



## **DOUBLEDRAGON CORPORATION**

Offer of ₱1,000,000,000.00  
Fixed Rate Corporate Notes representing

Consisting of

Series 2 Notes: 9.5354% p.a. due 2028

Issue Price: 100% of Face Value

The date of this Information Memorandum is 23 May 2024.

*Sole Arranger and Bookrunner*



THE SECURITIES BEING OFFERED OR SOLD UNDER THIS INFORMATION MEMORANDUM HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) AS THE ISSUANCE IS AN EXEMPT TRANSACTION UNDER SECTION 10.1 (L) OF THE SECURITIES REGULATION CODE (REPUBLIC ACT NO. 8799) (“SRC”). UPON ISSUANCE, THESE SECURITIES SHALL BE SIMULTANEOUSLY ENROLLED AS SECURITIES THAT MAY BE TRADED BETWEEN AND AMONG QUALIFIED BUYERS WHICH ARE JURIDICAL PERSONS AND RESIDENTS OF THE PHILIPPINES AT THE PHILIPPINE DEALING & EXCHANGE CORP. (“PDEX”) IN ACCORDANCE WITH THE PROCEDURES AND REQUIREMENTS SET FORTH IN THIS INFORMATION MEMORANDUM, AND THE RELEVANT PDEX RULES, OPERATING FRAMEWORK, AND TRADING CONVENTIONS. ANY FUTURE OFFER OR SALE OF THE SECURITIES WITHIN THE PDEX TRADING SYSTEM MUST BE TO A QUALIFIED BUYER WHICH IS A JURIDICAL PERSON AND A RESIDENT OF THE PHILIPPINES, AS DEFINED AND PRESCRIBED UNDER THE SRC AND ITS IMPLEMENTING RULES AND REGULATIONS, AS AMENDED (“SRC RULES”). FOR SALES THAT DO NOT OBSERVE THE PROCESSES SET FORTH IN THIS INFORMATION MEMORANDUM, OR THAT OCCUR OUTSIDE THE PDEX TRADING SYSTEM, THE SALE TO A NON-QUALIFIED BUYER IS SUBJECT TO THE REGISTRATION REQUIREMENTS UNDER THE SRC, AND SUCH OTHER CONSEQUENCES AS MAY BE PROVIDED UNDER THE PDEX RULES.

THE OFFER AND ISSUANCE OF THE FIXED RATE NOTES ARE MADE SOLELY TO QUALIFIED BUYERS WHICH ARE JURIDICAL PERSONS UNDER SECTION 10.1(L) OF THE SRC AND RULE 10.1.3.A TO RULE 10.1.3.S OF THE SRC RULES, WITH THOSE UNDER RULE 10.1.3.S HAVING BEEN DULY QUALIFIED BY A DULY SEC-REGISTERED QUALIFIED INVESTOR REGISTRAR. THE OFFER AND ISSUANCE IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SRC. DOUBLEDRAGON CORPORATION WILL NOT OBTAIN A CONFIRMATION OR DECLARATION OF SUCH EXEMPTION FROM OR FILE A NOTICE OF SUCH EXEMPTION WITH THE SEC.

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

## TABLE OF CONTENTS

<b>Section 1.</b>	<b>Forward-Looking Statements .....</b>	<b>1</b>
<b>Section 2.</b>	<b>Documents Incorporated By Reference .....</b>	<b>3</b>
<b>Section 3.</b>	<b>Definition of Terms.....</b>	<b>4</b>
<b>Section 4.</b>	<b>Company Overview .....</b>	<b>9</b>
<b>Section 5.</b>	<b>Summary of Financial Information .....</b>	<b>16</b>
<b>Section 6.</b>	<b>Certain Legal Proceedings .....</b>	<b>20</b>
<b>Section 7.</b>	<b>Summary of the Offer.....</b>	<b>21</b>
<b>Section 8.</b>	<b>Use of Proceeds .....</b>	<b>27</b>
<b>Section 9.</b>	<b>Description of the Fixed Rate Corporate Notes .....</b>	<b>28</b>
<b>Section 10.</b>	<b>Financial Information.....</b>	<b>52</b>

## 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); and
- (iii) 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.

<b>Applicable Law</b>	(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
<b>Banking Day</b>	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
<b>BIR</b>	Bureau of Internal Revenue
<b>BSP</b>	Bangko Sentral ng Pilipinas
<b>CHICI</b>	CentralHub Industrial Centers, Inc.
<b>CMCCI</b>	CityMall Commercial Centers Inc.
<b>Company, DoubleDragon or Issuer</b>	DoubleDragon Corporation
<b>DDMPR</b>	DDMP REIT, Inc. (formerly DD Meridian Park Development Corp.)
<b>Debt</b>	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
<b>Debt-to-Equity Ratio</b>	The meaning ascribed to it under Section 9.13
<b>EBITDA</b>	The meaning ascribed to it under Section 9.13
<b>Eligible Noteholders</b>	Resident juridical entities or institutions (excluding natural persons) that, at the point purchase, are Qualified Buyers, whether on the primary or secondary markets
<b>Equity</b>	The equity of the Issuer as derived from the balance sheet of the relevant accounts
<b>Event of Default</b>	An event contemplated under Section 9.15
<b>Fixed Rate Notes</b>	Fixed rate notes that will be issued with an aggregate principal amount of

	₱1,000,000,000.00
<b>GFA</b>	Gross floor area
<b>HOA</b>	Hotel of Asia, Inc.
<b>Interest Payment Date</b>	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 Notes Agreements
<b>Issue Date</b>	The date of issuance of the Fixed Rate Notes pursuant to and in accordance with the Notes Agreements
<b>JFC</b>	Jollibee Foods Corporation
<b>Majority Noteholders</b>	Noteholders representing not less than 51% of the principal amount of the Fixed Rate Notes then outstanding.
<b>Maturity Date</b>	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
<b>Market Maker</b>	PCCI Capital, the entity appointed by the Issuer as market maker for the Fixed Rate Notes
<b>Noteholders</b>	Holders of the Fixed Rate Notes
<b>Notes Agreements</b>	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.
<b>Offer</b>	The offer of the Fixed Rate Notes by the Issuer under the terms and conditions and those contained in this Information Memorandum
<b>Paying Agent</b>	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.
<b>PDEX</b>	Philippine Dealing and Exchange Corp
<b>PDTC</b>	PDTC means the Philippine Depository & Trust Corp.
<b>Person</b>	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.
<b>Peso or ₱ or PHP</b>	The lawful currency of the Republic of the Philippines
<b>PFRS</b>	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>(p) collective investment scheme authorized by the relevant regulatory authority pursuant to existing laws and regulations;</p> <p>(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;</p> <p>(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</p> <p>(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.</p>
<b>Registrar</b>	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.
<b>Registry of Noteholders</b>	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.
<b>Registry and Paying Agency Agreement</b>	The Registry and Paying Agency Agreement dated 17 May 2024 between the Issuer and the Registrar and the Paying Agent
<b>SEC</b>	Securities and Exchange Commission
<b>SMIC</b>	SM Investments Corp.
<b>Sole Arranger and Bookrunner or PCCI Capital</b>	Philippine Commercial Capital, Inc.
<b>SRC</b>	Republic Act No. 8799, otherwise known as the Securities Regulation Code
<b>SRC Rules</b>	Implementing Rules and Regulations of the SRC, as amended
<b>Subsidiary</b>	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.
<b>Tax Code</b>	National Internal Revenue Code, as amended by Republic Act Nos. 9337, 10963, and 11534.
<b>Trading Participant</b>	Participating broker or dealer of PDEX
<b>Trust Agreement</b>	Trust Indenture Agreement executed on 17 May 2024 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 capitalize on its strong balance sheet to add worthwhile investments outside of the property sector that would further drive its growth.

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 31 March 2023, the Company’s total equity was ₱ 81.96 billion and its gross Debt-to-Equity was 0.75, which is below the Company’s cap of 2.33x.

As of 31 December 2023, 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 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 phase of DD Meridian Park comprises Towers 1 to 4 of DoubleDragon Plaza and was completed in 2018. The second phase comprises DoubleDragon Center West and was completed in 2019. The fourth phases comprises DoubleDragon Tower and was completed in 2021, while the third phase comprises luxury services residences, namely Ascott-DD Meridian Park, and is currently under construction with completion expected in 2024. Jollibee Tower is a Grade A 42-storey commercial and office tower with approximately 60,394.68 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 31 December 2023, the Company’s hospitality operations comprise 6 operational hotels with 1,482 hotel rooms, including the Company’s own hotel brand, “Hotel 101”, which currently has two operating hotels, Hotel101-Manila and Hotel101-Fort. In addition to the 1,482 hotel rooms, the Company has a pipeline of 6,499 hotel rooms, which include hotels under construction and hotels in the planning and design stage. These additional hotel rooms are expected to increase the Company’s total hotel portfolio to 7,981 rooms. 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 31 December 2023. Hotel 101 Management Corporation, a wholly owned subsidiary of HOA, operates all of HOA’s operational hotels including Hotel 101-Manila, Hotel101-Fort, Jinjiang Inn-Ortigas, Jinjiang Inn-Makati, Jinjiang Inn-Station

1 Boracay and Injap Tower, a 21-storey condotel located in Iloilo City. As of 31 December 2023, the Company had four hotels under construction and nine more hotels in the planning and development stage.

On 30 September 2022, the Company, through Hotel101 Global Pte. Ltd., fully paid for the acquisition of a prime 9,000 sq.m. parcel of land in the Hokaido Prefecture, Japan. The Company expects to develop its first international Hotel 101 development, named Hotel 101-Niseko, on such acquired land.

On April 27, 2023, the Company, through Hotel101 Global Pte Ltd signed a Binding Agreement for the purchase of 6,593 square meters of prime commercial land in Madrid, Spain. 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 development, named Hotel101-Madrid eyes the high real estate investment demand in Madrid driven by the Spanish Golden Visa.

The Company operates its industrial leasing segment through its 60.90% owned-subsiidiary, CHICI. As of 31 December 2023, the Company, through CHICI, owns 10 Central Hub sites across the Philippines, with a total of 60.4 hectares of prime industrial land. 5 of the Company's CentralHub sites, namely, CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, and CentralHub-Pasig, are currently operational. As of 31 December 2023, Phases 1 and 2 of CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and Central Hub-Pasig were all fully leased out. Phases 3 and 4 of CentralHub-Tarlac is pending tenant turnovers.

Having met its target of 1.2 million sq.m. of completed gross floor area ("GFA") for its leasable portfolio, the Company intends to pursue a strategy of revenue optimization for its retail leasing, office leasing, hospitality, and industrial leasing operations, with the goal of maximizing recurring revenue. As of 31 December 2023, the Company's completed portfolio encompassed 1.28 sq.m. GFA. Further, by 2030 the Company targets to increase its portfolio to 2.4 million sq.m. GFA spread across its four core business segments: 30% in retail, 15% in office, 20% in hospitality, and 35% industrial leasing.

## **4.2 COMPETITIVE STRENGTHS**

### **4.2.1 First Mover Advantage**

The Company was the first to announce its aggressive roll out plan in the community mall space. Although there are other players and potential entrants who operate in this space, the Company placed itself in an advantageous position with the scale and time period that it has acquired large prime lots in the Tier 3 city center areas early and at far lower price. By the end of 2024, the Company is expected to already have 50 strong operational CityMalls, which will cement its dominant position in this space. Prior to making its plans known to the public, the Company had already studied and developed the business model of CityMall to prepare for the roll out program it had set forth as it sees the importance of community centers in the next decade. In doing so, the Company maintained its competitive edge through the momentum built up from the point that it made public its roll out plan, and was already in a position to swiftly execute its plans as scheduled.

### **4.2.2 Familiarity of the Provincial Landscape**

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

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

#### **4.2.3 Location of Sites Secured**

More than nine (9) years from the time of the Company's initial public offering (IPO), the Company has already secured 64 CityMall sites despite the scarcity of one-hectare plots in the city center of provincial cities. All CityMall sites are in prime locations within the natural daily movement of the general population that it serves. Usually, there are only one or none of these locations left available for sale in the provincial cities, thus, being able to secure the last remaining one-hectare commercial lot in the respective city centers places CityMall in a leading position and becomes a natural deterrent to competitors.

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

#### **4.2.4 Strong Alliances**

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

### **4.3 BUSINESS STRATEGIES**

The Company's business strategies include the following:

#### **4.3.1 Identifying shifts and capitalizing on the opportunity to ride market transitions**

One such transition is the ongoing evolution of traditional retail into modern retail in the provincial setting. This is particularly notable in the supermarket segment which is relevant to the Company's business model since the supermarket typically occupies one-third (1/3) of the leasable space of CityMalls. The pricing advantage of local supermarkets over branded supermarkets started to thin a few years ago when government increased transparency in tax collection and computerized the system of the Bureau of Internal Revenue (BIR). Today the price gap between branded and locally owned supermarkets is in single digits and is expected to disappear completely in the near term as the branded players expand into provincial locations. This shift is inevitable and will put branded supermarkets at an even playing field with locally owned supermarkets. CityMall is poised to benefit from this by anticipating this shift and providing the ideal venue for modern retail concepts to thrive.

#### **4.3.2 Building a strong base of recurring revenue**

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

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

#### **4.3.3 Acquiring a strong portfolio of investment properties**

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

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

#### **4.3.4 Focusing in preferred industries**

The Company intends to focus on preferred industries like retail and office space which will allow it to diversify its leasing income to high-growth areas, such as provincial retail in the community mall setting, as well as the more stable Metro Manila office space which primarily caters to the country's growing BPO Industry. Preferred industries refer to segments that hold a robust outlook in the near and medium term period. These projects are primarily opportunity driven and are dependent on the current and future demand from the target market.

#### **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 and the Industry**

1. The Company's ability to obtain financing at favorable interest rates;
2. Availability of land for use in the Company's future projects;
3. Adverse claims over lands acquired or leased by the Company;
4. Environmental laws that could adversely affect the Company's business;
5. Delays in the completion of projects and failure to meet customers' expectation and standards;
6. Several tenants are related parties;
7. The Company's major shareholders also serve as directors and officers;
8. No assurance of successful implementation of business plans and strategies;
9. Significant competition in the real estate industry;
10. Risks of a domestic asset bubble;
11. Change in accounting principles for real estate sales;
12. No assurance that all the insurance policies will be renewed; and
13. Uncontrollable events, such as war, civil unrest or acts of international or domestic terrorism, the outbreak of contagious diseases, accidents and natural disasters.

#### **4.6.2 Key Risks Associated with Fixed Rate Notes**

1. 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.
2. Rules for trading the Fixed Rate Notes may be promulgated that affect the ability to transact these on the secondary market.
3. 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.
4. The Fixed Rate Notes have no preference under Article 2244(14) of the Civil Code.
5. 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.

### **4.7 RECENT DEVELOPMENTS**

#### **4.7.1 Hotel101 Global**

On October 10, 2023, Hotel101 Global Pte. Ltd. officially opens and formally begins the operation of both its Global Corporate Office and Global Sales Hub in Singapore.

In February 2024, Hotel101 the Nasdaq stock exchange ticker symbol "HBNB". This step is in line towards Hotel101 Global's previously announced SPAC listing preparations.

On April 8, 2024, Hotel101 Global signed a Definitive Merger Agreement with JVSPAC Acquisition Corporation to publicly list on the Nasdaq. Hotel101 is expected to have an equity value of over us\$2.3 billion (P130 billion pesos) following completion of the transaction. Upon completion of the proposed business combination transaction, the combined entity is expected to be publicly listed on the Nasdaq



under the ticker symbol “HBNB”.

#### **4.7.2 Hotel101-Madrid**

On 20 July 2023, Hotel101 Global Pte. Ltd. (“**Hotel101 Global**”), the worldwide hotel expansion subsidiary of DoubleDragon, signed Master Service Agreements with Orience, PSI Consultants, and L&L RSM Law as the exclusive advisory service providers to process the residency applications by investment option for buyers of at least three (3) units in Hotel101’s first European project, Hotel101-Madrid located in Valdebebas Madrid, Spain.

A Golden Visa for Spain, officially known as the Spain Investor Visa is a residence permit issued to non-European citizens who makes a substantial investment in Spain such as buying a real estate asset worth 500,000 Euro. Hotel101 – Madrid represents the Company’s foray into the European hospitality space, while also being the first local brand to expand into this space, and set to make its impact by becoming one of the 5 largest hotels in Madrid, Spain once completed. The hotel’s land area’s covers 6,593 sq.m. Showing the Company’s ability to seize opportunities in markets not usually explored by other local competitors as well as showcase its competitiveness as an international hotel brand.

On October 31, 2023, Hotel101 Global received all the pertinent executed land purchase documents and completed the payment for the purchase of the 6,593 square meters of prime commercial land in Madrid Spain. Hotel101-Madrid is located right beside the F1 Grand Prix Track that was released by Formula 1 in January 2024.

#### **4.7.3 Hotel101-Niseko**

In 2022, DoubleDragon subsidiary, DDPC Worldwide Pte. Ltd. and Hotel101 Worldwide Private Limited acquired a 9,000-square meter land for its planned hotel named (“**Hotel101-Niseko**”) in the popular ski town of Niseko, Japan. The hotel is designed to have 518 21 sq.m hotel rooms following its popular standardized condotel concept.

On July 12, 2023, Hotel101 Global Pte. Ltd., the worldwide hotel expansion subsidiary of DoubleDragon, signed the Exclusive Master Sales Agency Agreement with H2 Christie’s International Real Estate as the sole principal sales and marketing of its first international project, Hotel101-Niseko located in Niseko Hokkaido Japan. H2 Christies may also tap sub-agents under it to market the Hotel101-Niseko units that would come with the perpetual titled individual unit ownership in the sprawling 1.17 hectare free-hold titled land of Hotel101-Niseko.

On August 26, 2023, Hotel101 Global broke ground and started the construction of the 482-room Hotel101-Niseko project in Hokkaido Japan.

#### **4.7.4 Hotel101-Los Angeles**

On November 14, 2023, Hotel101 Global secured a 3,647 square meter prime corner lot property located in Los Angeles, California, USA.

The Hotel101-Los Angeles site is in the Westlake North District of Los Angeles. It is conveniently located about 5 minutes to Downtown LA, Dodger Stadium and the previous Staples Center and only about 10-minute drive to Hollywood and about 20 minutes to Beverly Hills. The location is very accessible to Highway 101 and the Los Angeles International Airport (LAX) is only about a 20-minute drive.

Hotel101-Los Angeles is planned to have 622 units subject to entitlement and zoning approval and will be the first Hotel101 development in the United States. In addition to the usual Hotel101 facilities such

as an all-day dining restaurant (concessionaire-operated), a Business Center, Swimming Pool and a Fitness Gym, as well as commercial space for a 24 hour convenience store, Hotel101-Los Angeles is planned to have a large convention center and function rooms with breathtaking views of the entire Los Angeles skyline.

#### **4.7.5 Hotel101-Libis Bridgetown**

On July 5, 2023, The Company to date has fully secured all the necessary building permits and has commenced construction site activities for Hotel101-Libis Bridgetowne (“**Hotel101-Libis Bridgetowne**”) in Quezon City, Metro Manila which is slated for completion in 2026.

The 702 rooms Hotel101-Libis Bridgetowne is set to be the largest hotel in Quezon City with its pioneering standardized signature 21sqm HappyRooms. The hotel facilities will include a gym and an outdoor infinity pool, all-day dining, business center and function rooms. Hotel101-Libis Bridgetowne sits on a 2,547 square meter prime titled commercial lot which forms part of Bridgetowne District. Hotel101-Libis Bridgetowne Project is expected to generate PHP 4.9 billion in unit sales revenue.

#### **4.7.6 CityMall-Surigao**

On July 28, 2023, DoubleDragon Corporation to open CityMall-Surigao in Surigao City, Surigao del Norte in the Mindanao region -- its 45th operational mall nationwide, officially making the Company the No.4 largest mall developer and landlord in terms of number of operational malls and specifically in the community mall segment, is currently the No.1 largest community mall developer and landlord in terms of number of operating community malls in the Philippines.

The current CityMall’s GFA forms part of the 1.29 million square meters of fully built and completed GFA in DoubleDragon’s diversified portfolio exceeding its 1 million square meters total GFA target by 2020 set and announced during its IPO listing in the PSE last April 2014, at which point it had practically zero leasable space.

CityMall-Surigao has a total GFA of 8,608 square meters that sits in a 1.05-hectare of prime commercial land. The then-vacant land right beside the Surigao City Integrated Land Transport Terminal was purchased for land banking way back 2015 and forms part of the string of over 100 prime land spread out across Luzon, Visayas and Mindanao that DoubleDragon acquired mostly from 2014 to 2016, when prime land prices was still mostly less than one-fourth of the land prices today.

## SECTION 5. SUMMARY OF FINANCIAL INFORMATION

The summary of financial and operating information of DoubleDragon presented below as of and for the years ended December 31, 2023, 2022, and 2021 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 and the related notes thereto, which are included in Appendix “A” of this Information Memorandum.

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

### **CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

<i>Amounts in PHP millions</i>	For the Year Ended 31 December		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
	Audited	Audited	Audited
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	7,763.0	5,547.0	2,918.5
Receivables – net	8,215.8	11,803.0	14,295.4
Inventories	2,391.4	2,857.6	4,522.2
Due from related parties	55.2	52.1	49.4
Prepaid expenses and other current assets-net	4,878.3	5,721.9	6,248.4
<b>Total Current Assets</b>	<b>23,303.7</b>	<b>25,981.6</b>	<b>28,033.9</b>
<b>Noncurrent Assets</b>			
Receivables – net of current portion	318.5	156.6	298.6
Property and equipment – net	845.9	709.2	1,201.7
Goodwill and intangible assets	1,147.9	1,110.5	1,091.5
Investment property	112,391.2	126,151.0	147,937.0
Right-of-use Assets – net	-	-	15.3
Deferred tax assets	298.8	161.3	146.0
Other noncurrent assets	3,350.2	2,530.3	2,515.9
<b>Total Noncurrent Assets</b>	<b>118,352.5</b>	<b>130,818.9</b>	<b>153,206.0</b>
<b>Total Assets</b>	<b>141,656.2</b>	<b>156,800.5</b>	<b>181,239.9</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts Payable and other current liabilities	3,867.2	6,649.0	8,420.8
Short term loans payable and current maturities of long-term notes payable, net of debt issue costs	14,619.0	12,533.8	15,283.2
Due to related parties	727.6	567.9	560.8
Customer's deposits	119.9	153.7	685.0
Dividends payable	147.8	456.6	486.3
Income Tax Payable	14.5	31.2	18.1

	For the Year Ended 31 December		
<i>Amounts in PHP millions</i>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	Audited	Audited	Audited
<b>Total Current Liabilities</b>	<b>19,496.0</b>	<b>20,392.2</b>	<b>25,454.2</b>
<b>Noncurrent Liabilities</b>			
Long term notes payable - net of current maturities and debt issue costs	21,525.8	28,588.4	29,425.2
Bonds payable - net of bond issue cost	14,897.6	14,925.4	18,553.4
Lease Liabilities	1,282.6	1,043.6	1,219.2
Deferred tax liabilities	13,612.3	8,560.4	10,695.6
Retirement benefits liability	30.6	30.0	45.8
Customers' deposits - net of current portion	367.4	104.4	-
Other noncurrent liabilities	1,135.5	1,550.6	1,278.2
<b>Total Noncurrent Liabilities</b>	<b>52,851.8</b>	<b>54,802.8</b>	<b>61,217.4</b>
<b>Total Liabilities</b>	<b>72,347.8</b>	<b>75,195.0</b>	<b>86,671.6</b>
<b>EQUITY</b>			
<b>Equity Attributable to Equity Holders of the Parent Company</b>			
Capital stock	237.3	237.3	237.3
Preferred shares	10,000.0	10,000.0	10,000.0
Additional paid-in capital	5,540.6	5,540.6	5,540.6
Retained earnings	25,251.4	29,610.2	37,357.8
Retirement benefits liability	117.1	(80.0)	(510.6)
Less: Treasury stock	(167.2)	(391.7)	(391.7)
	40,979.2	44,916.4	52,233.4
<b>Non-controlling interests</b>	<b>28,329.2</b>	<b>36,689.1</b>	<b>42,334.9</b>
<b>Total Equity</b>	<b>69,308.4</b>	<b>81,605.5</b>	<b>94,568.3</b>
		<b>156,800.</b>	
<b>Total Liabilities and Equity</b>	<b>141,656.2</b>	<b>5</b>	<b>181,239.9</b>

## **CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	For the Year Ended 31 December		
<i>Amounts in PHP millions</i>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	Audited	Audited	Audited
<b>REVENUES</b>			
Rent income	3,420.4	3,237.8	3,069.9
Real estate sales	778.1	1,536.3	1,353.9
Hotel revenues	577.9	478.9	671.7
Unrealized gains from changes in fair values of investment property	9,667.7	7,484.8	16,482.6
Interest income	94.5	63.1	195.5
Income from forfeitures	21.6	4.6	60.8

For the Year Ended 31 December

<i>Amounts in PHP millions</i>	<b>2021</b>	<b>2022</b>	<b>2023</b>
	Audited	Audited	Audited
Others	1,365.6	1,324.8	2,907.5
	15,925.8	14,130.3	24,741.9
<b>COST AND EXPENSES</b>			
Cost of real estate sales	434.0	860.6	644.8
Cost of hotel operations	326.3	335.3	493.9
Selling and marketing expenses	127.4	164.5	116.3
General and administrative expenses	2,282.0	2,613.9	3,066.8
Interest expense	1,720.3	1,944.2	2,265.3
	4,890.0	5,918.5	6,587.1
<b>Income Before Income Tax</b>	11,035.8	8,211.8	18,154.8
Income Tax Expense			
Current	33.2	205.5	74.4
Deferred	(277.9)	(4,916.4)	2,153.0
	(244.7)	(4,710.9)	2,227.4
<b>Net Income</b>	11,280.5	12,922.7	15,927.4
<b>Other Comprehensive Income</b>			
<i>Item that can be reclassified to profit or loss</i>			
Net gain on cash flow hedges	128.1	(124.9)	-
Loss on exchange differences on translation of foreign operations	(11.1)	(77.9)	(423.3)
	117.0	(202.8)	(423.3)
<i>Item that will never be reclassified to profit or loss</i>			
Remeasurement gain (loss) on defined benefit liability	7.2	7.6	(9.8)
Deferred tax effect on remeasurement gain (loss) on defined benefit liability	(2.2)	(1.9)	2.4
	5.0	5.7	(7.4)
	122.0	(197.1)	(430.7)
<b>Total Comprehensive Income</b>	11,402.5	12,725.6	15,496.7
<b>Attributable to:</b>			
Equity holders of the Parent Company	7,526.4	5,354.4	8,820.6
Non-controlling interest	3,876.1	7,371.2	6,676.1
<b>Total Comprehensive Income</b>	11,402.5	12,725.6	15,496.7

## **CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the Year Ended 31 December

	<b>2021</b>	<b>2022</b>	<b>2023</b>
	Audited	Audited	Audited
Net cash provided by (used in) operating activity	(4,955.6)	(4,508.3)	(2,982.6)
Net cash provided by (used in) investing activity	7,770.2	(454.4)	(3,837.9)
Net cash provided by (used in) financing activity	972.0	2,746.7	4,192.0
Net increase (decrease) in cash and cash equivalents	3,786.6	(2,216.0)	(2,628.5)
<b>Cash at the beginning of the period</b>	<b>3,976.4</b>	<b>7,763.0</b>	<b>5,547.0</b>
<b>Cash at the end of the period</b>	<b>7,763.0</b>	<b>5,547.0</b>	<b>2,918.5</b>

## **SECTION 6. CERTAIN LEGAL PROCEEDINGS**

Neither DoubleDragon nor any of its subsidiaries is a party to nor its properties subject of, any material pending legal proceeding that could be expected to have a material adverse effect on the Offer and on the results of the financials and the operations of DoubleDragon.

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.

## SECTION 7. SUMMARY OF THE OFFER

This Information Memorandum and offering relates to the Fixed Rate Notes with a principal amount of ₱1,000,000,000.00. 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.

<b>Issuer</b>	DoubleDragon Corporation
<b>Sole Arranger and Bookrunner</b>	Philippine Commercial Capital, Inc. (“PCCI Capital”)
<b>Issue</b>	PHP-denominated, SEC-registration exempt, fixed rate corporate notes to be enrolled with the Philippine Dealing and Exchange Corp (the “Fixed Rate Notes”)
<b>Issue Amount</b>	₱1,000,000,000.00
<b>Use of Proceeds</b>	Land banking and acquisitions, and other general corporate purposes
<b>Credit Rating</b>	The Fixed Rate Notes are unrated. The Issuer has a Corporate Credit Rating of PRS Aaa (corp.) with a Stable Outlook from Philippine Rating Services Corporation
<b>Issue Price</b>	Par or 100% of face value
<b>Issue Date</b>	23 May 2024
<b>Form and Denomination</b>	The Fixed Rate Notes 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.
<b>Manner of Offering</b>	<p>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 Rules, and when applicable, duly qualified by a SEC-registered qualified investor registrar.</p> <p>No offering shall be made to individuals or non-resident investors.</p>
<b>Maturity Date</b>	<p>08 September 2028</p> <p>The Fixed Rate Notes shall be redeemed at par or 100% face value on the respective Maturity Date of each series of Fixed Rate Notes unless earlier redeemed or purchased and cancelled by the Issuer.</p> <p>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.</p>
<b>Interest Rate</b>	9.5354% per annum



	Interest shall accrue from the Issue Date until the Maturity Date or when the Fixed Rate Notes are otherwise redeemed
<b>Interest Payment Dates and Interest Payment Computation</b>	<p>Interest payment on the Fixed Rate Notes shall be paid quarterly starting on June 08, September 08, December 08, and March 08, in arrears and will be calculated on a European 30/360-day count basis, regardless of the actual number of days in a month.</p> <p>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.</p>
<b>Title</b>	<p>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.</p> <p>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 stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Noteholder.</p>
<b>Redemption for Taxation Reasons</b>	<p>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 Fixed Rate Notes 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.</p> <p>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 Noteholders.</p>
<b>Redemption due to Change in Law</b>	<p>The Issuer may also redeem the Fixed Rate Notes, 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 Notes or the Trust Agreement or the financial position or operations of the Issuer.</p> <p>A change in law or circumstances ("<b>Change in Law</b>") as it refers to the obligation of the Issuer and to the rights and interests of the Noteholders and the Fixed Rate Notes shall occur if:</p> <p>(a) Any government and/or non-government consent, license,</p>

---

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 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.

---

<b>Negative Pledge</b>	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.
------------------------	--

---

<b>Purchase and Cancellation</b>	The Issuer may purchase the Fixed Rate Notes at any time in the open market or by tender or by contract at the any price, in accordance with PDEX rules applicable to the Fixed Rate Notes, without any obligation to make pro rata purchases 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 in PDEX, the Issuer shall disclose any such transaction in accordance with the applicable disclosure rules of the PDEX.

---

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

---

<b>Covenants</b>	Standard affirmative and negative covenants applicable to securities of a similar nature.
------------------	---

---

<b>Financial Ratios</b>	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.

<b>Registration</b>	The offer of the Fixed Rate Notes 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.
<b>Taxation</b>	<p data-bbox="539 347 1402 481"><u>Documentary Stamp Tax</u> Documentary stamp tax for the primary issue of the Fixed Rate Notes shall be for the Issuer's account.</p> <p data-bbox="539 504 1402 840"><u>Interest on the Fixed Rate Notes</u> Interest income on the Fixed Rate Notes 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.</p> <p data-bbox="539 862 1402 1019">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 BIR and the Issuer.</p> <p data-bbox="539 1041 1402 1444"><u>Sale or Other Disposition of the Fixed Rate Notes</u> 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. 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.</p> <p data-bbox="539 1467 1402 1646">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 Fixed Rate Notes, including the applicability of any state, local or foreign tax laws.</p> <p data-bbox="539 1668 1402 1825">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.</p>
<b>Enrollment or Listing</b>	The Issuer intends to apply for the enrollment of the Fixed Rate Notes 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.
<b>Selling and Transfer</b>	Initial placement of the Fixed Rate Notes and subsequent transfers of

<b>Restrictions</b>	interests therein shall be subject to applicable selling restrictions under Philippine law and the restrictions under PDEX rules.
<b>Non-Reliance</b>	Each 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 each 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. Each 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.
<b>Own Risk</b>	Investment in the Fixed Rate Notes 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 Notes shall be for the account of the Noteholder.
<b>Governing Law</b>	The Fixed Rate Notes will be issued pursuant to the laws of the Republic of the Philippines.
<b>Trustee</b>	Philippine Commercial Capital, Inc.- Trust and Investment Group
<b>Registrar</b>	Philippine Depository & Trust Corporation
<b>Paying Agent</b>	Philippine Depository & Trust Corporation
<b>Market Maker</b>	Philippine Commercial Capital, Inc.

## **SECTION 8. USE OF PROCEEDS**

Following the offer and sale of the Fixed Rate Notes in the amount of ₱1,000,000,000.00, 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 ₱1,000,000,000.00 (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 May 2024 (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 the Trust Agreement and the Registry and Paying Agency Agreement executed on 17 May 2024 (the “**Registry and Paying Agency Agreement**”). among the Issuer, 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)(r) 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**

37<sup>th</sup> 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](mailto:baby_delacruz@pds.com.ph)  
[patricia.garcia@pds.com.ph](mailto: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 9.5354% per annum, payable quarterly in arrears on 8 March, 8 June, 8 September, and 8 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 8 June 2024 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 following requirements the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance. 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 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 BIR-certified true copy of the tax exemption certificate, ruling or opinion addressed to the relevant Noteholder, confirming its exemption or preferential rate; as certified by the Corporate Secretary of the Noteholder as being a true copy of the original on file with the Noteholder, which notarized certification indicates 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;
- (b) with respect to a tax treaty relief, duly submitted BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes and apostilled/consularized Tax Residency Certificate duly issued by the foreign tax authority as required under BIR Revenue Memorandum Order No. 14-2021;
  - (c) A duly notarized undertaking executed by (1) the corporate secretary or any authorized representative of such Noteholder, who has personal knowledge of the exemption based on his official functions, if the buyer purchases, or the Noteholder holds, the Notes for its account, or (2) the trust officer, if the buyer is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Fixed Rate Notes pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting its tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer and the Registrar and Paying Agent of any suspension or revocation of its tax exemption or treaty privileges, and agreeing to indemnify and hold the Issuer and the Registrar and Paying Agent and the Sole Arranger and Bookrunner free and harmless against any claims, actions, suits and liabilities resulting from the non-withholding or reduced withholding the required tax; and
  - (d) such other documentary requirements as may be required by the Issuer, the Registrar and the Paying Agent or as required under the applicable regulations of the relevant taxing or other authorities, which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty 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**

6<sup>th</sup> 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 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.

## **SECTION 10. FINANCIAL INFORMATION**

The following pages set forth DoubleDragon's audited consolidated financial statements for the period ended December 31, 2023, 2022, and 2021.