noteholders.

9.27.9 Non-Reliance

Each Noteholder represents and warrants to the Trustee and to the Issuer that it has independently and, without reliance on the Trustee or the Issuer, 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 Fixed Rate Notes and on the basis of such independent appraisal, and each Noteholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee or the Issuer. The Noteholders agree to indemnify and hold the Trustee harmless from and against any and all claims, liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations under the Trust Agreement, except for its gross negligence, fraud, evident bad faith or willful misconduct.

9.27.10 Amendments

The Issuer and the Trustee may, without prior notice to or the consent of the Noteholders or other parties, amend or waive any provisions of the Terms and Conditions of the notes or the Trust Agreement if such amendment or waiver is of a formal, minor, or technical nature or to correct a manifest error or inconsistency; provided, in all cases, that such amendment or waiver does not adversely affect the interests of the Noteholders; provided, further, that all Noteholders are notified of such amendment or waiver.

With the consent of the Majority Noteholders, the Issuer, when authorized by a resolution of its board of directors or the executive committee of its board of directors, and the Trustee may, from time to time and at any time, enter into an agreement or agreements supplemental to the Trust Agreement for the purpose of adding any provision to or changing in any manner or eliminating any of the provisions of the Trust Agreement; provided that, without the consent of all Noteholders affected thereby, no such supplemental agreement shall:

- (a) extend the maturity date of the Fixed Rate Notes;
- (b) reduce the principal amount of the Fixed Rate Notes;
- (c) reduce the rate or extend the time of payment of interest and principal thereon;
- (d) impair the right of any Noteholder to (i) receive payment of principal of and interest on the Fixed Rate Notes on or after the due dates therefore or (ii) to institute suit for the enforcement of any payment on or with respect to such Noteholder;
- (e) affect the rights of some of the Noteholders without similarly affecting the rights of all the Noteholders;
- (f) make any Fixed Rate Note payable in money other than that stated in the Fixed Rate Note;
- (g) subordinate the Fixed Rate Notes to any other obligation of the Issuer; amend or modify the provisions of the Terms and Conditions on Taxation, the Events of Default or the waiver of default by the Noteholders;
- (h) reduce the percentage of the Noteholders required to be obtained under the Trust Agreement for their consent to or approval of any supplemental agreement or any waiver provided for in the Trust Agreement; or
- (i) make any change or waiver of the conditions.

It shall not be necessary to obtain the consent of the Noteholders under the foregoing paragraphs 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 Noteholders and upon all future holders and owners of the Fixed Rate Notes or of any Fixed Rate Notes issued in lieu thereof or in exchange therefor, irrespective of whether or not any notation of such consent is made upon the Fixed Rate Notes.

9.28 GOVERNING LAW

The Fixed Rate Notes and Notes Agreements are governed by and are construed in accordance with Philippine law.

9.29 VENUE

Any suit, action, or proceeding arising out of, or relating to, the Fixed Rate Notes or the Trust Agreement shall be brought before the proper courts in the Cities of Makati and Pasay to the exclusion of all other courts, and the parties submit to the exclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment, the Issuer, Trustee, and the Noteholders expressly waiving other venues.

9.30 WAIVER OF PREFERENCE

The obligation created under the Notes Agreements and the Fixed Rate Notes shall not enjoy any priority of preference or special privileges whatsoever over any indebtedness or obligations of the Issuer. Accordingly, whatever priorities or preferences that this instrument may have or any person deriving a right hereunder may have under Article 2244, paragraph 14 of the Civil Code of the Philippines are hereby absolutely and unconditionally waived and renounced. This waiver and renunciation of the priority or preference under Article 2244, paragraph 14 of the Civil Code of the Philippines shall be revoked if it be shown that an indebtedness of the Issuer for borrowed money has a priority or preference under the said provision.