



DoubleDragon acquires third site for CentralHub warehouse complex

Today, October 26, 2018, the industrial warehouse leasing subsidiary of DoubleDragon Properties Corp. ("DoubleDragon") CentralHub Industrial Centers Inc. ("CentralHub") acquired its third site for CentralHub industrial warehouse complex located in Danao, Cebu.

CentralHub-Cebu will have an initial area of 5.2 hectares with a capacity of 27,212 square meters of industrial warehouse space. This will be the second major hub of CentralHub in the Visayas region following the recent acquisition of CentralHub-Iloilo.

A total of 15.3 hectares of prime industrial land has been acquired by CentralHub to date with a total capacity of 81,219 square meters of industrial warehouse leasable space. This includes its pilot development, CentralHub-Tarlac, whose first phase was already completed and turned over to its commissary tenant.

CentralHub is envisioned to become the leading provider of industrial warehouses in the Philippines through the development of its first eight (8) CentralHub sites by 2020, two (2) of which will be located in North Luzon which include CentralHub-Tarlac, two (2) in South Luzon, two (2) in Visayas which include CentralHub-Iloilo and CentralHub-Cebu and two (2) in Mindanao. These 8 CentralHub locations is projected to have a total capacity of up to 400,000 square meters of warehouse leasable space. Each hub will contain modern standardized multi-use warehouses suited for commissaries, cold storage, light manufacturing and logistic distribution centers. The Company aims to have at least 100,000 square meters of leasable industrial warehouse space spread across 8 CentralHub sites by 2020. CentralHub is expected to play a larger role in DoubleDragon's expansion plans 2020 and beyond.

As e-commerce continues to gradually disrupt the retail industry in the Philippines, DoubleDragon expects that two of its subsidiaries will greatly benefit from this inevitable transition, mainly because:

- (1) CityMall is strategically provincial-only and focusing only on basic necessities with two-thirds of its leasable space is occupied by food and service tenants. CityMall is a platform for modern retail players to continue their growth into new

markets where they are not currently present, providing its modern retail tenants a way to prepare, position and manage the expected effects of e-commerce disruption mainly in tier-1 cities; and

- (2) CentralHub will cater to the rising demand for industrial warehouse space from logistics, commissary, cold storage, distribution, manufacturing, consumer-related and e-commerce companies alike.

“At the current pace of DoubleDragon’s developments that come on-stream and operational, at almost one project completion per week, this naturally translates to a substantial build-up of quality recurring revenue cash flow for the Company,” said DoubleDragon Chairman Edgar “Injap” Sia II.

“We are very enthusiastic over the distinct potential of CentralHub industrial complexes. Just on the pilot phase in CentralHub-Tarlac it is already achieving double digit yields which we expect will further strengthen as CentralHub scale up in number of warehouses. CentralHub is expected to be a major contributor to our growth especially beyond 2020. In addition to the rental income, the company is also able to capitalize on the long-term value appreciation of its prime hard assets,” said DoubleDragon Chief Investment Officer Hannah Yulo.

Industrial warehouse leasing is one of DoubleDragon’s four pillars of growth, which also include provincial retail leasing, office leasing and hotels in line with its vision to be a primarily recurring revenue focused property company. The Company targets to complete a leasable portfolio of 1.2 Million square meters by 2020 comprising of 700,000 square meters from 100 CityMalls, 300,000 square meters from its Metro Manila office projects DD Meridian Park and Jollibee Tower, 100,000 square meters from the planned 5,000 hotel rooms of Hotel101 and Jinjiang Inn Philippines, and another 100,000 square meters of industrial space from 8 CentralHub sites across Luzon, Visayas and Mindanao.

(Please see attached perspectives of CentralHub-Cebu)

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Perspectives of CentralHub-Cebu Danao

