

THESE SECURITIES MAY NOT BE SOLD OR OFFERS TO BUY THE SAME BE ACCEPTED UNTIL A PERMIT TO OFFER TO SELL SECURITIES HAS BEEN ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION. THIS PRELIMINARY OFFER SUPPLEMENT IS SUBJECT TO CHANGE/COMPLETION AND SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.



**PRELIMINARY OFFER SUPPLEMENT**

**Up to ₱5 Billion Fixed Rate Bonds due [2032]  
With an Oversubscription Option of up to ₱5 Billion  
7.77% p.a. Fixed Rate Bonds  
To be issued under its existing ₱30 Billion Debt Securities Program**

**Purchase Price: 100% of Face Value**

To be listed and traded on the Philippine Dealing & Exchange Corp.

**Joint Issue Managers, Joint Lead Underwriters, and Bookrunners**

[•]

**Selling Agent**

[•]

**Trustee**

[•]

This Preliminary Offer Supplement is dated 16 January 2025.

**REGISTRATION STATEMENT RELATING TO THESE SECURITIES WAS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION (“SEC”) AND RENDERED EFFECTIVE ON 8 NOVEMBER 2024 COVERING ₱10 BILLION OF SECURITIES UNDER THE PROSPECTUS DATED 7 NOVEMBER 2024 (“OFFER SUPPLEMENT”) ACCESSIBLE AT [https://www.doubledragon.com.ph/files/reports/DD\\_Bonds\\_Prospectus\\_2024.pdf](https://www.doubledragon.com.ph/files/reports/DD_Bonds_Prospectus_2024.pdf); OF SUCH AMOUNT, ₱10 BILLION OF SECURITIES WERE ISSUED ON 27 NOVEMBER 2024 UNDER THE PROSPECTUS.**

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

**DoubleDragon Corporation**  
**10<sup>th</sup> Floor, Tower 1**  
**DoubleDragon Plaza, DD Meridian Park**  
**Macapagal Ave. cor. EDSA Ext. Bay Area**  
**Pasay City, Philippines**  
**Telephone number (+632) 8856-7111**

This Offer Supplement relates to the proposed offer by DoubleDragon Corporation (“**DoubleDragon**”, the “**Issuer**” or the “**Company**”) through a sale in the Philippines of fixed-rate bonds in the principal amount of up to [up to Five Billion Pesos (₱5,000,000,000.00) (the “**Base Offer**”), with an oversubscription option of up to Five Billion Pesos (₱5,000,000,000.00) (the “**Oversubscription Option**”, together with the Base Offer, the “**Offer**”, and the Bonds subject of the Offer, the “**Second Tranche Bonds**”) to be issued as the second tranche of the Issuer’s existing Thirty Billion (₱30,000,000,000.00) shelf registration for the offering and sale of debt securities (the “**Bonds**”), to be issued in one or more tranches (each a “**Tranche**”) at such times and on such terms as may be determined by the management of the Issuer rendered effective by the Securities and Exchange Commission (“**SEC**”) on 8 November 2024 by virtue of SEC MSRD Order No. 97, Series of 2024 (the “**Debt Securities Program**”).

The Debt Securities Program was authorized by a resolution of the Board of Directors of the Company dated 8 October 2024. A registration statement covering the Debt Securities Program was rendered effective by the SEC by its order dated 8 November 2024. Fixed-rate bonds with a principal amount of ₱10 Billion were issued as the first Tranche of the Debt Securities Program on 27 November 2024 under a Prospectus dated 7 November 2024 (the “**Prospectus**”). An amended registration statement covering the Offer was filed by the Issuer with the SEC on [●].

The Second Tranche Bonds to be issued on 21 February 2025 or the immediately succeeding Business Day if such date is not a Business Day or such other date as may be agreed upon by the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners (“**Issue Date**”). The Second Tranche Bonds shall have a term of [7] years from Issue Date, with a fixed interest rate of [7.77]% per annum. Interest on the Second Tranche Bonds shall be calculated on a European 30/360-day count basis and shall be paid quarterly in arrear. Interest on the Second Tranche Bonds shall be payable quarterly in arrear on 21 May, 21 August, 21 November, and 21 February of each year commencing on 21 May 2025, until and including the Maturity Date (each, an “**Interest Payment Date**”), or the next Business Day if such dates fall on a non-Business Day, without any adjustment to the amount due, provided that if the Issue Date is set at a date other than 21 February 2025, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every quarter following the actual Issue Date. The last Interest Payment Date shall fall on the Maturity Date. Subject to the consequences of default as contained in the Trust Agreement dated [●] executed by and between the Issuer and RCBC Trust Corporation (the “**Trustee**”) and unless otherwise redeemed prior to the Maturity Date, the Second Tranche Bonds shall be redeemed at par (or 100% of face value) on the Maturity Date (see “*Terms and Conditions of the Second Tranche Bonds*” – “*Interest*” on page [61](#) of this Offer Supplement).

An amended registration statement covering the Debt Securities Program and the Offer was filed by the Issuer with the Philippine Securities and Exchange Commission (the “**SEC**”) in accordance with the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799) on [●], 2024 and an application for the listing of the Second Tranche Bonds will be filed with the Philippine Dealing & Exchange Corp (the “**PDEX**”) on or about [●].] and [●] were mandated as the joint issue managers, joint lead underwriters and joint bookrunners of the Offer (the “**Joint Issue Managers, Joint Lead Underwriters, and Bookrunners**”).

After the close of the Offer and within three (3) years following the date on which the Debt Securities Program is rendered effective, the Company may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of Bonds covered by the Debt Securities Program, in one or more subsequent tranches under Rule 8.1.2 of the Implementing Rules and Regulations of the SRC.

The payment obligations of the Issuer under the Second Tranche Bonds shall constitute direct, senior, unconditional, unsubordinated and unsecured obligations of the Issuer, and shall at all times rank *pari passu* and without preference among themselves. The payment obligations of the Issuer under the Second Tranche Bonds shall at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law and (ii) any obligation incurred by the Issuer as allowed by the Trust Agreement, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee prior to the execution of the Trust Agreement. The Second Tranche

Bonds shall effectively be subordinated in right of payment to, among others, all of Issuer's secured debts, and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code (see "Description of the Offer" – "Ranking" on page 61 of this Offer Supplement).

The Second Tranche Bonds have been rated [●] by Philippine Rating Services Corporation ("PhilRatings"). The Second Tranche Bonds have been rated PRS Aaa with Stable Outlook by PhilRatings on 8 January 2025. DoubleDragon is currently rated Aaa by PhilRatings. PRS Aaa is the highest rating assigned by PhilRatings. Obligations rated PRS Aaa are of the highest quality with minimal credit risk. A Stable Outlook means that the rating is likely to be maintained or to remain unchanged in the next twelve months.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization.

The Second Tranche Bonds will be offered to the public at face value through the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners named below with the Philippine Depository & Trust Corp. ("PDTC") as the Registrar of the Bonds. The Second Tranche Bonds shall be issued in minimum denominations of ₱50,000.00 each, and in integral multiples of ₱10,000.00 thereafter. The Second Tranche Bonds shall be traded in denominations of ₱10,000.00 in the secondary market.

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

DoubleDragon expects to raise gross proceeds of up to Five Billion Pesos (₱5,000,000,000.00) from the Base Offer and up to Ten Billion Pesos (₱10,000,000,000.00) assuming full exercise of the Oversubscription Option. The net proceeds from the Offer are estimated to be ₱[●], after deducting fees, commissions, and expenses relating to the issuance. Proceeds of the Offer shall be used to fund the Issuer's general corporate requirements, specifically to increase working capital fund, which are discussed further in the section entitled "Use of Proceeds" on page 82 of this Offer Supplement. The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners shall receive an aggregate fee of up to [●]% exclusive of gross receipts tax ("GRT") on the final aggregate nominal principal amount of the Second Tranche Bonds issued, which is inclusive of underwriting fees and selling commissions to be paid, if any (see "Plan of Distribution" on page 74 of this Offer Supplement).

The Company's current dividend policy provides that at least 30% of the preceding fiscal year's net income after tax will be declared as dividends, subject to (i) the availability of Unrestricted Retained Earnings, (ii) implementation of business plans, (iii) contractual obligations, and (iv) working capital requirements.

The Offer is being conducted exclusively in the Philippines and is pursuant to requirements under Philippine laws, rules and regulations that may be different from those of other countries and jurisdictions. No action has been or will be taken by the Issuer or any person on behalf of the Issuer to permit an offering of the Second Tranche Bonds in any jurisdiction other than the Philippines, where action for that purpose is required. Accordingly, the Second Tranche Bonds may not be offered or sold, directly or indirectly, nor may any offering material relating to the Second Tranche Bonds be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction. Any reproduction or distribution of this Offer Supplement, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Second Tranche Bonds is prohibited. Each investor in the Second Tranche Bonds must comply with all laws applicable to it and must obtain the necessary consent, approvals or permission for its purchase or subsequent offer and sale of the Second Tranche Bonds under the laws and regulations in force in any jurisdiction to which it is subject. None of the Company or the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners will have any responsibility therefor.

This Offer Supplement contains the final terms of the Second Tranche Bonds and must be read in conjunction with the Prospectus. Full information on the Company and this Offer are only available on the basis of the combination of this Offer Supplement, the Prospectus, and all other bond agreements. The information contained in the Prospectus are deemed incorporated by reference in this Offer Supplement. Investors should review all information contained in the Prospectus and this Offer Supplement.

To the best of the Company's knowledge, the Company confirms that, as of the date of this Offer Supplement, the information contained herein relating to the Company and its operations, which are in the context of the Offer (including all material information required by the applicable laws of the Republic of the Philippines), is true and that there is no material misstatement or omission of facts which would make any statement in this Offer Supplement misleading in any material respect and that the Company hereby accepts full and sole responsibility for the accuracy of the information contained in this Offer Supplement with respect to the same. The Company confirms that it has made all reasonable inquiries in respect of the information, data and analysis provided to it by its advisors and consultants or which is otherwise publicly available for inclusion into this Offer Supplement. The Company, however, has not independently verified any such publicly available information, data or analysis.

The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners have exercised the required due diligence in ascertaining that all material representations contained in this Offer Supplement, and any amendment or supplement thereto, are true and correct as of the date hereof and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading in any material respect. Further, the Company confirms that, to the best of its knowledge and belief after having taken reasonable care to ensure that such is the case, as of the date of this Offer Supplement, the information contained in this Offer Supplement relating to the Company and its operations is true and there is no material misstatement or omission of fact which would make any statement in this Offer Supplement misleading in any material respect. The Company hereby accepts full and sole responsibility for the accuracy of the information contained in this Offer Supplement.

Unless otherwise indicated, all information in this Offer Supplement is as at 30 September 2024. Neither the delivery of this Offer Supplement nor any sale made hereunder shall, under any circumstance, create any implication that the information contained herein is correct as of any date subsequent to the date hereof or that there has been no change in the affairs of the Company since such date. Market data and certain industry data used throughout this Offer Supplement were obtained from market research, publicly available information and industry publications. Industry publications generally state that the information contained therein have been obtained from sources believed to be reliable, but that the accuracy and completeness of such information are not guaranteed. Similarly, industry forecasts and market research, while believed to be reliable, have not been independently verified, and neither the Issuer nor any of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners makes any representation or warranty, express or implied, as to the accuracy or completeness of such information. The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners assume no liability for any information supplied by the Company in relation to this Offer Supplement. Each person contemplating an investment in the Second Tranche Bonds should make his own investigation and analysis of the creditworthiness of the Issuer and his own determination of the suitability of any such investment. The risk disclosure herein does not purport to disclose all the risks and other significant aspects of investing in the Second Tranche Bonds. A person contemplating an investment in the Second Tranche Bonds should seek professional advice if he or she is uncertain of or has not understood any aspect of the securities to invest in or the nature of risks involved in trading of securities, especially high-risk securities. For a discussion of certain factors to be considered in respect of an investment in the Second Tranche Bonds, see the section entitled "*Risk Factors*" beginning on page [27](#).

The contents of this Offer Supplement are not investment, legal, or tax advice. In making any investment decision regarding the Second Tranche Bonds, prospective investors must rely on their own examination of the Company and the terms of the Offer, including, without limitation, the merits and risks involved, such prospective investors own determination of the suitability of any such investment with particular reference to their own investment objectives and experience, and any other factors relevant to such investment. Neither the Company nor any of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners makes any representation to any prospective investor regarding the legality of participating in the Offer under any law or regulation. Each prospective investor should be aware that it may be required to bear the financial risks of any participation in the Offer for an indefinite period of time. Prospective investors should consult their own counsel, accountant and other advisors as to legal, tax, business, financial and related aspects of a purchase of the Second Tranche Bonds, among others. Investing in the Second Tranche Bonds involves certain risks. For a discussion of certain factors to be considered in respect of an investment in the Second Tranche Bonds, see the section on "*Risk Factors*" beginning on page [27](#).

THE SECOND TRANCHE BONDS ARE BEING OFFERED ON THE BASIS OF THIS OFFER SUPPLEMENT ONLY. ANY DECISION TO PURCHASE THE SECOND TRANCHE BONDS MUST BE BASED ONLY ON THE INFORMATION CONTAINED HEREIN.

No dealer, salesman or other person has been authorized by the Company or by the Joint Issue Managers,

Joint Lead Underwriters, and Bookrunners to issue any advertisement or to give any information or make any representation in connection with the Company, its associates, or the Offer other than those contained in this Offer Supplement and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorized by the Company or the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners or any of their respective associates.

## **COMPANY INFORMATION**

The Company is a Philippine corporation with its business address at 10<sup>th</sup> Floor, Tower 1 DoubleDragon Plaza, DD Meridian Park Macapagal Ave. cor. EDSA Ext. Bay Area Pasay City, Philippines. The Company's telephone number is (+632) 8856-7111 and its corporate website is <https://www.doubledragon.com.ph>. The information on the Company's website is not incorporated by reference into, and does not constitute part of, this Offer Supplement.

AN APPLICATION FOR PERMIT TO SELL RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SEC BUT HAS NOT YET BEEN ISSUED. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE ISSUANCE OF A PERMIT TO SELL, AND ANY SUCH OFFER MAY BE WITHDRAWN OR REVOKED, WITHOUT OBLIGATION OR COMMITMENT OF ANY KIND, AT ANY TIME PRIOR TO THE NOTICE OF ITS ACCEPTANCE. AN INDICATION OF INTEREST IN RESPONSE HERETO INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. THIS PRELIMINARY OFFER SUPPLEMENT SHALL NOT CONSTITUTE AN OFFER TO SELL OR BE CONSIDERED A SOLICITATION OF AN OFFER TO BUY.

**DOUBLEDRAGON CORPORATION**

By:

**Ferdinand J. Sia**  
President

REPUBLIC OF THE PHILIPPINES )  
CITY OF ) S.S.

Before me, a notary public for and in the city named above, personally appeared the affiant, known to me and to me known to be the same person who presented the foregoing instrument and signed the instrument in my presence, who took an oath before me as to such instrument, and who presented to me his evidence of identity, as follows: Passport No. \_\_\_\_\_ issued on \_\_\_\_\_ and issued by \_\_\_\_\_.

Witness my hand and seal this \_\_\_\_\_ at \_\_\_\_\_ City.

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2024.

## FORWARD-LOOKING STATEMENTS

This Offer Supplement contains certain 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 that may cause the actual results, performance or achievements of the Company to be materially different from any future results; and
- performance or achievements expressed or implied by forward-looking statements.

All statements other than statements of historical facts contained in this Offer Supplement constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms, such as “anticipate”, “target”, “believe”, “can”, “would”, “could”, “estimate”, “endeavor”, “expect”, “aim”, “intend”, “may”, “might”, “plan”, “will”, “foresee”, “seek”, “would”, “shall”, “should”, “is/are likely to”, or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition and results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include but are not limited to statements as to the business strategy, revenue and profitability, planned projects and other matters as they relate to the Issuer and the Company discussed in this Offer Supplement regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this Offer Supplement (whether made by the Issuer, the Company or by any third party) involve known and unknown risks, including those disclosed under the section “*Risk Factors*”, assumptions, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward-looking statements speak only as of the date of this Offer Supplement. Each of the Company, the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, the Trustee and the Selling Agents, if any, expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer’s or the Company’s expectations with regard thereto or any change of events, conditions or circumstances, on which any such statement was based.

The factors that could cause actual results, performance and achievements of to be materially different include, among others:

- the Company’s ability to anticipate and respond to market trends;
- the Company’s ability to successfully implement its current and future strategies;
- the Company’s ability to successfully manage its growth;
- the Company’s ability to begin construction of its projects without delays due to regulatory or other causes;
- the Company’s ability to successfully manage its future business, financial condition, results of operations and cash flow;
- the Company’s management’s expectations and estimates concerning its future financial performance;
- the Company’s capital expenditure program and other liquidity and capital resources requirements;
- the Company’s level of indebtedness;
- Increasing competition in the industry and in the areas in which the Company, its Subsidiaries

and its Affiliates operate;

- general political, social and economic conditions in the Philippines;
- any future political instability in the Philippines;
- the condition of and changes in the Philippine, Asian or global economies;
- changes in interest rates, inflation rates and the value of the Peso against the U.S. dollar and other currencies;
- changes to the laws, including tax laws, regulations, policies and licenses applicable to or affecting the Company;
- competition in the Philippine commercial real estate and hospitality industries;
- legal or regulatory proceedings in which the Company is or may become involved;
- uncontrollable events, such as war, civil unrest or acts of international or domestic terrorism, the outbreak of contagious diseases, accidents and natural disasters; and
- those other risks identified in the “*Risk Factors*” section of this Offer Supplement as well as other factors beyond the Company’s control.

None of the Issuer, the Company, the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, the Trustee or the Selling Agents, if any, or any of their respective affiliates, directors, employees, agents or advisers assumes any obligation to update or revise publicly any of the opinions or forward-looking statements expressed in this Offer Supplement as a result of any new information, future events or otherwise, subject to compliance with all applicable laws.

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## DEFINITION OF TERMS

|   |  |
|---|--|
| Affiliate                                     | With respect to any Person, any other Person directly or indirectly Controlled, or is under common Control by such Person  |
| Anti-Money Laundering Laws of the Philippines | RA No. 9160, as amended by RA No. 9194, RA No. 10167, and RA No. 11521, and BSP Circular Nos. 251, 253, 279, 527, 564, 608, 612, and 706, and all other amendatory and implementing law, regulation, jurisprudence, notice, or order of any Government Authority body relating thereto   |
| Applicable Law                                | Any statute, law, regulation, ordinance, rule, judgment, order, decree, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Government Authority  |
| Applicant                                     | A Person who shall duly accomplish the Application as defined herein and who shall deliver the same to the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners in accordance with the Underwriting Agreement  |
| Application or Application to Purchase        | The form actually accomplished and submitted by the Applicant for the purchase of the Second Tranche Bonds   |
| Articles of Incorporation and By-Laws         | Document filed with the SEC by all Corporations organized under the laws of the Philippines which contains the name of the Corporation, its specific purpose, its principal place of business, its corporate term, details of incorporators and directors and the amounts of its authorized capital stock, amount of subscribed capital and paid-up capital stock                  |
| Associate                                     | Refers to an entity over which DoubleDragon has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have control or joint control over those policies   |
| Business Day                                  | Any day other than Saturday, Sunday and public holidays, on which commercial banks in Pasay City and Makati City and the Philippine Clearing House Corporation are generally open for the transaction of business; provided, that all other days otherwise specified herein shall mean calendar days which shall be construed as successive periods of twenty-four (24) hours each |
| Base Offer                                    | Second Tranche Bonds in the principle amount of up to ₱5,000,000,000.00  |
| BIR   | Bureau of Internal Revenue   |
| Board   | The Board of Directors of DoubleDragon, unless context clearly provides otherwise  |
| Bond Agreement                                | Underwriting Agreement, Trust Agreement, and the Registry and Paying Agency Agreement  |
| Bondholder                                    | A Person whose name appears, at the relevant time, in the Register of Bondholders as the registered owner of the Second Tranche Bonds  |
| Bonds   | The unsecured fixed-rate Peso-denominated bonds of up to Thirty  |

Billion Pesos (₱30,000,000,000.00) under a shelf-registered debt program, to be issued in one or more tranches at such times and on such terms as may be determined by management (the “**Debt Securities Program**”).

|  |   |
|--|---|
| BSP                                    | Bangko Sentral ng Pilipinas   |
| CHCI                                   | CentralHub Industrial Centers Inc.  |
| CityMall                               | CityMall Commercial Centers Inc.  |
| Company                                | DoubleDragon Corporation  |
| Control                                | The possession, directly, or indirectly, by a Person of the power to direct or cause the direction of the management and policies of another Person whether through the ownership of voting securities or otherwise; provided, however, that the direct or indirect ownership of over fifty percent (50.0%) of the voting capital stock, registered capital or other equity interest of a Person is deemed to constitute control of that Person, and “Controlling” and “Controlled” have corresponding meanings |
| COVID-19                               | Novel coronavirus disease 2019  |
| Corporation                            | As defined in the Revised Corporation Code, an artificial being created by operation of law, having the right of succession and the powers, attributes and properties expressly authorized by law or incident to its existence  |
| CORTT                                  | Certificate of Tax Residence for Tax Treaty Relief  |
| CUSA                                   | Common Usage Service Area   |
| DD Majority Shareholders               | Honeystar and III   |
| DE Ratio                               | Debt-to-Equity Ratio  |
| DDHH                                   | DD HappyHomes Residential Centers Inc.  |
| DDMTC                                  | DD Meridian Tower Corp.   |
| DDPMC                                  | DoubleDragon Property Management Corp.  |
| DDMPR                                  | DDMP REIT, Inc.   |
| DDMP REIT Fund Managers                | DDMP REIT Fund Managers, Inc.   |
| DDMP REIT Property Managers            | DDMP REIT Property Managers, Inc.   |
| DDSC                                   | DoubleDragon Sales Corp.  |
| DDWPL                                  | DDPC Worldwide Pte. Ltd.  |
| Debt Securities Program or the Program | The Shelf Registration of DoubleDragon Corporation in the principal amount of up to Thirty Billion Pesos (₱30,000,000,000.00) under a   |

shelf-registered debt program (the “**Bonds**”), to be issued in one or more tranches at such times and on such terms as may be determined by management

|                      |  |
|----------------------|--|
| DHSUD                | the Department of Human Settlements and Urban Development  |
| DoubleDragon         | DoubleDragon Corporation   |
| DSCR                 | Debt Service Coverage Ratio  |
| First Tranche Bonds  | the first tranche of Bonds issued under the Debt Securities Program  |
| Government           | The Government of the Republic of the Philippines  |
| Government Authority | The Republic of the Philippines, or any political subdivision or agency thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to the Government, and any national agency or body vested with jurisdiction or authority over any Person  |
| GOCC                 | Government-owned or controlled corporations  |
| HOA                  | Hotel of Asia, Inc.  |
| HUDCC                | the Department of Human Settlements and Urban Development  |
| Honeystar            | Honeystar Holdings Corporation   |
| Hotel101 Global      | Hotel101 Global Pte. Ltd.  |
| IGFTC                | Iloilo-Guimaras Ferry Terminal Corp.   |
| III                  | Injap Investments, Inc.  |
| IPO                  | Initial Public Offering  |
| Indebtedness         | <p>with respect to any Person at any date of determination (without duplication), all obligations of such Person then outstanding for the payment or repayment of money, including:</p> <p>(i) all Indebtedness or other obligations of the Issuer for borrowed money or for the deferred purchase price of property or services and similar arrangements (including, but not limited to, reimbursement obligations under or in respect of any letter of credit or bank acceptance and the obligation to repay deposits with or advances to such Person);</p> <p>(ii) all obligations secured by any lien on any property of such Person, whether or not such obligations have been assumed by such Person; and</p> <p>(iii) all direct or indirect guarantees of such Person in respect of, and all obligations (contingent or otherwise) of such Person to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, all Indebtedness of another Person, if and to the extent any of the preceding items would appear as a liability on the balance sheet of the specified Person prepared in accordance with PFRS or the equivalent relevant local accounting standard, and so that where the amount of Indebtedness is required to be calculated, no amount shall be taken into account more than once in the same calculation and,</p> |

where the amount is to be calculated on a consolidated basis in respect of a corporate group, monies borrowed or raised, or other Indebtedness, as between members of such group shall be excluded. Notwithstanding the foregoing, "Indebtedness" shall not include (i) any capital commitments, purchase commitments or similar obligations incurred in connection with the acquisition, development, construction or improvement of real or personal property (including land use rights); provided that, such obligation is not reflected on the statement of financial position of the Issuer (contingent obligations referred to in a footnote to the Financial Statements and not otherwise reflected on the statement of financial position will not be deemed to be reflected on such statement of financial position); (ii) trade payables, accrued expenses and tax payable; and (iii) lease liabilities that would have been classified as "operating leases" under PAS 17, the accounting standard for leases prior to PFRS 16.

For the purposes of determining the amount of Indebtedness, (i) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortised portion of the original issue discount of such Indebtedness at such time as determined in conformity with PFRS; and (ii) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to pre-fund the payment of the interest on such Indebtedness shall be deemed not to be Indebtedness so long as such money is held to secure the payment of such interest.

|  |   |
|--|---|
| Issue Date   | 21 February 2025, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such later date as may be mutually determined by the Issuer and the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners for the issuance of the Second Tranche Bonds. In the event that the original Issue Date is moved to the succeeding Business Day, the interest accruing for the first Interest Period shall accrue from (and including) such adjusted Issue Date, without adjustment to the Interest Payment Date |
| Issue Price  | At par, which is equal to the face value of the Second Tranche Bonds  |
| Issuer   | DoubleDragon  |
| JFC  | Jollibee Food Corporation   |
| Joint Issue Managers, Joint Lead Underwriters, and Bookrunners | Land Bank of the Philippines, RCBC Capital Corporation, and Unicaptial, Inc.  |
| LEED   | Leadership in Energy & Environmental Design   |
| LGC  | RA No. 7160, otherwise known as the Local Government Code, as may be amended from time to time, and including the rules and regulations issued thereunder   |
| LGU  | Local Government Unit   |
| Lien   | With respect to any Person, any lien, pledge, mortgage, charge, hypothecation, encumbrance or other security or preferential arrangement on or with respect to any asset or revenue of such Person  |
| Master Bond Certificate  | Refers to the certificates representing the Second Tranche Bonds sold in the Offer issued to and registered in the name of the Trustee, on behalf of the Bondholders  |

|                         |   |
|-------------------------|---|
| Material Adverse Effect | In relation to the Issuer, refers to a material and adverse effect on (a) the business, operations, property, condition (financial or otherwise), or prospects of the Issuer and its Subsidiaries taken as a whole, or (b) the ability of the Issuer to perform or comply with its obligations or to exercise any of its rights under the Second Tranche Bonds and the Bond Agreements or under any other instrument or agreement required thereunder, or (c) the legality, validity or enforceability of this Agreement or the rights, power and remedies of the Bondholder under this Terms and Conditions. |
| MSME                    | Micro, Small and Medium Enterprises   |
| NASDAQ                  | National Association of Securities Dealers Automated Quotations   |
| Offer Period            | Shall refer to the period commencing at 9:00 a.m. on 3 February 2025 and ending at 5:00 p.m. on 14 February 2025 or on such other dates as the Issuer and the Joint Issue Managers, Joint Lead Underwriters, and Joint Bookrunners may agree upon in relation to the offer of the Second Tranche Bonds.   |
| Oversubscription Option | The oversubscription option for the Second Tranche Bonds exercisable by the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners with the consent of the Issuer to increase the Base Offer by up to ₱5,000,000,000.00   |
| PCLI                    | Piccadilly Circus Landing Inc.  |
| PDEX                    | Philippine Dealing & Exchange Corp.   |
| PDEX Rules              | PDEX Rules for the Fixed Income Securities Market, as amended, and as the same may be revised from time to time, as well as all other related rules, guidelines, and procedures that may be issued by PDEX  |
| Person                  | An Individual, corporation, partnership, association, joint stock Company, trust, any unincorporated organization, or a government or political subdivision thereof   |
| PFRS                    | Philippine Financial Reporting Standards  |
| Philippine Pesos or ₱   | The lawful currency of the Philippines  |
| PhilRatings             | Philippine Ratings Services Corporation   |
| POGO                    | Philippine Offshore Gaming Operator   |
| PSE                     | The Philippine Stock Exchange, Inc.   |
| Public Offering         | Refers to the random or indiscriminate offering of securities in general to anyone who will buy, whether solicited or unsolicited as per the SRC IRR  |
| RA                      | Republic Act  |
| REIT LAW                | R.A. No. 9856, otherwise known as the Real Estate Investment Trust (“REIT”) Act of 2009, and its implementing rules and regulations, as they may be amended from time to time   |

|   |  |
|---|--|
| Revised Corporation Code or RCC             | RA No. 11232, otherwise known as the Revised Corporation Code of the Philippines, amending Batas Pambansa Blg. 68 (or the Corporation Code of the Philippines), and as may be further amended from time to time, and including the rules and regulations issued thereunder   |
| Record Date                                 | The cut-off date in determining Bondholders entitled to receive interest or principal amount due, as used with respect to any Payment Date shall mean the day which is two (2) Business Days prior to the relevant Interest Payment Date; provided that if such day falls on a non-Business Day, the Record Date shall be the Business Day immediately preceding said date |
| Register of Bondholders                     | The electronic register which shows the legal title to the Second Tranche Bonds, maintained by the Registrar, pursuant to and under the terms of the Registry and Paying Agency Agreement  |
| Registrar and Paying Agent or the Registrar | Philippine Depository & Trust Corp.  |
| Registration Statement                      | Registration Statement covering the debt securities program rendered effective on 8 November 2024.   |
| Registry and Paying Agent Agreement         | Agreement dated [•] entered into between the Company and the Registrar and Paying Agent in relation to the Second Tranche Bonds  |
| REIT  | real estate investment trust   |
| Robinsons Land or RLC                       | Robinsons Land Corp.   |
| RPT   | Real Property Tax  |
| RTC   | Regional Trial Court   |
| SC  | Supreme Court  |
| SEC   | The Securities and Exchange Commission of the Philippines  |
| Second Tranche Bonds                        | the second tranche of Bonds issued under the Debt Securities Program   |
| Selling Agents                              | Institutions who are authorized under Philippine law to act as such and whose role is to help facilitate the sale and distribution of the Second Tranche Bonds. The Selling Agents for this Offer are each of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, and East West Banking Corporation  |
| Shelf Period                                | A period of three years from the date of effectivity of the Registration Statement, subject to any extension as may be granted by the SEC, within which securities under the Debt Securities Program may be offered  |
| SRC   | RA No. 8799, otherwise known as the Securities Regulation Code of the Philippines, as amended and may be amended from time to time, including the rules and regulations issued thereunder  |
| SRC IRR                                     | 2015 Implementing Rules and Regulations of the SRC   |
| Tax Code                                    | Presidential Decree No. 1158, otherwise known as the National Internal   |

Revenue Code, as amended and may be further amended from time to time, including the rules and regulations issued thereunder

Trust Agreement                      Trust Indenture Agreement dated [•] entered into between the Company and the Trustee in relation to the Second Tranche Bonds

Trustee                                      RCBC Trust Corporation

Underwriting Agreement              Issue Management and Underwriting Agreement dated [•] entered into between the Company and the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners in relation to the Second Tranche Bonds

US\$ or USD or U.S. dollar              The lawful currency of the United States of America

VAT    Value Added Tax

ZFC    Zenith Foods Corporation, a wholly owned subsidiary of JFC

## EXECUTIVE SUMMARY

*The following section discusses updates to the executive summary after the date of the Prospectus, and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information, and financial statements and notes thereto appearing elsewhere in this Preliminary Offer Supplement. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Preliminary Offer Supplement carefully, including the section entitled “Risk Factors and Other Considerations” and the audited consolidated financial statements and the related notes to those statements included in this Preliminary Offer Supplement and the Prospectus.*

### OVERVIEW

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

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

In 2021, the Company further strengthened its balance sheet with the public offering of shares and listing of DDMP REIT, Inc. (formerly DD Meridian Park Development Corp. (“**DDMPDC**”)) (“**DDMPR**”) and the equity infusion by JFC and its subsidiary into CentralHub Industrial Centers, Inc. (“**CHICI**”), DoubleDragon’s industrial leasing subsidiary. As of 30 September 2024, the Company’s total equity was ₱94.90 billion and its gross Debt-to-Equity was 0.77x, which is below the Company’s cap of 2.33x.

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

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

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

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

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

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

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

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

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

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

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

operating nationwide in the Philippines.

DoubleDragon reported Consolidated Net Income of ₱2.53 Billion for the first nine months ending 30 September 2024 as compared to the same period the prior year.

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

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

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

Total Assets increased to ₱192.43 Billion in the first nine months ending 30 September 2024. Total Equity increased to ₱94.90 Billion in the first nine months ending 30 September 2024 making DoubleDragon on track to exceed ₱100 Billion in Total Equity for the first time in 2024. DoubleDragon happens to be one of the very few companies that has not only positioned a diversified hard asset portfolio spread out across the Philippines, but it also happens to be one of the very few that has organically developed a novel asset-light concept and highly unique business model in Hotel101 ("**HBnB**") that is portable and exportable to other continents globally. The export of Hotel101 is expected to eventually become one of the major US Dollar inflow generator to the Philippine economy.

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

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

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

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

DoubleDragon in less than 10 years has completed over 1.3 million square meters of diversified asset portfolio consisting of a chain of provincial community malls in Luzon, Visayas and Mindanao, office buildings in Metro Manila, hotels in the Philippines and overseas, and warehouse complexes around the country.

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

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

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

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

## RECENT DEVELOPMENTS

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

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

### Hotel101 Global App hits half a million registered users milestone

On 30 October 2024, the Issuer's subsidiary Hotel101 Global has achieved milestone of exceeding 500,000 (half a million) registered users on its Hotel101 Global APP. The next milestone of 1 million registered users is expected to be attained by the end of 2024.

## COMPETITIVE STRENGTHS

The Company's business is characterized by the following competitive strengths:

- diversified Philippine property group with four recurring income growth pillars;
- well-defined execution capability with a proven track record;
- first mover advantage as the leading community mall operator outside of Tier 1 cities;
- well-positioned to benefit from positive macroeconomic fundamentals in the Philippines;
- supported by strategic partnerships with credible local and international business groups; and
- experienced board and management team with strong corporate governance.

## BUSINESS STRATEGIES

The key elements of the Company's business strategy are:

- a nationwide expansion plan to grow recurring income stream across four property pillars: retail, office, industrial and hospitality;
- identifying shifts and capitalising on real estate segments where it can be a leading player;
- focus on building recurring revenue based on a foundation of appreciating assets and operate a capital efficient business model; and
- maintain a strong balance sheet, prudent risk and capital management and good governance.

## RISKS OF INVESTING

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

### Risks relating to the Company's Business

- Management and implementation of growth or expansion strategies;
- Historical results may not be indicative of its future performance;
- Coronavirus pandemic and other adverse public health developments;
- Differing interests of joint venture partners;
- Risks associated with deferred payment schemes, including customer default;
- Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and

Government regulations;

- Inability to benefit from a favorable retail environment;
- Inability to benefit from a favorable business environment;
- Competition for the acquisition of land for new projects and risks relating to the management of its land bank;
- Risk relating to its leasing business;
- Cyclical property market;
- Asset bubble in real estate;
- Highly competitive real estate market;
- Liquidity Risk;
- Risks relating to project cost and completion;
- Multiple related-party transactions with affiliated companies;
- Tiles may be contested;
- Projects may be located in areas covered by the Indigenous Peoples' Rights Act;
- Inability to obtain the best lease terms;
- Disruptions in financial markets;
- Refinancing risk;
- Regulatory risk;
- Reputational risk;
- Inability of independent contractors to meet the Company's standards or complete projects;
- Liability for construction defects and other building-related claims;
- Insurance risk;
- Inability to protect its brand image or interest in trademarks and domain names;
- Conflicting interests of DD Majority Shareholders;
- Dependence on key executives;
- Deterioration in employee relations;
- Legal proceedings risk;
- Sales cancelations;
- Electronic commerce platforms risk;
- Adoption of deferred provision on revenue recognition;
- Tax and other new regulation risk;

#### **Risks relating to the Philippines**

- Risks associated with the Philippines in general;
- Volatility of the Peso;
- Credit rating risk;
- Economic slowdown;
- Political instability;
- Terrorism and violent crimes;
- Natural or other catastrophes;
- Territorial disputes;
- Developments outside the Philippines;

#### **Risks relating to the Bonds**

- Unsecured obligations;
- Holding company with limited assets;
- Substantial leverage and debt service obligations;
- Payments are subordinated;
- Restrictive covenants;
- No preference;
- Other capital raising;
- Liquidity and price volatility;
- Credit rating and label retention;
- Optional redemption;
- Modification and waivers by less than all of the Bondholders;

#### **Risks relating to statements in this Offer Supplement**

- No independent verification of statistical and industry data;
- Deviation from use of proceeds; and
- Information from unofficial publications.

A detailed discussion on the above-enumerated risks appears on the “*Risk Factors*” section on page[•] of this Offer Supplement. The “*Risk Factors*” section of this Offer Supplement includes additional risks or updated discussions of certain risks to those stated in the Prospectus, and must be read in conjunction with the Prospectus. Please see pages 27-58 of the Prospectus for a complete discussion of other Risks Relating to the Company’s Business, Risks Relating to the Philippines, Risks Relating to the Bonds, and Risks Relating to the Statements in the Prospectus.

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The summary historical consolidated financial and operating information as of 31 December 2023, 2022, and 2021 set forth below have been derived from, and should be read in conjunction with the audited consolidated financial statements and the notes thereto, included in the Offer Supplement, which were audited in accordance with Philippine Standards on Auditing. The financial and operating information presented below as of 30 September 2024 were derived from the unaudited interim consolidated financial statements of the Issuer. R.G. Manabat & Co. (“RGM”), is a member firm of KPMG International.

Potential investors should read the following data together with the more detailed information contained in “Management’s Discussion and Analysis of Results of Operations” and the consolidated financial statements and related notes included in the Offer Supplement. The following data is qualified in its entirety by reference to all of that information.

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

As of 30 September 2024

|   | (Unaudited)                    |                |                         | (Audited)       |                |
|---|--------------------------------|----------------|-------------------------|-----------------|----------------|
|   | Nine Months Ended September 30 |                | Years Ended 31 December |                 |                |
|   | 2024                           | 2023           | 2023                    | 2022            | 2021           |
| <b>INCOME</b>   |                                |                |                         |                 |                |
| Rent income   | ₱2,984,570,471                 | ₱2,799,988,388 | <b>₱3,069,901,899</b>   | ₱3,237,808,132  | ₱3,420,413,009 |
| Real estate sales   | 838,618,516                    | 1,210,391,583  | <b>1,353,923,660</b>    | 1,536,286,229   | 778,084,021    |
| Hotel revenues  | 618,143,255                    | 457,086,661    | <b>671,672,070</b>      | 478,865,495     | 577,925,107    |
| Unrealized gains from changes<br>in fair values of investment property  | -                              | -              | <b>16,482,580,156</b>   | 7,484,825,891   | 9,667,665,180  |
| Income from forfeitures   | -                              | -              | <b>60,784,006</b>       | 4,572,248       | 21,659,710     |
| Interest income   | 58,653,299                     | 87,751,963     | <b>195,515,998</b>      | 63,101,706      | 94,473,724     |
| Others – net  | 1,920,376,313                  | 1,590,804,338  | <b>2,907,502,128</b>    | 1,324,847,077   | 1,365,615,357  |
|   | 6,420,361,854                  | 6,146,022,933  | <b>24,741,879,917</b>   | 14,130,306,778  | 15,925,836,108 |
| <b>COSTS AND EXPENSES</b>   |                                |                |                         |                 |                |
| Cost of real estate sales   | 429,901,247                    | 617,300,337    | <b>644,771,282</b>      | 860,600,043     | 434,024,370    |
| Cost of hotel operations  | 432,749,223                    | 320,493,927    | <b>493,929,215</b>      | 335,339,091     | 326,289,350    |
| Selling expenses  | 117,803,109                    | 92,486,575     | <b>116,339,563</b>      | 164,529,147     | 127,401,011    |
| General and administrative expenses                                     | 1,532,031,683                  | 1,350,934,607  | <b>3,066,755,839</b>    | 2,613,855,837   | 2,281,984,861  |
| Interest expense  | 1,179,968,287                  | 1,142,375,426  | <b>2,265,309,234</b>    | 1,944,141,097   | 1,720,301,746  |
|   | 3,692,453,549                  | 3,523,590,872  | <b>6,587,105,133</b>    | 5,918,465,215   | 4,890,001,338  |
| <b>INCOME BEFORE INCOME TAX</b>   | 2,727,908,305                  | 2,622,432,061  | <b>18,154,774,784</b>   | 8,211,841,563   | 11,035,834,770 |
| <b>INCOME TAX EXPENSE</b>   |                                |                |                         |                 |                |
| Current   | -                              | -              | <b>74,442,187</b>       | 205,502,967     | 33,269,891     |
| Deferred  | -                              | -              | <b>2,152,973,094</b>    | (4,916,386,677) | (277,908,750)  |
|   | 195,349,186                    | 149,517,511    | <b>2,227,415,281</b>    | (4,710,883,710) | (244,638,859)  |
| <b>NET INCOME</b>   | 2,532,559,119                  | P2,472,914,550 | <b>15,927,359,503</b>   | 12,922,725,273  | 11,280,473,629 |
| <b>OTHER COMPREHENSIVE<br/>INCOME (LOSS)</b>                            |                                |                |                         |                 |                |
| <i>Items that can be reclassified to<br/>profit or loss</i>             |                                |                |                         |                 |                |
| Net gain (loss) on cash flow hedges                                     | -                              | -              | -                       | (124,900,600)   | 128,048,157    |
| Loss on exchange differences on<br>translation of foreign operations    | -                              | -              | <b>(423,298,190)</b>    | (77,904,258)    | (11,070,749)   |
|   | -                              | -              | <b>(423,298,190)</b>    | (202,804,858)   | 116,977,408    |
| <i>Item that will never be reclassified<br/>to profit or loss</i>       | -                              | -              | -                       | -               | -              |
| Remeasurement gain (loss) on<br>defined benefit liability               | -                              | -              | <b>(9,780,974)</b>      | 7,629,282       | 7,234,766      |
| Deferred tax effect on<br>remeasurement on defined benefit<br>liability | -                              | -              | <b>2,445,245</b>        | (1,907,321)     | (2,160,579)    |
|   | -                              | -              | <b>(7,335,729)</b>      | 5,721,961       | 5,074,187      |

|                                   |                       |                       |                        |                        |                        |
|-----------------------------------|-----------------------|-----------------------|------------------------|------------------------|------------------------|
|                                   | -                     | -                     | (430,633,919)          | (197,082,897)          | 122,051,595            |
| <b>TOTAL COMPREHENSIVE INCOME</b> | <b>₱2,532,559,119</b> | <b>₱2,472,914,550</b> | <b>₱15,496,725,584</b> | <b>₱12,725,642,376</b> | <b>₱11,402,525,224</b> |

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 30 September 2024 and 31 December 2023

|  | September 30, 2024     | December 31, 2023      | Horizontal Analysis   |              | Vertical Analysis |               |
|--|------------------------|------------------------|-----------------------|--------------|-------------------|---------------|
|  | (Unaudited)            | (Audited)              | Increase (Decrease)   |              | 2024              | 2023          |
| <b>ASSETS</b>  |                        |                        |                       |              |                   |               |
| <b>Current Assets</b>  |                        |                        |                       |              |                   |               |
| Cash and cash equivalents  | 5,370,154,075          | 2,918,467,996          | 2,451,686,079         | 84.0%        | 2.8%              | 1.6%          |
| Receivables - net  | 16,927,677,016         | 14,295,415,072         | 2,632,261,944         | 18.4%        | 8.8%              | 7.9%          |
| Inventories  | 5,635,831,110          | 4,522,224,068          | 1,113,607,042         | 24.6%        | 2.9%              | 2.5%          |
| Due from related parties   | 49,356,220             | 49,356,220             | -                     | 0.0%         | 0.0%              | 0.0%          |
| Prepaid expenses and other   |                        |                        |                       |              |                   |               |
| current assets - net   | 6,785,833,275          | 6,248,446,537          | 537,386,738           | 8.6%         | 3.5%              | 3.4%          |
| <b>Total Current Assets</b>  | <b>34,768,851,696</b>  | <b>28,033,909,893</b>  | <b>6,734,941,803</b>  | <b>24.0%</b> | <b>18.1%</b>      | <b>15.5%</b>  |
| <b>Noncurrent Assets</b>   |                        |                        |                       |              |                   |               |
| Receivables - net of current portion                                     | 298,601,611            | 298,601,611            | -                     | 0.0%         | 0.2%              | 0.2%          |
| Property and equipment - net   | 1,236,797,469          | 1,201,682,700          | 35,114,769            | 2.9%         | 0.6%              | 0.7%          |
| Goodwill and intangible assets   | 1,080,156,441          | 1,091,535,467          | (11,379,026)          | -1.0%        | 0.6%              | 0.6%          |
| Investment property  | 152,198,116,822        | 147,937,015,015        | 4,261,101,807         | 2.9%         | 79.1%             | 81.6%         |
| Right-of-use assets - net of current portion                             | 4,815,777              | 15,331,566             | (10,515,789)          | -68.6%       | 0.0%              | 0.0%          |
| Deferred tax assets  | 233,819,399            | 145,948,729            | 87,870,670            | 60.2%        | 0.1%              | 0.1%          |
| Other noncurrent assets  | 2,607,833,074          | 2,515,921,894          | 91,911,180            | 3.7%         | 1.4%              | 1.4%          |
| <b>Total Noncurrent Assets</b>   | <b>157,660,140,593</b> | <b>153,206,036,982</b> | <b>4,454,103,611</b>  | <b>2.9%</b>  | <b>81.9%</b>      | <b>84.5%</b>  |
| <b>Total Assets</b>  | <b>192,428,992,289</b> | <b>181,239,946,875</b> | <b>11,189,045,414</b> | <b>6.2%</b>  | <b>100.0%</b>     | <b>100.0%</b> |
| <b>LIABILITIES AND EQUITY</b>  |                        |                        |                       |              |                   |               |
| <b>Current Liabilities</b>   |                        |                        |                       |              |                   |               |
| Accounts payable and other current liabilities                           | 6,927,016,470          | 8,420,812,394          | (1,493,795,924)       | -17.7%       | 3.6%              | 4.6%          |
| Short-term notes payable and current maturities                          | 16,594,647,560         | 15,283,212,952         | 1,311,434,608         | 8.6%         | 8.6%              | 8.4%          |
| Customers' deposits  | 1,435,056,277          | 685,020,347            | 750,035,930           | 109.5%       | 0.7%              | 0.4%          |
| Due to related parties   | 560,811,433            | 560,812,383            | (950)                 | 0.0%         | 0.3%              | 0.3%          |
| Dividends payable  | 1,087,105,890          | 486,308,726            | 600,797,164           | 123.5%       | 0.6%              | 0.3%          |
| Income tax payable   | 29,110,004             | 18,038,820             | 11,071,184            | 61.4%        | 0.0%              | 0.0%          |
| <b>Total Current Liabilities</b>   | <b>26,633,747,634</b>  | <b>25,454,205,622</b>  | <b>1,179,542,012</b>  | <b>4.6%</b>  | <b>13.8%</b>      | <b>14.0%</b>  |
| <b>Noncurrent Liabilities</b>  |                        |                        |                       |              |                   |               |
| Long-term notes payable - net of current maturities and debt issue costs | 37,047,317,917         | 29,425,257,668         | 7,622,060,249         | 25.9%        | 19.3%             | 16.2%         |
| Bonds payable - net of bond issue costs                                  | 19,702,057,779         | 18,553,351,918         | 1,148,705,861         | 6.2%         | 10.2%             | 10.2%         |
| Lease liabilities - net of current portion                               | 1,313,468,577          | 1,219,162,429          | 94,306,148            | 7.7%         | 0.7%              | 0.7%          |
| Deferred tax liabilities   | 11,532,222,068         | 10,695,557,305         | 836,664,763           | 7.8%         | 6.0%              | 5.9%          |
| Retirement benefits liability  | 45,795,658             | 45,795,658             | -                     | 0.0%         | 0.0%              | 0.0%          |
| Other noncurrent liabilities   | 1,257,038,736          | 1,278,244,992          | (21,206,256)          | -1.7%        | 0.7%              | 0.7%          |
| <b>Total Noncurrent Liabilities</b>                                      | <b>70,897,900,735</b>  | <b>61,217,369,970</b>  | <b>9,680,530,765</b>  | <b>15.8%</b> | <b>36.8%</b>      | <b>33.8%</b>  |
| <b>Total Liabilities</b>   | <b>97,531,648,369</b>  | <b>86,671,575,592</b>  | <b>10,860,072,777</b> | <b>12.5%</b> | <b>50.7%</b>      | <b>47.8%</b>  |

| <b>Equity</b>                        |                        |                 |                |       |        |        |
|--------------------------------------|------------------------|-----------------|----------------|-------|--------|--------|
| <b>Equity Attributable to Equity</b> |                        |                 |                |       |        |        |
| <b>Holder of the Parent</b>          |                        |                 |                |       |        |        |
| <b>Company</b>                       |                        |                 |                |       |        |        |
| Capital stock                        | <b>237,310,060</b>     | 237,310,060     | -              | 0.0%  | 0.1%   | 0.1%   |
| Preferred shares                     | <b>10,000,000,000</b>  | 10,000,000,000  | -              | 0.0%  | 5.2%   | 5.5%   |
| Additional paid-in capital           | <b>5,540,589,852</b>   | 5,540,589,852   | -              | 0.0%  | 2.9%   | 3.1%   |
| Retained earnings                    | <b>37,516,027,305</b>  | 37,357,785,252  | 158,242,053    | 0.4%  | 19.5%  | 20.6%  |
| Treasury stock                       | <b>(391,673,305)</b>   | (391,673,305)   | -              | 0.0%  | -0.2%  | -0.2%  |
| Retirement benefits liability        | <b>(679,646,928)</b>   | (510,591,641)   | (169,055,287)  | 33.1% | -0.4%  | -0.3%  |
|                                      | <b>52,222,606,984</b>  | 52,233,420,218  | (10,813,234)   | 0.0%  | 27.1%  | 28.8%  |
| <b>Non-controlling interest</b>      | <b>42,674,736,936</b>  | 42,334,951,065  | 339,785,871    | 0.8%  | 22.2%  | 23.4%  |
| <b>Total Equity</b>                  | <b>94,897,343,920</b>  | 94,568,371,283  | 328,972,637    | 0.3%  | 49.3%  | 52.2%  |
| <b>Total Liabilities and Equity</b>  | <b>192,428,992,289</b> | 181,239,946,875 | 11,189,045,414 | 6.2%  | 100.0% | 100.0% |

## CONSOLIDATED STATEMENTS OF CASH FLOWS

As at 30 September 2024

|   | Unaudited                      |                 |                         | (Audited)               |                 |
|---|--------------------------------|-----------------|-------------------------|-------------------------|-----------------|
|   | Nine Months Ended September 30 |                 |                         | Years Ended December 31 |                 |
|   | 2024                           | 2023            | 2023                    | 2022                    | 2021            |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                                |                 |                         |                         |                 |
| Income before income tax  | ₱2,727,908,305                 | ₱2,622,432,061  | <b>₱18,154,774,784</b>  | ₱8,211,841,563          | ₱11,035,834,770 |
| Adjustments for:  |                                |                 |                         |                         |                 |
| Unrealized gains from changes in fair values of investment property | -                              | -               | <b>(16,482,580,156)</b> | (7,484,825,891)         | (9,667,665,180) |
| Interest expense  | 1,179,968,287                  | 1,142,375,426   | <b>2,265,309,234</b>    | 1,944,141,097           | 1,720,301,746   |
| Impairment loss on receivables                                      | 39,856,480                     | 40,349,660      | <b>796,078,002</b>      | 373,719,876             | 387,344,960     |
| Interest income   | (58,653,299)                   | (87,751,963)    | <b>(195,515,998)</b>    | (63,101,706)            | (94,473,724)    |
| Depreciation and amortization                                       | 86,517,672                     | 41,415,571      | <b>175,576,873</b>      | 234,551,431             | 162,557,861     |
| Retirement costs  | -                              | -               | <b>5,978,110</b>        | 7,118,103               | 8,153,966       |
| Operating income before working capital changes                     | 3,975,597,445                  | 3,758,820,755   | <b>4,719,620,849</b>    | 3,223,444,473           | 3,552,054,399   |
| Decrease (increase) in:   |                                |                 |                         |                         |                 |
| Receivables   | (2,151,500,276)                | (2,245,849,508) | <b>(3,318,627,267)</b>  | (4,874,407,833)         | (2,277,039,532) |
| Inventories   | (1,113,607,042)                | (305,820,763)   | <b>(1,664,635,052)</b>  | (466,188,192)           | (79,589,030)    |
| Due from related parties  | -                              | -               | <b>2,790,750</b>        | 3,003,030               | -               |
| Prepaid expenses and other current assets                           | (537,386,737)                  | (360,596,544)   | <b>(526,547,512)</b>    | (843,582,457)           | (370,716,322)   |
| Increase (decrease) in:   |                                |                 |                         |                         |                 |
| Accounts payable and other current liabilities                      | (746,427,850)                  | (996,454,961)   | <b>2,163,307,321</b>    | 2,036,643,074           | (1,715,848,315) |
| Customers' deposits   | 750,035,930                    | 112,088,764     | <b>407,849,613</b>      | (229,153,563)           | (31,550,899)    |
| Due to related parties  | (950)                          | (9,506,901)     | <b>(7,066,077)</b>      | (159,734,923)           | (263,918,719)   |
| Cash generated from (used for) operations                           | 176,710,520                    | (47,319,158)    | <b>1,776,692,625</b>    | (1,309,976,391)         | (1,186,608,418) |
| Interest received   | 4,046,304                      | 87,751,963      | <b>83,592,707</b>       | 49,800,710              | 43,761,462      |
| Interest paid   | (3,212,154,805)                | (3,335,312,839) | <b>(4,330,991,493)</b>  | (3,059,285,556)         | (3,724,803,512) |
| Income tax paid   | (11,574,357)                   | (629,475)       | <b>(511,918,103)</b>    | (188,826,852)           | (87,961,967)    |
| Net cash used in operating activities                               | (3,042,972,338)                | (3,295,509,509) | <b>(2,982,624,264)</b>  | (4,508,288,089)         | (4,955,612,435) |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                                |                 |                         |                         |                 |
| Increase in non-controlling interest                                | -                              | -               | -                       | 2,095,107,907           | 3,845,764,073   |
| Net proceeds from secondary offering of shares of a subsidiary      | -                              | -               | -                       | -                       | 8,983,606,572   |
| Additions to:   |                                |                 |                         |                         |                 |
| Investment property   | (1,929,808,711)                | (1,237,719,348) | <b>(3,205,752,900)</b>  | (3,184,053,596)         | (2,201,858,120) |
| Property and equipment  | (110,253,415)                  | (825,274,713)   | <b>(641,834,328)</b>    | (55,020,547)            | (126,244,369)   |
| Other intangible assets   | -                              | -               | <b>(4,698,846)</b>      | (5,453,901)             | (9,990,001)     |
| Additional investment in a subsidiary                               | -                              | -               | -                       | -                       | (1,922,882,036) |
| Additions to investments in associates                              | -                              | -               | -                       | -                       | (382,884,451)   |
| Decrease (increase) in other noncurrent assets                      | (91,140,417)                   | (247,157,955)   | <b>14,378,858</b>       | 695,030,659             | (415,306,505)   |
| Net cash provided by (used in) investing activities                 | (2,131,202,543)                | (2,310,152,016) | <b>(3,837,907,216)</b>  | (454,389,478)           | 7,770,205,163   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                         |                                |                 |                         |                         |                 |
| Proceeds from:  |                                |                 |                         |                         |                 |
| Availment of notes, net of debt issue costs                         | 10,757,779,527                 | 7,179,540,909   | <b>₱7,584,232,549</b>   | ₱14,625,829,353         | ₱12,700,273,271 |
| Availment of bonds  | 10,820,150,480                 | 3,579,009,554   | <b>3,615,000,000</b>    | -                       | -               |
| Payment of:   |                                |                 |                         |                         |                 |
| Notes and loans, net of debt issue costs                            | (1,989,665,392)                | (3,134,471,021) | <b>(4,002,749,880)</b>  | (9,706,053,453)         | (9,290,628,455) |
| Bonds   | (9,700,000,000)                | -               | -                       | -                       | -               |
| Dividends   | (2,081,812,363)                | (1,561,709,487) | <b>(2,504,265,932)</b>  | (1,990,241,492)         | (2,064,740,813) |
| Lease liability   | (159,415,519)                  | -               | <b>(227,885,591)</b>    | (242,819,780)           | (12,413,264)    |
| Redemption of common shares   | -                              | -               | -                       | (224,513,305)           | -               |
| Increase (decrease) in other noncurrent liabilities                 | (21,175,773)                   | (281,846,848)   | <b>(272,331,860)</b>    | 284,441,954             | (360,399,259)   |

|   |                |                |                        |                 |                |
|---|----------------|----------------|------------------------|-----------------|----------------|
| Net cash provided by financing activities                   | 7,625,860,960  | 5,780,523,107  | <b>4,191,999,286</b>   | 2,746,643,277   | 972,091,480    |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b> | 2,451,686,079  | 174,861,582    | <b>(2,628,532,194)</b> | (2,216,034,290) | 3,786,684,208  |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>       | 2,918,467,996  | 5,547,000,190  | <b>5,547,000,190</b>   | 7,763,034,480   | 3,976,350,272  |
| <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>             | P5,370,154,075 | P5,721,861,772 | <b>P2,918,467,996</b>  | P5,547,000,190  | P7,763,034,480 |

## OTHER FINANCIAL DATA AND RATIOS

|   | Unaudited<br>30 September<br>2024 | 31 December<br>2023 | 31 December<br>2022 | 31 December<br>2021 |
|---|-----------------------------------|---------------------|---------------------|---------------------|
| Current Ratio <sup>(1)</sup>            | 1.31                              | 1.10                | 1.27                | 1.20                |
| Asset to Equity <sup>(2)</sup>          | 2.03                              | 1.92                | 1.92                | 2.04                |
| Debt to Equity Ratios                   |                                   |                     |                     |                     |
| <i>On Gross Basis</i> <sup>(3)</sup>    | 0.77x                             | 0.67x               | 0.69x               | 0.74x               |
| <i>On Net Basis</i> <sup>(4)</sup>      | 0.72x                             | 0.64x               | 0.62x               | 0.62x               |
| Return on Equity <sup>(5)</sup>         | 2.88%                             | 19.05%              | 12.93%              | 19.79%              |
| Net Income to Revenue <sup>(6)</sup>    | 23.45%                            | 37.39%              | 39.29%              | 46.49%              |
| Revenue Growth <sup>(7)</sup>           | 4.46%                             | 75.10%              | -11.27%             | 11.66%              |
| Net Income Growth <sup>(8)</sup>        | 5.16%                             | 23.25%              | 14.56%              | 87.22%              |
| EBITDA <sup>(9)</sup>                   | P3,994.39<br>Million              | P20.60 Billion      | P10.39 Billion      | P12.92 Billions     |
| Acid Test Ratio <sup>(10)</sup>         | 0.84                              | 0.68                | 0.85                | 0.82                |
| Solvency Ratio <sup>(11)</sup>          | 0.027x                            | 0.19                | 0.17                | 0.16                |
| Interest Coverage Ratio <sup>(12)</sup> | -                                 | 4.71                | 3.32                | 3.92                |

*Notes:*

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

## **OVERVIEW OF THE DEBT SECURITIES PROGRAM**

*Please refer to pages 20-21 of the Prospectus.*

## SUMMARY OF THE OFFERING

*The following is a summary of the terms of the offering of the Second Tranche Bonds and is qualified in its entirety by the remainder of this Offer Supplement. For a more complete description of the Terms and Conditions of the Second Tranche Bonds, see “Terms and Conditions of the Bonds.” Some of the terms described below are subject to important limitations and exceptions.*

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

|                         |   |   |
|-------------------------|---|---|
| Issuer                  | : | DoubleDragon Corporation  |
| Issue                   | : | SEC-registered fixed-rate, Philippine Peso-denominated Bond constituting the direct, unconditional, unsecured and unsubordinated obligations of the Issuer.   |
| Base Offer              | : | Up to Five Billion Pesos (₱5,000,000,000.00) Fixed-rate Bonds   |
| Oversubscription Option | : | Up to Five Billion Pesos (₱5,000,000,000.00) Fixed-rate Bonds   |
| Issue Price             | : | 100% of face value  |
| Interest Rate           | : | Fixed interest rate 7.77% per annum   |
| Tenor                   | : | 7 years   |
| Bond Rating             | : | The Second Tranche Bonds have been rated PRS Aaa by the Philippine Rating Services Corporation on 8 January 2025.<br><br>The rating is subject to regular annual reviews, or as the market dictates, while the Second Tranche Bonds are outstanding.<br><br>A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organization. |
| Use of Proceeds         | : | Proceeds of the Offer shall be used by the Company to fund the Issuer’s general corporate requirements, specifically to increase working capital funds. For a detailed discussion on the Use of Proceeds please refer to the section on “Use of Proceeds.”  |
| Offer Period            | : | The Offer shall commence at 9:00 a.m. on 3 February 2025 and end at 5:00 p.m. on 14 February 2025 or on such other date as the Issuer and the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners may agree upon.  |
| Issue Date              | : | 21 February 2025, or the immediately succeeding Business Day if such Issue Date is not a Business Day, or such later date as may be mutually determined by the Issuer and the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners. In the event that the original Issue Date is moved to the succeeding Business Day, the interest accruing  |

for the first Interest Period shall accrue from (and including) such adjusted Issue Date, without adjustment to the Interest Payment Date.

Maturity Date or Redemption Date : 7 years from the Issue Date, provided that, in the event that such Maturity Date falls on a day that is not a Business Day, the Maturity Date shall be the immediately succeeding Business Day, without adjustment to the amount of interest and principal to be paid.

Interest Payment Date : The Interest shall be paid quarterly in arrear on 21 May, 21 August, 21 November, and 21 February of each year commencing on 21 May 2025, until and including the Maturity Date (each, an “Interest Payment Date”), or the next Business Day if such dates fall on a non-Business Day without any adjustment in the amount of interest as originally computed. The last Interest Payment Date shall fall on the Maturity Date.

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

If the Issue Date is set at a date other than 21 February 2025, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date (or if there is no day so numerically corresponding, such date shall pertain to the last day of such calendar month). The last Interest Payment Date shall fall on the relevant Maturity Date.

Form and Denomination : The Second Tranche Bonds shall be issued in scripless form in minimum denominations of ₱50,000.00 each, and in multiples of ₱10,000.00 thereafter.

Final Redemption : Unless previously purchased and cancelled, the Second Tranche Bonds will be redeemed at par or 100% face value on the relevant Maturity Date. However, if the Maturity Date is not a Business Day, payment of all amounts due on such date will be made by the Issuer through the Paying Agent, without adjustment in computation as to the amount of interest payable and principal amount, on the succeeding Business Day.

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

| Early Redemption Option Dates                  | Early Redemption Price |
|--|------------------------|
| On the [•] <sup>th</sup> Interest Payment Date | [•]%                   |

|  |      |
|--|------|
| On the [•] <sup>th</sup> Interest Payment Date | [•]% |
| On the [•] <sup>th</sup> Interest Payment Date | [•]% |

The Issuer shall give not less than thirty (30) nor more than sixty (60) days prior written notice to the Bondholders through the Trustee of its intention to redeem the Second Tranche Bonds, which notice shall be irrevocable and binding upon the Issuer to effect such early redemption of the Second Tranche Bonds on the Early Redemption Option Date stated in such notice. Upon receipt by the Trustee of such notice fully complying with these. For the avoidance of doubt, notice to the Trustee shall be considered notice to the Bondholders.

Redemption for Taxation Reasons : The Issuer may redeem the Second Tranche Bonds in whole, but not in part, on any Interest Payment Date (having given not more than sixty (60) nor less than thirty (30) days' notice to the Trustee) at par plus accrued interest, subject to the requirements of Applicable Law, if payments under the Second Tranche Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on 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.

For avoidance of doubt, the Issuer shall not be liable for the payment of the additional or increased taxes on the income of the Bondholders, which shall be for the account of the Bondholders.

Redemption Due to Change in Law : The Company may also redeem the Second Tranche Bonds, in whole (not in part), at any time having given not less than 30 nor more than 60 days' written notice prior to the intended date of redemption, such notice to be deemed irrevocable upon issuance thereof, if any Change in Law (as defined below) will materially and adversely affect the ability of the Issuer to comply with its obligations under the Second Tranche Bonds or the Trust Agreement or the financial position or operations of the Issuer. For a detailed discussion, please refer to "*Terms and Conditions of the Bonds – Redemption and Purchase – Redemption due to Change in Law*" on page [62](#) of this Offer Supplement.

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

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

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

|  |   |
|--|---|
| Transfer of Ownership  | Trading of the Second Tranche Bonds shall be coursed through a PDEX Trading Participant, subject to the applicable PDEX Rules and conventions. Upon any assignment of the Second Tranche Bonds, title shall pass by recording the transfer from the transferor to the transferee in the electronic Register of Bondholders to be maintained by the Registrar.   |
| Status of the Bonds  | The Second Tranche Bonds constitute direct, unconditional, unsecured, and unsubordinated Peso denominated obligations of the Issuer and shall rank <i>pari passu</i> and ratably without any preference or priority amongst themselves and at least <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations of the Issuer, other than (i) obligations preferred by the law and (ii) any obligation incurred by the Issuer as allowed by the Trust Agreement, and (iii) other Indebtedness or obligations disclosed by the Issuer to the Trustee prior to the execution of the Trust Agreement.. The Second Tranche Bonds shall effectively be subordinated in right of payment to, among others, all of Issuer's secured debts, and all of its debt that is evidenced by a public instrument under Article 2244(14) of the Civil Code. |
| Listing  | : The Issuer intends to list the Second Tranche Bonds in the PDEX on Issue Date.  |
| Non-Reliance   | : Each Bondholder also represents and warrants to the Trustee that it has independently and, without reliance on the Trustee, made its own credit investigation and appraisal of the financial condition and affairs of the Issuer on the basis of such documents and information as it has deemed appropriate and that it has subscribed to the Issue on the basis of such independent appraisal, and each Bondholder represents and warrants that it shall continue to make its own credit appraisal without reliance on the Trustee. The Bondholders agree to indemnify and hold the Trustee harmless from and against any and all liabilities, damages, penalties, judgments, suits, expenses and other costs of any kind or nature against the Trustee in respect of its obligations hereunder, except for its gross negligence or willful misconduct.                 |
| Own Risk   | : Bondholders understand and acknowledge that investment in the Second Tranche Bonds is not covered by the Philippine Deposit Insurance Corporation (“ <b>PDIC</b> ”) and that any loss or depreciation in the value of the assets of the Bondholders, resulting from the investments or reinvestment in the Second Tranche Bonds and the regular conduct of the Trustee's trust business shall be for the account of the Bondholder.   |
| Governing Law  | : The Second Tranche Bonds will be issued pursuant to the laws of the Republic of the Philippines.  |
| Joint Issue Managers, Joint Lead Underwriters, and Bookrunners | : [•]   |
| Registry and Paying Agent                                      | : Philippine Depository & Trust Corp.   |

Address: 37th Floor Enterprise Centre Tower 1 Ayala Avenue, Makati City, Metro Manila

Contact No.: (632) 8884-4425

Fax No.: (632) 8757-6025

E-mail: baby\_delacruz@pds.com.ph

patricia.garcia@pds.com.ph

Attention: JOSEPHINE F. DELA CRUZ  
Director

PATRICIA CAMILLE R. GARCIA  
Registry Officer

Trustee : RCBC Trust Corporation

Indicative Timeline : Receipt of Permit to Sell..... 31 January 2025  
Listing Date.....21 February 2025

## RISK FACTORS

*This section includes additional risks or updated discussions of certain risks to those stated in the Prospectus and must be read in conjunction with the Prospectus. The following section is qualified in its entirety by, and should be read in conjunction with, the more detailed information found in the Prospectus.*

*Investing in the Second Tranche Bonds involves a number of risks. The price of securities can and does fluctuate, and any individual security is likely to experience upward or downward movements and may even become valueless. There is an inherent risk that losses may be incurred rather than profits made as a result of buying and selling securities. There is additional risk in investing in securities of companies with relatively low capitalization. Past performance is not indicative of future performance and results, and there may be a large difference between the buying price and the selling price of the Second Tranche Bonds.*

*The Company believes that the following factors may affect its ability to fulfil its obligations under the Second Tranche Bonds. Most of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with the Second Tranche Bonds are described below.*

*The Company believes that the factors described below represent the principal risks inherent in investing in the Second Tranche Bonds, but the inability of the Company to pay interest, principal or other amounts on or in connection with the Second Tranche Bonds may occur for other reasons which may not be considered significant risks by the Company based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offer Supplement, including the audited financial statements of the Company and notes relating thereto, and reach their own views prior to making any investment decision.*

*The section below does not purport to be a comprehensive disclosure of all of the risks and other significant aspects of participating in the Offer but is intended to give a prospective bondholder of the scope of risks involved in participating in the Second Tranche Bonds. The occurrence of any of the events discussed below and any additional risks and uncertainties not currently known to the Company or that are currently considered immaterial could have a material adverse effect on the business, results of operations, financial condition and prospects of the Company and prospective investors may lose all or part of their investment. An investor deals in a range of investments each of which may carry a different level of risk. Prospective bondholders should seek professional advice if they are uncertain of, or have not understood any aspect of the Issuer or the nature of risks involved in purchasing and holding the Second Tranche Bonds. Each potential bondholder should undertake its own evaluation or consult its own counsel, accountant and other advisors regarding legal, tax, business, financial and related aspects of participation in the Second Tranche Bonds. Potential bondholders may request from the SEC information on the Bonds and the Issuer, which are available to the public. DoubleDragon and the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners do not make any warranty of representation on the marketability of participation in the Offer.*

*The risk factors discussed in this section are of equal importance, and are presented in no particular order.*

### **RISKS RELATING TO THE COMPANY'S BUSINESS**

**The Company may not be able to successfully manage and implement its growth or expansion strategies.**

Having met its leaseable portfolio target of 1.2 million sq.m. of completed gross floor area (“GFA”), comprising primarily of its chain of CityMalls nationwide, from its Metro Manila office projects DD Meridian Park, DD Meridian Tower, Jollibee Tower, and Robinsons DoubleDragon Square from planned hotel rooms of Hotel101 and Jinjiang Inn Philippines, and from its various CentralHub industrial warehouse complexes, the Company intends to continue to pursue a strategy of revenue optimisation for its retail leasing, office leasing, hospitality, and industrial leasing operations, with the goal of maximising recurring revenue. As of 30 September 2024, the Company had 46 operational malls and seven CityMalls under construction, with an additional land bank for 14 CityMalls. As of

30 September 2024, the Company also had six operational hotels with 1,482 rooms, with seven hotels under construction and expected to add another 3,463 rooms, and an additional ten hotels under planning and development stages. The Company also completed the construction of Jollibee Tower and phases 1, 2 and 4 of DD Meridian Park, comprising DoubleDragon Plaza, DoubleDragon Center East, DoubleDragon Plaza West and DoubleDragon Tower. As of 30 September 2024, Ascott-DD Meridian Park, the third phase of DD Meridian Park, and DD Meridian Tower are under construction. As of 30 September 2024, the Company owns 10 CentralHub sites across the Philippines, with a total of 60.57 hectares of prime industrial land. Five of the Company's CentralHub sites, namely CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig, are currently operational. CentralHub-Sta Barbara Iloilo, CentralHub-Davao, CentralHub-Cebu are under construction while CentralHub-Surigao and CentralHub-Negros are currently in the development stages. As of 30 September 2024, Phases 1 and 2 of CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig were all fully leased out. Phases 3 and 4 of CentralHub-Tarlac are pending tenant turnover. Further, on 30 September 2022, the Company, through its subsidiaries, fully paid for the acquisition of a prime 9,000 sq.m. parcel of land in Hokkaido Prefecture, Japan. The Company expects to develop its first international Hotel101 development, named Hotel101-Niseko, on such acquired land. The Company aims to acquire two additional Hotel101 properties outside the Philippines, and is in the process of identifying suitable land for these developments in Europe and the United States.

While, the Company believes that it has the ability and resources to create a market leading business model by leveraging on its end-to-end capabilities as a real estate developer and owner, encompassing site identification, master planning, development, marketing, leasing, business events, and client relationship management, there can be no assurance that, in the course of implementing its growth strategy, the Company will not experience capital constraints, delays in obtaining relevant licences and permits, construction delays, operational difficulties at new operational locations or difficulties in operating existing businesses and training personnel to manage and operate the expanded business.

The Company also does not have a track record of developing real estate outside the Philippines, and may face unexpected costs, unique challenges and difficulties in other jurisdictions, such as Japan as well as the jurisdictions of additional Hotel101 sites. There is also no assurance that the Company's ventures outside the Philippines will be successful. For example, although the Company aims to develop its international hospitality projects where Filipinos have historically visited to leverage its brand equity, there may be fewer than expected local and international tourist arrivals in these jurisdictions.

The Company may also experience delays resulting from independent contractors who are not able to complete projects on time due to various factors, including a lack of available manpower. See "*– Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.*" Any inability or failure to adapt effectively to growth or to become a predominantly recurring income company, including constrains on management and logistics, could result in losses or development costs that are not recovered as quickly as anticipated, if at all. Further, there is no assurance that the Company will be able to generate enough cash flows to service, or otherwise not default on, any of its existing loan payables or any of its future debt obligations. Any such default may lead to trigger cross defaults and/or subject the Company to litigation and other proceedings filed by its lenders. These could have a material adverse effect on the Company's reputation and on its business, financial condition and results of operations.

The expansion of the Company's businesses will also require the Company to manage additional relationships with third parties such as potential retailers, suppliers and contractors, including international contractors for its international hospitality projects. The Company has also recently commenced operations of certain industrial leasing sites and may encounter issues. For example, the Company may have insufficient experience in dealing with topics associated with the new business, such as applicable laws relating to the environment as well as different construction, operational and marketing requirements. There can be no assurance that the Company's continued expansion into industrial leasing will be successful. There can also be no assurance that there will be a market for the Company's industrial leasing business. As a result, the Company's decision to pursue such expansion could have a material adverse effect on the Company's reputation and its business.

Further, there can be no assurance that the Company's plan to pivot to an investment holding company will result in its continued growth or that it will be able to successfully invest in other opportunities outside the property sector, if at all. There can also be no assurance that the Company will be able to successfully implement its expansion plans with respect to its Hotel101 brand outside the Philippines. See "*Business Strategies*" for more information.

**Although the Company plans to increase the percentage of its recurring income through the continued expansion of its leasing portfolio, historically the Company's revenues have been driven primarily by real estate sales and growth in fair value of its investment property. Therefore, its historical results may not be indicative of its future performance.**

The Company is in the process of transitioning to a recurring revenue model, with the intention of earning a significant majority of its income from its leasing portfolio. In the past three years, the Company has been steadily building its leasing portfolio and acquisition of suitable sites for its retail leasing, office leasing, industrial leasing and hospitality operations. The Company chooses the locations of its projects based on specific criteria depending on the type of leasing activity. For example, the Company plans for all CityMall sites to be in prime locations along main roads to increase visibility and maximise exposure and accessibility to its target market. Another example is DD Meridian Park, which is strategically located in the corner of EDSA, Roxas Boulevard and Macapagal Avenue, all of which are main thoroughfares in Metro Manila close to the Entertainment City and the SM Mall of Asia complex. The Company's recurring revenue, consisting of its rent income and income from hotel operations, was 25.1%, 26.3% 15.1%, and 56.1% of its total revenues for the years ended 31 December 2021, 2022 and 2023, and the nine months ended 30 September 2024 respectively.

However, historically a substantial portion of the Company's revenue was from real estate sales and unrealized gains from changes in fair values of investment property. For the years ended 31 December 2021, 2022 and 2023, these sources of revenue accounted for, in the aggregate, 65.6%, 63.8% and 72.1% of the Company's total revenue, respectively. No unrealised gains from changes in fair values of investment property for the nine months ended 30 September 2024 and real estate sales accounted for [•]% of the Company's total revenue for the nine months ended 30 September 2024. These revenues are primarily from (i) the sale of units in the Company's interim residential projects and Hotel101 units and (ii) the annual increase in the fair value of DD Meridian Park and Jollibee Tower. (See "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Valuation of investment properties*" for more information.) In addition, as property values in the area surrounding DD Meridian Park stabilise and several of the Company's properties approach completion, the Company may not be able to realise increases in fair value in amounts or at levels that the Company has recognised in the past, or at all. Further, the Company may also incur losses in the fair value of its investment property in the future due to various factors, including but not limited to deterioration of the assets, or decline in property values, in the area where such investment property is located. In addition, the Company's debt covenants may depend on its asset valuations or its ability to crystallise the appraised values in case of any disposals.

The previous results of the Company reflect its interim projects and the increase in fair value of its projects under construction, and are not reflective the Company's plans to significantly increase its retail leasing, office leasing, industrial leasing and hospitality operations. As such, the Company's historical results may not be indicative of its future performance or operations, and there is no assurance that the Company will be able to successfully implement its strategy of increasing its recurring revenue through its leasing portfolio. Investors should not rely on the Company's historical results as an indicator of the Company's future financial performance.

**The Company's business may be materially and adversely affected by the coronavirus pandemic and other adverse public health developments.**

*Please refer to page 29 of the Prospectus.*

**The interests of the Company's joint venture partners may differ from those of the Company and such partners may take actions that adversely affect the Company or its subsidiaries.**

*Please refer to pages 30-31 of the Prospectus.*

**The Company is exposed to risks associated with offering deferred payment schemes, including the risk of customer default.**

*Please refer to page 31 of the Prospectus.*

**Increased inflation, fluctuations in interest rates, changes in Government borrowing patterns and Government regulations could have a material adverse effect on the Company's and its customers' ability to obtain financing.**

The Company obtains long-term financing with fixed interest rates to cover the capital expenditures needed to develop its projects. There is no assurance that the Company can continue to raise the additional financing needed to execute its future plans at the current terms.

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

- Higher interest rates make it more expensive for the Company to borrow funds to finance ongoing projects or to obtain financing for new projects and will affect the levered return margins of the Company.
- Because the Company believes that a substantial portion of its customers procure financing to fund their purchases of condotels or residential units in the Company's interim projects, higher interest rates make financing, and therefore purchases of real estate, more expensive, which could adversely affect demand for the Company's residential projects.
- If the Government significantly increases its borrowing levels in the domestic currency market, this could increase the interest rates charged by banks and other financial institutions and also effectively reduce the amount of bank financing available to both prospective property purchasers and real estate developers, including the Company.
- The Company's access to capital and its cost of financing are also affected by restrictions, such as single borrower limits, imposed by the BSP on bank lending. If the Company were to reach the single borrower limit with respect to their current or preferred bank or banks, the Company may have difficulty obtaining financing on the same or similar commercial terms from other banks.
- Increased inflation in the Philippines could result in an increase in raw materials costs, which the Company may not be able to pass on to its customers as increased prices or to its contractors by having the Company's contractors absorb raw material cost increases.

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

On 18 August 2022, the Monetary Board increased the interest rate on RRP to 3.75%, overnight deposit to 3.25%, and lending rates to 4.25%, effective 19 August 2022. On 22 September 2022, the Monetary Board decided to raise the interest rate on the BSP's overnight reverse repurchase facility by 50 basis points to 4.25%, effective on 23 September 2022. Accordingly, the interest rates on the overnight deposit and lending facilities were raised to 3.75% and 4.75%, respectively. The Monetary Board on 17 November 2022 again raised interest rates on the BSP's overnight reverse repurchase facility by 75 basis points to 5.0%, effective 18 November 2022. Accordingly, the interest rates on the overnight deposit and lending facilities will be set to 4.5% and 5.5%, respectively. On December 2022, the Monetary Board set another increase on interest rates to combat inflation. On 16 February 2023, the interest rate of the BSP's overnight reverse repurchase facility was raised by 50 basis points to 6.0%, effective 17 February 2023. Thus, interest rates on the overnight deposit and lending facilities will be set to 5.5% and 6.5%, respectively, to temper inflation. There is no assurance that interest rates in the Philippines will not further increase in the future, including in response to inflationary pressures resulting from higher food, energy and other commodity prices, economic growth, tax reforms and global developments.

**The Company's rollout of CityMalls may not be successful, and the Company's existing malls may not be able to continue to benefit from a favorable retail environment.**

A significant part of the Company's expansion strategy entails the opening of new CityMalls in suitable locations in various provincial areas of the Philippines, including in areas where the Company does not currently have a presence. There can be no assurance that the Company will be able to identify and procure suitable sites for its new CityMalls. There is also no assurance that such new CityMalls will be successful or profitable.

The success of the Company's CityMalls depends on the shift of consumer preference in the provinces from traditional retailers and local neighborhood stores to a store in a modern retail format. The Company positions its CityMalls as the modern alternative to traditional retailers (i.e., local neighborhood store or provincial-branded store with a regional footprint) in first class municipalities and second and third class cities in the Philippines, and are meant to provide a venue for modern retail concepts in the provinces. Further, the Company intends to continue implementing what it believes to be an effective strategy for the selection of sites, and rollout, of CityMalls. For example, the Company positions its CityMall sites in prime locations along main roads to increase visibility and maximise exposure and accessibility to its target market.

Further, expansion into new geographical areas will also expose the Company to additional operational, logistical and other risks. The Company may find it difficult to obtain regulatory or local government approvals for its new CityMalls in these areas due to differences in local requirements and processes. The Company may also experience difficulty in building the "CityMall" brand in these new areas or maintaining its typical tenant mix or store offerings for each CityMall. For example, certain of the Company's CityMalls may not have a "FoodWorld" or a grocery store due to the location thereof. The Company's proposed expansion will also place increased demands on its managerial, operational, financial and administrative resources. Any difficulties the Company experiences with respect to developing its business operations in new geographical areas may materially and adversely affect the Company's business, financial condition and results of operations.

In addition, there can be no assurance that the Company's existing CityMalls will be able to operate on a profitable basis if the current retail environment becomes less favorable to the Company and/or its tenants. The surrounding environment of the Company's existing CityMalls may also change in terms of consumer demographics, or in terms of store mix, as different businesses move in or out of the surrounding areas. Pandemics such as COVID-19, or quarantine measures implemented in relation thereto, have resulted and may result in limited foot traffic in the Company's existing CityMalls, which will adversely affect the Company's tenants. If the Company fails to predict and respond to changes in the retail environment, the Company's business, financial condition and results of operation may be materially and adversely affected.

As of September 30, 2024, 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.

**The Company's rollout of CentralHub industrial centers may not be successful, and the Company's existing industrial centers may not be able to continue to benefit from a favorable business environment.**

As part of the four pillars of the Company's recurring revenue strategy, the Company plans to manage and develop CentralHub industrial centers in each of the provinces in the Philippines. As of 30 September 2024, the Company owns 10 CentralHub sites across the Philippines, with a total of 60.57 hectares of prime industrial land. Five of the Company's CentralHub sites, namely CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig, are currently operational. CentralHub-Sta Barbara Iloilo, CentralHub-Davao, CentralHub-Cebu and CentralHub-Negros are under construction while CentralHub-Surigao is currently in the development stages. As of 30 September 2024, Phases 1 and 2 of CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig were all fully leased out. Phases 3 and 4 of CentralHub-Tarlac are pending tenant turnover.

The Company also acquired a 3.9-hectare parcel of land in Iloilo for its second CentralHub

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

There can be no assurance that the Company will be able to identify and procure suitable sites for its new CentralHub sites, and there is no assurance that the Company's operating industrial centers or future industrial centers will be successful or profitable.

The success of the Company's CentralHub industrial centers depends on the take up of concessionaires and other distributors in provincial areas. Further, expansion into new geographical areas will also expose the Company to additional operational, logistical and other risks. The Company may find it difficult to obtain regulatory or local government approvals for its new CentralHub industrial centers in these areas due to differences in local requirements and processes. The Company may also experience difficulty in building the CentralHub brand in these new areas or attracting creditworthy tenants.

The Company's proposed expansion will also place increased demands on its managerial, operational, financial and administrative resources. Any difficulties the Company experiences with respect to developing its business operations in new geographical areas may materially and adversely affect the Company's business, financial condition and results of operations.

In addition, there can be no assurance that the Company's CentralHub industrial centers will be able to operate on a profitable basis if the current business environment becomes less favorable to the Company or its tenants. The surrounding environment the Company's existing and future CentralHub sites may also change in terms of consumer demographics, or in terms of concessionaires, as different businesses move in or out of the surrounding areas. If the Company fails to predict and respond to changes in the business environment where its CentralHubs are located, the Company's business, financial condition and results of operation will be materially and adversely affected.

**Competition for the acquisition of land for new projects and risks relating to the management of its land bank, including fluctuations in demand and prices, may adversely affect the Company's business.**

*Please refer to page 34 of the Prospectus.*

**The Company is exposed to risks relating to the leasing business.**

As part of the Company's retail, office and industrial leasing businesses, the Company has leased and will lease space to various third parties and affiliates, including business process outsourcing ("BPOs"), Philippine offshore gaming operators ("POGOs"), boutiques, operators of food kiosks and food stalls. There are certain factors concerning the Company's current and future tenants could affect the Company's financial condition, including:

- untimely expiration of leases and vacancies of tenants;
- delays in the payment of rent due to a tenant's declining sales or slow turnover;
- tenants seeking the protection of bankruptcy laws that could result in delays in the Company's receipt of rental payments;
- the Company's inability to collect rental payments or the early termination of a tenant's lease;
- tenants that do not comply with the general terms of the lease;

- changes in laws and government regulations relating to real estate, including those governing usage, zoning, taxes and government charges that could lead to an increase in management expenses or unforeseen capital expenditure to ensure compliance; and
- changes in the relationship between China and the Philippines, regulatory environment or adverse tax rulings or policies which could reduce the attractiveness of the Philippines as an investment destination for certain sectors such as BPOs and POGOs.

On 22 July 2024, during the State of the Nation Address (“**SONA**”), President Ferdinand Marcos, Jr. announced the ban on all POGOs effective immediately, due to their involvement in illicit activities. President Marcos thereafter ordered the Philippine Amusement and Gaming Corp. (“**PAGCOR**”) to wind down and cease the operation of all POGOs by the end of 2024. On 5 November 2024, President Ferdinand Marcos, Jr. issued Executive Order No. 74 (“**E.O. 74**”) officially banning illegal POGOs, internet gaming licensees (“**IGLs**”) and other offshore gaming operators, new applications and renewals of their licenses. E.O. 74 further ordered all POGOs, IGLs and other offshore gaming operators to cease operations and wind up their affairs by 31 December 2024, or earlier. While the Company’s exposure to POGOs in its leasing businesses is minimal, the newly mandated ban may nevertheless have significant implications for the Company’s revenues and vacancy rates related to tenants affiliated to POGOs.

Further, the occurrence of events with widespread macroeconomic impact such as COVID-19 may significantly impact or accelerate changes in the demand for office space, such as reducing demand for co-working spaces and increasing work-from-home arrangements which would in turn dampen demand for large office spaces.

Any unfavorable developments with respect to the Company’s tenants could have an adverse effect on the Company’s business, financial condition and results of operations. The Company’s leasing policies, however, include screening applicants carefully and securing appropriate mix of tenants with respect to its retail spaces, both in terms of the nature of their business and their size.

**The Philippine property market is cyclical.**

*Please refer to page 35 of the Prospectus.*

**Historically low interest rates, expansion in overall liquidity, extensive construction of housing units and other factors could lead to the risk of formation of asset bubbles in real estate.**

*Please refer to page 35 of the Prospectus.*

**The real estate market is highly competitive, and any inability to effectively compete could limit the Company’s ability to maintain or increase its market share and profitability.**

***Please refer to pages 35-36 of the Prospectus.* The Company’s cash ratio is less than 1.0, which exposes the Company to liquidity risk.**

The Company recorded current liabilities of ₱26.6 billion as of 30 September 2024. The current liabilities were primarily attributable to short-term notes payable and current maturities of long-term notes payable, net of debt issue costs which amounted to ₱16.6 billion as of 30 September 2024. The Company recorded cash and cash equivalents of ₱5.37 billion as of 30 September 2024. As of 30 September 2024, the Company’s cash ratio (i.e., cash and cash equivalents divided by current liabilities) was 0.20 and the ratio of the Company’s cash and cash equivalents to short-term notes payable and current maturities of long-term notes payable, net of debt issue costs, amounted to 0.32. The Company’s cash ratio and cash-to-short-term-borrowings ratio exposes it to liquidity risk. Payment of accounts payable and other liabilities, repayment of short-term borrowings as when they become due, and the Company’s capital expenditure plans will primarily depend on the Company’s ability to maintain adequate cash generated from operating activities and adequate external financing. In addition, if the Company encounters any liquidity issues in the future, it may curtail or defer its business expansion plans based on the availability of sufficient funds or the

Company may opt to dispose a portion of its portfolio of investment properties (which amounted to ₱152.2 billion as of 30 September 2024), in order to meet its short-term notes payable and current maturities of long-term notes payable, net of debt issue costs which amounted to ₱16.59 billion as of 30 September 2024. As of 30 September 2024, the Company's short-term notes payable and current maturities of long-term notes payable, net of debt issue costs were 10.9% of the fair market value of the Company's investment properties. A cash ratio of less than one may limit the Company's working capital for operations or limit the Company's business expansion plans, and the Company's business, financial position and results of operations could be materially and adversely affected. In addition, the rising interest rate environment globally and in the Philippines and global economic uncertainty may make it more challenging for all companies globally, including the Company, to refinance existing debt obligations in the future, or obtain additional financing, whether at acceptable interest rates or at all, to address any potential and future funding requirements.

**The Company faces risks relating to project cost and completion, including its ability to generate sufficient cash flow to support its operations and service its debt. Further, the real estate industry in the Philippines is capital intensive, and the Company may be unable to readily raise necessary amounts of funding to acquire new land or complete existing projects.**

Construction of property projects may take as long as a year or longer before generating positive net cash flow through sale, leasing or management fees. As a result, the Company's cash flows and results of operations may be significantly affected by its project development schedules and any changes to those schedules. Any delay in the Company's project development schedules, or any inability of any the Company's projects to generate its expected level of cash flows, may adversely affect the Company's business, financial condition and results of operations and its ability to repay or refinance its outstanding indebtedness.

Further, some of the Company's projects are currently under construction and the Company has relied on external sources to finance its expansion for the past three fiscal years. For the year ended 31 December 2023 and the nine months ended 30 September 2024, the Company used net cash of ₱2,982.62 million and ₱3.043 million, respectively, in operating activities while the net cash used in investment activities amounted to of ₱3,837.91 million and ₱12.131 million, respectively. In the event of any delay in the Company's project development schedules, or in the event any of the Company's projects do not generate the expected level of cash flows, the Company's business, financial condition and results of operations, and its ability to repay or refinance its outstanding indebtedness, may be adversely affected. The Company however looks to long-term funding, and its weighted average debt maturity as of 31 December 2023 and 30 September 2024 is 2.11 years, and 2.46 years, respectively.

Other factors that could adversely affect the time and the costs involved in completing the development and construction of the Company's projects include:

- natural catastrophes and adverse weather conditions;
- changes in market conditions, economic downturns, unemployment rate, and decreases in business and consumer sentiment in general;
- delays in obtaining government approvals and permits;
- delays in completion of its prior projects, which would create shortages of contractors and skilled labor due to the Company's regular use of a limited number of contractors (see "*Risk Factors – Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.*");
- changes in laws or in Government priorities;
- timing of commencement of the projects;
- relocation of existing residents and/or demolition of existing constructions;
- shortages of materials and equipment;

- labor disputes with contractors and subcontractors;
- construction accidents;
- errors in judgement on the selection and acquisition criteria for potential sites; and
- other unforeseen problems or circumstances.

Any of these factors could result in project delays and cost overruns, which may harm the Company's reputation as a property developer or lead to cost overruns or loss of or delay in recognising revenues and lower margins. This may also result in sales and resulting profits from a particular development not being recognised in the year in which it was originally expected to be recognised, which could adversely affect the Company's results of operations for that year. Furthermore, the failure by the Company to complete construction of a project to its planned specifications or schedule may result in contractual liabilities to purchasers and lower returns. The Company cannot provide any assurance that it will not experience any significant delays in completion or delivery of its projects in the future or that it will not be subject to any liabilities for any such delays. The Company, however, believes it has well-defined execution capability with a proven track record of delivering growth.

Further, the real estate industry in the Philippines is also capital intensive, and market players are required to incur significant expenditures to acquire land for development, complete existing projects and commence construction on new developments. For the year ended 31 December 2022 and 2023, and the nine months ended 30 September 2024 the Company spent ₱3,184.1 million, ₱3,205.8 million, and ₱1,929.81 million respectively, for capital expenditures for its investment properties.

Historically, the Company has funded a significant portion of its capital expenditure requirements as well as steady growth from external sources of financing. There can be no assurance that, in order to complete its planned projects or satisfy its other liquidity and capital resources requirements, the Company will be able to obtain sufficient funds at acceptable rates to fund its capital expenditure requirements, or that it will be able to obtain sufficient funds at all. Failure to obtain the requisite funds could delay or prevent the acquisition of land, completion of existing projects or commencement of new projects and materially and adversely affect the Company's business, financial condition and results of operations.

**The Company has multiple related-party transactions with affiliated companies, and transactions with certain affiliates constitute a substantial percentage of the Company's revenues.**

*Please refer to pages 38-39 of the Prospectus.*

**Titles over land owned by the Company may be contested by third parties.**

*Please refer to pages 39-40 of the Prospectus.*

**Certain of the Company's projects may be located in areas covered by the Indigenous Peoples' Rights Act which may adversely affect its rights over such projects**

*Please refer to page 40 of the Prospectus.*

**Some of the Hotel101's projects are located on parcels of land that are leased on a short-term basis, which exposes it to certain risks such as its ability to obtain the best lease terms**

*Please refer to page 40 of the Prospectus.*

**Disruptions in the financial markets could adversely affect the Company's ability to refinance existing obligations or raise additional financing, including equity financing.**

*Please refer to pages 40-41 of the Prospectus.*

**There is no assurance that the Company will be able to refinance its existing indebtedness when these come due on maturity.**

As of 30 September 2024, the Company has total outstanding indebtedness of ₱73,344.02 million, and total long-term outstanding indebtedness of ₱56,749.38 million. As of 30 September 2024, the Company's interest coverage ratio was 1.22, compared to 4.71 as of 31 December 2023. The Company's gross Debt-to-Equity ("D/E") ratio was at 0.77, which is below the 2.33x maximum gross D/E ratio the Company is required to maintain under its debt covenants. Further, the Company's current ratio improved to 1.31 as of 30 September 2024, and the Company's acid test ratio 0.84 as of 30 September 2024. Nonetheless, the additional debt from the Bonds will affect these ratios, and there is no assurance that the Company will be able to refinance its existing indebtedness (including the Bonds) when these come due on maturity.

**Environmental laws applicable to the Company's projects and enforcement by Philippine regulators of environmental regulations and policies could have a material adverse effect on its business, financial condition and results of operations.**

*Please refer to page 42 of the Prospectus.*

**The Company's reputation will be adversely affected if projects are not completed on time or if projects do not meet customers' requirements and may be adversely affected by other factors over which the Company does not have control.**

*Please refer to pages 42-43 of the Prospectus.*

**Independent contractors may not always be available, and once hired by the Company, may not be able to meet the Company's quality standards or to complete projects on time and within budget.**

*Please refer to page 43 of the Prospectus.*

**Construction defects and other building-related claims may be asserted against the Company, and the Company may be subject to liability for such claims.**

*Please refer to page 43 of the Prospectus.*

**Damage to, or other potential losses involving, the Company's assets may not be covered by insurance.**

*Please refer to pages 44 of the Prospectus.*

**The Company may not be successful in protecting its brand image or its interests in certain trademarks and domain names.**

*Please refer to page 44 of the Prospectus.*

**The Company is controlled by the DD Majority Shareholders, whose interests may not be the same as those of other shareholders.**

The Company is bound by reportorial and corporate governance requirements that are more stringent than those applicable to private companies. Further, the Company has also adopted governance policies and mechanisms to serve as its foundation and guiding principle for good governance. The Company also continues to adopt policies and mechanisms in accordance with established rules and best practices. As of 31 December 2024, the DD Majority Shareholders beneficially own a total of 1,675,030,712 common shares in the Company, representing 71.43% of the Company's total issued and outstanding common shares. With such effective interest, the DD Majority Shareholders will continue to be able to elect members of the Board and pass shareholder resolutions (including special resolutions), both of which under the By-laws generally require a majority vote by its shareholders (or a two-thirds majority in the case of special resolutions). Accordingly, the DD Majority Shareholders exercises control over major policy decisions of the Company, including its overall strategic and investment decisions, dividend plans, issuance of securities,

adjustments to its capital structure, mergers, liquidation or other reorganization and amendments to its Articles of Incorporation and By-laws. If the interests of the DD Majority Shareholders conflict with the interests of other shareholders of the Company, there can be no assurance that the DD Majority Shareholders will not cause the Company to take action in a manner which might differ from the interests of other shareholders.

**The Company's business and operations are dependent upon key executives.**

*Please refer to page 45 of the Prospectus.*

**Any deterioration in the Company's employee relations could materially and adversely affect the Company's operations.**

*Please refer to page 45 of the Prospectus.*

**The Company may, from time to time, be involved in legal and other proceedings arising out of its operations.**

*Please refer to page 45 of the Prospectus.*

**There can be no assurance that the Company will not suffer from substantial sales cancellations.**

*Please refer to pages 45-46 of the Prospectus.*

**Electronic commerce platforms may challenge the viability of the retail tenants of the Company.**

*Please refer to page 46 of the Prospectus.*

**Adoption of the deferred provisions on revenue recognition on real estate and IFRIC agenda decision on over time transfer of constructed goods may result in a restatement of the Company's financial statements for prior fiscal years which could be materially different from the audited consolidated financial statements of the Company included in this Offer Supplement.**

The consolidated financial statements of the Company as of 31 December 2021, 2022, and 2023 have been prepared in compliance with PFRS. PFRS includes Philippine Financial Reporting Standards, Philippine Accounting Standards and Interpretations issued by the Philippine Interpretations Committee ("**PIC**").

The audited consolidated financial statements and the unaudited interim condensed consolidated financial statements attached to this Offer Supplement include the following avilment of reliefs granted by the Philippine SEC until 30 September 2023.

- (1) Under Philippine SEC Memorandum Circular Nos. 14-2018 and 3-2019 for the following interpretations of PFRS 15, Revenue from Contracts with Customers, affecting the real estate industry.
  - (a) Accounting for significant financing component discussed in PIC Q&A No. 2018-12-D; and
  - (b) Adoption of PIC Q&A No. 2018-14: PFRS 15 – Accounting for Cancellation of Real Estate Sales.

The implementation of the above interpretations is expected to impact the revenue recognition, accounting for significant financing components of customer contracts and recording of repossessed inventories in the consolidated financial statements.

- (2) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (IAS 23, Borrowing Cost) for the Real Estate Industry.
- (3) Under Philippine SEC Memorandum Circular Nos. 34-2020, SEC further extended the deferral of application of the provisions of PIC Q&A No. 2018-12 for the accounting for the significant financing component and the exclusion of land in the calculation of the percentage of completion and IFRIC Agenda Decision on Overtime Transfers of Constructed Goods under PAS 23 – Borrowing Cost, for another three years or until 2023.

Effective 1 January 2024, the Company will be required to adopt the above implementation guidance and interpretations.

The Company availed of the deferral option provided by Philippine SEC. The IFRIC agenda decision would change the Company's current practice of capitalising borrowing costs on real estate projects with pre-selling activities. This would have resulted in a decrease in inventories and retained earnings as of 1 January 2019.

***The Company may be affected by the Comprehensive Tax Reform Program and other tax regulations***

*Please refer to pages 47-48 of the Prospectus.*

## **RISKS RELATING TO THE PHILIPPINES**

**A significant portion of the Company's business activities are conducted in the Philippines and a significant portion of its assets are located in the Philippines, which exposes the Company to risks associated with the Philippines, including the performance of the Philippine economy.**

*Please refer to pages 48-49 of the Prospectus.*

**Volatility in the value of the Peso against the U.S. dollar and other currencies as well as in the global financial and capital markets could adversely affect the Company's businesses.**

The Philippine economy has experienced volatility in the value of the Peso and also limitations to the availability of foreign exchange.

The value of the Peso has depreciated in recent periods. Philippine Peso may be adversely affected by certain global events and circumstances such as the strengthening of the U.S. economy, the rise of the interest rates in the U.S., the prolonged conflict in Ukraine and continuing sanctions on Russia, and other events affecting the global markets or the Philippines, causing investors to move their investment portfolios from the riskier emerging markets such as the Philippines. Consequently, an outflow of funds and capital from the Philippines may occur and may result in increasing volatility in the value of the Philippine Peso against the U.S. Dollar and other currencies. As of 31 December 2022, according to the BSP reference exchange rate bulletin, the Philippine Peso was at ₱56.12 per U.S.\$1.00 from ₱50.77 per U.S.\$1.00 as of 31 December 2021. As of 31 December 2024, the Philippine Peso was at ₱ 58.01 against the U.S. dollar.

**The credit ratings of the Philippines may restrict the access to capital of Philippine companies, including the Company.**

Historically, the Philippines' sovereign debt has been rated non-investment grade by international credit rating agencies. In 2019, the Philippines' long-term foreign currency-denominated debt was upgraded by S&P Global ("S&P") to BBB+ with stable outlook, while Fitch Ratings ("Fitch") and Moody's Investors Service ("Moody's") affirmed the Philippines' long-term foreign currency-denominated debt to the investment-grade rating of BBB and Baa2, respectively, with a stable outlook. In February 2020, Fitch revised its rating of Philippines long-term foreign currency-denominated debt to BBB, with a positive outlook, following its expectation that sound macroeconomic management will continue to support high growth rates with stable inflation while ongoing tax reforms were expected to improve fiscal finances. In May 2020, Fitch affirmed its rating of Philippines long-term foreign currency-denominated debt to BBB, but revised the outlook to stable, to reflect the deterioration in the Philippines' near-term macroeconomic and fiscal outlook as a result of the impact of the COVID-19 pandemic and domestic lockdown to contain

the spread of the virus. In May 2020, S&P and Moody's affirmed their ratings of BBB+ and Baa2, with stable outlook, respectively, for the Philippines' long-term foreign currency-denominated debt. In November 2023, Fitch and S&S affirmed their ratings of BBB and BBB+, with stable outlook, respectively, for the Philippines' long-term foreign currency-denominated debt. In March 2024, Moody's affirmed its rating of Baa2, with stable outlook, for the Philippines' long-term foreign currency-denominated debt.

The Government's credit ratings directly affect companies domiciled in the Philippines as international credit rating agencies issue credit ratings by reference to that of the sovereign. No assurance can be given that Fitch, Moody's, S&P, or any other international credit rating agency will not downgrade the credit ratings of the Government in the future and, therefore, Philippine companies. Any such downgrade could have a material adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including us, to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available.

**A significant portion of the Company's operations and assets are based in the Philippines and, therefore, a slowdown in economic growth in the Philippines could materially and adversely affect the Company's business, financial position and results of operations.**

A significant portion of the Company's business operations and assets are based in the Philippines. As a result, the Company's income, results of operations and the quality and growth of its assets depend, to a large extent, on the performance of the Philippine economy. In the past, the Philippines has experienced periods of slow or negative growth, high inflation, significant devaluation of the Philippine currency and the imposition of exchange controls.

Factors that may adversely affect the Philippine economy include:

- decreases in business, industrial, manufacturing or financial activities in the Philippines, the Southeast Asian region or globally;
- scarcity of credit or other financing, resulting in lower demand for products and services provided by companies in the Philippines, the Southeast Asian region or globally;
- exchange rate fluctuations and foreign exchange controls;
- rising inflation or increases in interest rates;
- levels of employment, consumer confidence and income;
- changes in the Government's fiscal and regulatory policies and regulations, including tax laws and regulations that impact or may impact inflation and consumer demand such as the Train Law or any subsequent legislation;
- the Government's budget deficits;
- adverse trends in the current accounts and balance of payments of the Philippine economy;
- public health epidemics or outbreaks of diseases, such as re-emergence of Middle East Respiratory Syndrome-Corona virus (MERS-CoV), SARS, avian influenza (commonly known as bird flu), or H1N1, COVID-19 or the emergence of another similar disease (such as Zika or Monkeypox) in the Philippines or in other countries in Southeast Asia;
- natural disasters, including but not limited to tsunamis, typhoons, earthquakes, fires, floods and similar events;
- supply chain disruptions in the Philippines, the region or globally;
- political instability, terrorism or military conflict in the Philippines, other countries in the region or globally; and
- other regulatory, social, political or economic developments in or affecting the Philippines.

Any future deterioration in economic conditions in the Philippines could materially and adversely affect the Company's financial position and results of operations, including the Company's ability to grow its real estate portfolio, to grow the businesses of its subsidiaries, and to implement its business strategy. Changes in the conditions of the Philippine economy could materially and adversely affect the Company's business, financial condition or results of operations.

**Political instability may have a negative effect on the business, financial position or results of operations of the Company.**

The Philippines has, from time to time, experienced political and military instability, including acts of political violence. In the last decade, there has been political instability in the Philippines, including extra-judicial killings, alleged electoral fraud, impeachment proceedings against two former presidents and a chief justice of the Supreme Court of the Philippines, the nullification of the appointment of another chief justice of the Supreme Court of the Philippines, and public and military protests arising from alleged misconduct by the previous and current administrations. In addition, a number of officials of the Philippine Government are currently under investigation or have been indicted on corruption charges stemming from allegations of misuse of public funds, extortion, bribery or usurpation of authority.

In June 2020, journalist Maria Ressa was convicted by the Regional Trial Court for violations of anti-dummy law and cyber libel. Her conviction elicited concern from the international community and has been criticised by various groups as an attempt by the government to silence critical press coverage against President Rodrigo Duterte and his administration. In December 2018, Senator Antonio Trillanes III was ordered arrested in connection with a libel case filed by presidential son Paolo Duterte. In February 2017, Senator Leila de Lima was arrested after charges were filed in court accusing her of orchestrating a drug-trafficking ring during her term as Secretary of the Department of Justice ("DOJ") from 2010 to 2015. Senator Trillanes and Senator de Lima are outspoken critics of the Duterte administration. In May 2018, the Supreme Court of the Philippines ousted Chief Justice Maria Lourdes Sereno by ruling in a quo warranto proceeding that her appointment was invalid. The removal of Chief Justice Sereno became controversial because it was not coursed through the constitutionally mandated process of impeachment. On June 2018, former President Benigno Aquino III was indicted for usurpation of legislative powers concerning the Disbursement Acceleration Program during his term. Moreover, several individuals who were high-ranking officers under the administration of President Aquino have also been indicted for graft and corruption charges and drug trafficking, among other offences. During the Duterte administration, more than 1,000 alleged drug dealers and users have been killed in police operations, and more than 1,300 drug dealers and drug users have been killed by supposed vigilantes. In addition, the Philippine legislature recently passed the Anti-Terrorism Act of 2020, which has drawn criticism from, and sparked protests by, various sectors because of its controversial provisions on warrantless arrests and its broad definition of terrorist acts, which they believe may be used to target government critics. The said law was approved by President Rodrigo Duterte in June 2020.

The Philippine general elections for national and local officials took place on 9 May 2022 with Ferdinand Marcos, Jr. being proclaimed president and Sara Duterte being proclaimed vice-president. Since the 2022 Philippine general elections, there have been public disagreements between the incumbent president and the vice-president. Duterte resigned as Secretary of Education in June of 2024, a post she held following her appointment by President Marcos after the 2022 elections. The Vice President has since alleged that threats have been made against her life, attributing them to the present government. There can be no assurance that acts of election-related or other political violence will not occur in the future, and any such events could negatively impact the Philippine economy. Further, several impeachment complaints were filed against Vice President Sara Duterte with the Philippine House of Representatives and remain pending. There can be no assurance that the current administration will continue the policies or platforms of the former administration or adopt economic policies conducive to sustainable economic growth, or that the future political environment in the Philippines will be stable. Further, these complaints or other developments could increase the friction between the Dutertes and the current administration. An unstable political or social environment in the Philippines could negatively affect the general economic conditions and business environment in the Philippines which, in turn, could have a materially and adverse impact on the Company's business, financial position and financial performance.

**Acts of terrorism and violent crimes could destabilise the country and could have a material**

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

The Philippines has also been subject to a number of terrorist attacks and the Armed Forces of the Philippines has been in conflict with groups which have been identified as being responsible for kidnapping and terrorist activities in the Philippines. In addition, bombings have taken place in the Philippines, mainly in cities in the southern part of the country. For example, in January 2019, bombs were detonated in the Jolo Cathedral in the Municipality of Jolo, Sulu and a Mosque in Zamboanga City, Zamboanga del Sur. In May 2017, the city of Marawi in Lanao del Sur, Mindanao, was assaulted by the Maute Group, terrorists who were inspired by pledged allegiance to the Islamic State of Iraq and Syria ("ISIS"). Due to the clash between the Government forces and the terrorists and the risk of the armed conflict spilling over to other parts of Mindanao, martial law was declared in the entire island of Mindanao, Philippines. In October 2017, the city was declared liberated from the terrorists. Despite this, the Philippine Congress extended the imposition of martial law in Mindanao until the end of 2019, citing persistent threats of terrorism and rebellion and to ensure the total eradication of ISIS-inspired terrorists in the country. Martial law in Mindanao was lifted on 1 January 2020, however certain areas in Mindanao remain under a state of emergency and law enforcement groups are in heightened security as a measure against potential terror threats.

On 3 July 2020, Republic Act No. 11479, otherwise known as the Anti-Terrorism Act of 2020, was signed into law to replace Republic Act No. 9372, otherwise known as the Human Security Act of 2007. The constitutionality of the law was challenged in the Supreme Court by multiple groups. On 9 December 2021, the Supreme Court upheld the validity of the law except for the following provisions: (a) the qualifier portion of Section 4 which states "which are not intended to cause death or serious physical harm to a person, to endanger a person's life, or to create a serious risk to public safety" and (b) a portion of paragraph 2 of Section 25 which allows "request for designations by other jurisdictions or supranational jurisdictions may be adopted by the ATC after determination that the proposed designee meets the criteria for designation of UNSCR No. 1373."

An increase in the frequency, severity or geographic reach of these terrorist acts, violent crimes, bombings and similar events could have a material adverse effect on investment and confidence in, and the performance of, the Philippine economy. Any such destabilisation could cause interruption to the Company's business and materially and adversely affect the Company's financial conditions, results of operations and prospects. Continued conflicts between the Government and separatist groups could lead to further injuries or deaths by civilians and members of the Armed Forces of the Philippines, which could destabilise parts of the Philippines and adversely affect the Philippine economy. There can be no assurance that the Philippines will not be subject to further acts of terrorism or violent crimes in the future, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

**Natural or other catastrophes, including severe weather conditions, may adversely affect the Company's business, materially disrupt the Company's operations and result in losses not covered by its insurance.**

The Philippines, which is located along the Pacific Ring of Fire and a typhoon belt, has experienced a number of major natural catastrophes over the past years, including typhoons, volcanic eruptions, earthquakes, tsunamis, mudslides, fires, droughts and floods related to El Niño and La Niña weather events.

In January 2020, the Taal Volcano entered into a period of intense unrest beginning with phreatic or steam-driven activity in several points inside the Main Crater that progressed into magmatic eruption. The Philippine Institute of Volcanology and Seismology ("PHIVOLCS") raised the alert level to Alert Level 4 on 12 January 2020. This means that hazardous explosive eruption is possible with hours to days. Pursuant to such events, PHIVOLCS ordered the total evacuation of the Volcano Island and high-risk areas within a 14-kilometre radius from the Taal Main Crater. Although PHIVOLCS has since lowered the Alert Level covering Taal to Level 1, there can be no assurance that the Taal Volcano will not increase seismic activity or erupt in the future.

In November 2020, two typhoons, Super Typhoon Rolly/Goni and Typhoon Ulysses/Vamco, and in December 2021 and September 2022, Super Typhoon Odette/Rai and Super Typhoon Karding/Noru, respectively, brought strong winds and rain to the Philippines. On 27 July 2022, a magnitude 7.0 earthquake struck Abra province in Northern Luzon, causing multiple casualties, cutting off power and

fresh water in some areas and causing damage estimated at about ₱316 million. In October 2022, Tropical Storm Paeng brought strong winds and heavy rains in Mindanao which caused flooding and landslides. In 2023, super typhoons Egay and Goring caused deaths and damages worth billions of Pesos.

Natural catastrophes, such as any renewed eruption of the Taal Volcano, may cause damage to the terminals and materially disrupt and adversely affect the business, operations, and financial condition of the Company. There is no assurance that the insurance coverage the Company maintains for these risks will adequately compensate it for all damages and economic losses resulting from natural catastrophes. Any material uninsured loss could materially and adversely affect the Company's business, financial condition and results of operations.

**Territorial disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment.**

The Philippines, China and several Southeast Asian nations have been engaged in a series of long-standing territorial disputes arising from competing and overlapping claims over certain islands and features in the West Philippine Sea. China claims historic rights to nearly all of the West Philippine Sea based on its so-called "nine-dash line" and in recent years dramatically expanded its military presence in the sea which has raised tension in the region among the claimant countries. In 2013, the Philippines became the first claimant country to file a case before the Permanent Court of Arbitration, the internal arbitration tribunal based at the Hague, Netherlands to legally challenge claims of China in the West Philippine Sea and to resolve the dispute under the principles of international law as provided for under the United Nations Convention on the Law of the Sea. In July 2016, the Permanent Court of Arbitration rendered a unanimous decision stating, among others, that the Philippines has exclusive sovereign rights over the West Philippine Sea (in the South China Sea) and that the "nine-dash line" claim of China is invalid. However, China did not participate in these proceedings and does not recognize the ruling. With no formal enforcement mechanism in place, the territorial dispute in the West Philippine Sea remains contentious and unresolved.

The Philippine Government, under the Duterte administration, has taken action to de-escalate tensions concerning the territorial dispute with China. On 9 June 2019, a fishing boat manned by Filipino fishermen was rammed by a Chinese vessel at Recto Bank, an underwater feature being claimed by both the Philippines and China in the portion of the South China Sea portion that Manila calls the West Philippine Sea. The Filipino fishermen were abandoned in open sea and were eventually rescued by a Vietnamese vessel. This incident increased tensions between China and the Philippines. The owners of the Chinese vessel have since apologized to the Filipino fishermen and remuneration is being arranged for the fishermen.

In March 2021, more than 180 Chinese military vessels were spotted on Julian Felipe Reef in the West Philippine Sea. The presence of the vessels defied a diplomatic protest and demand for the vessels to leave the area, issued by Philippine Defense Secretary Delfin Lorenzana.

In February 2023, a Chinese Coast Guard ship purportedly harassed a Philippine Coast Guard vessel in the Ayungin Shoal in the West Philippine Sea. In September 2023, the Philippine Coast Guard reported that the Chinese Coast Guard has installed a floating barrier near the Bajo de Masinloc (Scarborough Shoal) in the West Philippine Sea in an attempt to prevent Filipino fishermen from entering the Scarborough Shoal. In a special operation conducted thereafter, the floating barrier was eventually removed by the Philippine Coast Guard.

In March 2023, more than 40 Chinese vessels, including vessels of the People's Liberation Army (PLA) of China and suspected Chinese maritime militia were spotted anchored off Thitu Island (locally known as Pag-asa) in the Kalayaan Island Group. President Ferdinand Marcos, Jr. summoned China's envoy to Manila to protest the continued occupation in the area.

U.S. President Joe Biden has manifested that the United States would not be easing up its military operations in the West Philippine Sea. In February 2023, the Philippine and United States governments announced the designation of four new sites in connection with the implementation of the Enhanced Defense Cooperation Agreement (EDCA). This expansion is viewed to make the alliance between the Philippines and the United States stronger and more resilient. South Asian nations and claimants involved in the West Philippine Sea dispute also continue to enforce their sovereign rights against

China as well as other South Asian nations.

In recent months, there have been numerous run-ins in areas of the West Philippine Sea. In August 2023, China Coast Guard vessels used a water cannon against a Philippine resupply mission, preventing one of the boats from delivering its cargo. On September 24, 2023, the Philippine Coast Guard reported that the Chinese Coast Guard had installed a floating barrier near the Bajo de Masinloc (Scarborough Shoal) in the West Philippine Sea in an attempt to prevent Filipino fishermen from entering the Scarborough Shoal. In a special operation conducted the following day, the Philippine Coast Guard confirmed that it removed and cut the floating barrier. In October 2023, the Philippines has lodged a diplomatic protest with China in response to maneuvers by Chinese vessels that led to collisions with Philippine ships on a resupply mission to the BRP Sierra Madre on Ayungin Shoal (international name: Second Thomas Shoal). In March 2024, at least two Chinese Coast Guard ships used water cannons against a smaller military-contracted vessel during a resupply mission to Ayungin Shoal in the West Philippine Sea. Four Filipinos on board the vessel sustained minor injuries during this incident. On April 30, 2024, while Philippine government vessels were distributing fuel and food to the fisherfolk in the Scarborough Shoal, China coast guard vessels attacked them using high-pressure water cannons, causing damage to the vessels. This caused the Philippine government to file another diplomatic protest against China. The Philippines has filed total of 153 diplomatic protests against China during President Marcos' tenure, with 20 of these protests occurring exclusively in 2024.

In May 2024, the Department of Justice announced that the Philippines may be filing an environmental damage case against China for its island-building activities that damaged coral reefs in the West Philippine Sea.

There is no guarantee that the territorial dispute between the Philippine and other countries, including China, will end or that any existing tension will not escalate further, as China has taken steps to exercise control over the disputed territory. Should these territorial disputes continue or escalate further, the Philippines and its economy may be disrupted and the Company's operations could be adversely affected as a result. In particular, further disputes between the Philippines and China may lead both countries to impose trade restrictions on the other's imports. Any such impact from these disputes could adversely affect the Philippine economy, and materially and adversely affect the Company's business, financial position and financial performance.

#### **Developments outside of the Philippines, including U.S. policies related to global trade and tariffs could adversely affect our business, financial condition and results of operations**

The current international political environment, including existing and potential changes to U.S. policies related to global trade and tariffs, have resulted in uncertainty surrounding the future state of the global economy.

Since 2018, the U.S. began to increase or impose tariffs on many products, particularly from China, including, but not limited to, solar panels, steel and aluminum products, consumer electronics, medical goods, clean tech goods, and industrial chemicals. In response, the European Union, China and other affected jurisdictions have introduced tariffs on U.S. goods. An escalating trade war may have material adverse effects on the power industry and our business may be impacted by these tariffs. Any further expansion in the types or levels of tariffs implemented has the potential to negatively impact our business, financial condition and results of operations. Additionally, there is a risk that the U.S. tariffs on imports are met with tariffs on U.S. produced exports and that a broader trade conflict could ensue, which has the potential to significantly impact global trade and economic conditions. Potential costs and any attendant impact on pricing arising from these tariffs and any further expansion in the types or levels of tariffs implemented could adversely affect our business, financial condition and results of operations. While there are ongoing discussions between the U.S. and China to reduce tariffs in phases, there is no certainty as to the timing and scale of the reduction in tariffs, and overall impact on global markets. U.S. President-elect, Donald Trump, who won a second term in November 2024, is proposing to increase tariffs and renegotiate trade agreements.

On 21 February 2022, Russian president Vladimir Putin announced that Russia recognizes the independence of two (2) pro-Russian breakaway regions in eastern Ukraine. On 22 February 2022, the Russian Federation Council unanimously authorized the use of military force, and the entry of Russian soldiers into both territories. On 24 February 2022, places across Ukraine, including Kyiv, the national capital, were struck with missiles. The Ukrainian Border Guard reported attacks on posts bordering Russia and Belarus. Shortly afterwards, Russian Ground Forces entered Ukraine prompting Ukrainian President

Volodymyr Zelenskyy to enact martial law and general mobilization (the “**Russo-Ukrainian War**”). While the Company does not expect any material impact from the ongoing Russo-Ukrainian War on its current and future businesses, the war may affect oil and commodity prices in the near to medium term.

On 7 October 2023, Hamas launched a surprise attack on Israel in connection with the historical conflict over the Gaza Strip (the “**Israel-Hamas Conflict**”). In response to the Hamas attack, Israel Defense Forces (“**IDF**”) launched aerial campaigns and ground operations within the Gaza Strip. In May 2024, the IDF renewed strikes on the southern city of Rafah, where over one million Palestinians were sheltering. As of May 2024, the death toll in the ongoing Israel-Hamas Conflict has reached 37,000 casualties. As of 31 May 2024, Israel and Hamas have not agreed upon a ceasefire.

While the Company does not have any direct dealings with Russia, Ukraine, Israel and Palestine, and does not expect any material impact from the ongoing Russo-Ukrainian War and Israel-Hamas Conflict on its current and future businesses, the conflicts may affect oil and commodity prices in the near to medium term.

Economic disruption in other countries, even in countries in which we do not currently conduct business or have operations, could also adversely affect our businesses and results. Adverse market and economic conditions continue to create a challenging operating environment for financial services companies. In particular, the impact of interest and currency exchange rates, the risk of geopolitical events, fluctuations in commodity prices and concerns about European stagnation as well as diverging monetary policies among the major economies have affected financial markets and the economy.

In addition to the macroeconomic factors discussed above, other events beyond our control, including terrorist attacks, cyber-attacks, military conflicts, economic or political sanctions, disease pandemics, political unrest or natural disasters could have a material adverse effect on economic and market conditions, market volatility and financial activity, with a potential related effect on our businesses and results.

There can be no assurance that the uncertainties affecting global markets will not negatively impact credit markets in Asia, including in the Philippines. These developments may adversely affect trade volumes with potentially negative effects on the Philippines.

## **RISKS RELATING TO THE BONDS**

**The Second Tranche Bonds are unsecured obligations.**

*Please refer to page 55 of the Prospectus.*

**The Company is a holding company with limited assets and will depend on payments from its subsidiaries to provide it with funds to meet its obligations under the Second Tranche Bonds.**

*Please refer to page 55 of the Prospectus.*

**Substantial leverage and debt service obligations could adversely affect the Company’s businesses and prevent the Company from fulfilling its obligations under the Second Tranche Bonds.**

*Please refer to pages 55-56 of the Prospectus.*

**Payments under the Second Tranche Bonds will be structurally subordinated to liabilities and obligations of certain of the Company’s subsidiaries, associates and joint ventures, and the Second Tranche Bonds are not secured.**

*Please refer to page 56 of the Prospectus.*

**The Company is subject to certain covenants pursuant to the Trust Agreement that may limit the Company’s ability to finance the Company’s future operations and capital needs and to pursue business opportunities and activities.**

*Please refer to pages 56-57 of the Prospectus.*

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

*Please refer to page 57 of the Prospectus.*

**The Issuer may raise other capital which affects the price of the Second Tranche Bonds.**

*Please refer to page 57 of the Prospectus.*

**The liquidity and price of the Second Tranche Bonds following this offering may be volatile.**

*Please refer to page 57 of the Prospectus.*

**Credit Rating and Label Retention Risk**

*Please refer to page 57 of the Prospectus.*

**The Second Tranche Bonds may be redeemed at the Issuer's option upon the occurrence of certain events.**

The Second Tranche Bonds are redeemable at the option of the Issuer, in whole or in part, on or after [•] at the redemption prices set out in “*Terms and Conditions of the Bonds – Optional Redemption*,” together with all accrued and unpaid interest, on the Second Tranche Bonds redeemed, to, but excluding, the applicable date of redemption. Further, the Issuer has the right to redeem the Second Tranche Bonds at any time at 100% of the principal amount of the Second Tranche Bonds plus any accrued but unpaid interest upon the occurrence of certain changes in Philippine tax law increasing the tax rate or changes in law that will materially and adversely affect the ability of the Issuer to comply with its obligations under the Second Tranche Bonds or the Trust Agreement or the financial position or operations of the Issuer. See “*Terms and Conditions of the Bonds – Redemption for Tax Reasons*” and “*Terms and Conditions of the Bonds – Redemption due to Change in Law*.”

The date on which the Issuer elects to redeem the Second Tranche Bonds may not accord with the preference of individual Bondholders. This may be disadvantageous to the Bondholders in light of market conditions or the individual circumstances of the holder of the Second Tranche Bonds. In addition, an investor may not be able to reinvest the redemption proceeds in comparable Bonds at an effective interest rate at the same level as that of the Second Tranche Bonds.

**Modifications and waivers may be made in respect of the Conditions and the Trust Agreement by the Trustee or less than all of the holders of the Second Tranche Bonds.**

*Please refer to page 58 of the Prospectus.*

## **RISKS RELATING TO STATEMENTS IN THIS OFFER SUPPLEMENT**

**This Offer Supplement contains certain statistical and industry information which have not been independently verified by the Company.**

Certain statistical or industry information in this Offer Supplement relating to the Philippines and other jurisdictions, the industries and markets in which the Company operates, and other data used in this Offer Supplement were obtained or derived from internal surveys, market research, governmental data, publicly available information and/or industry publications. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable. However, there is no assurance that such information is accurate nor complete. Similarly, internal surveys, industry forecasts and market research have not been independently verified by the Company and may not be accurate, complete, up-to-date, balanced or consistent with other information compiled within or outside the Philippines.

**There may be possible deviations in the Use of Proceeds.**

The intended use of proceeds from the Offer is set out under “*Use of Proceeds*” on page [82](#) of this Offer Supplement. It is the Company's current intention to apply the net proceeds from the Offer in the manner as described in that section. However, as new business opportunities arise, or as unforeseen events occur, the Company may opt to reallocate a portion or all of the net proceeds to other business plans or

new projects or to other uses or hold such funds in bank accounts or short-term securities, if such action is considered to be in the best interests of the Company. As a consequence, the actual application of the proceeds from the Offer may deviate from the intended use as described in this document. Any such material deviation, however, will be disclosed in accordance with the relevant rules of the SEC and/or PDEX. In addition, the business plans of the Company as described herein are based on assumptions of future events, which by their nature, are subject to uncertainty. As such, while the Company exerts reasonable efforts in planning, there is no assurance that the plans of the Company will materialize as intended.

**Certain information contained herein is derived from unofficial publications.**

Certain information in this Offer Supplement relating to the Philippines and jurisdictions, the industries in which the Company's businesses compete and the markets in which the Company develops its projects, including statistics relating to market size, are derived from various government and private publications.

## TERMS AND CONDITIONS OF THE SECOND TRANCHE BONDS

*The following are the terms and conditions of the Second Tranche Bonds. This description of the terms and conditions of the Second Tranche Bonds set forth herein does not purport to be complete and is qualified in its entirety by reference to the agreements relating to the Second Tranche Bonds, copies of which are available for inspection at the offices of the Trustee. The terms and conditions set out in this section will, subject to amendment, be set out in the Trust Agreement between the Issuer and the Trustee. The detailed terms and conditions of each succeeding Tranche shall be set out in the relevant offer supplement.*

An amended registration statement was filed by the Issuer covering the securities on [•] and an application for the listing of the Second Tranche Bonds will be filed with the PDEX on or about [•]. Pursuant to the certificate of permit to offer securities for sale to be issued by the SEC, the Company will issue 7.77% per annum fixed-rate bonds with a tenor of 7 years in aggregate principal amount of up to Five Billion Pesos (₱5,000,000,000.00) (the “**Base Offer**”), with an oversubscription option of up to Five Billion Pesos (₱5,000,000,000.00) (the “**Oversubscription Option**”, together with the Base Offer, the “**Offer**”, and the Bonds subject of the Offer, the “**Second Tranche Bonds**”) due 2032 as the second tranche of the shelf-registered debt program in the aggregate principal amount of up to Thirty Billion Pesos (₱30,000,000,000.00), to be issued in one or more tranches at such times and on such terms as may be determined by management, for public offer and sale in the Philippines under the Prospectus dated 7 November 2024 (the “**Prospectus**”) rendered effective by the Securities and Exchange Commission (the “**SEC**”) on 8 November 2024 by virtue of SEC MSR Order No. 97, Series of 2024. The Second Tranche Bonds will be issued on 21 February 2025 or the immediately succeeding Business Day if such date is not a Business Day or such other date as may be agreed upon by the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners (“**Issue Date**”).

The Second Tranche Bonds are constituted by a Trust Agreement executed on [•] (the “**Trust Agreement**”) between the Issuer and [•] (the “**Trustee**”, which term shall, wherever the context permits, include all other persons or companies for the time being acting as trustee or trustees under the Trust Agreement). The description of the terms and conditions of the Second Tranche Bonds set out below (“**Terms and Conditions**”) includes summaries of, and is subject to, the detailed provisions of the Trust Agreement and the Registry and Paying Agency Agreement executed on [•] (the “**Registry and Paying Agency Agreement**”) between the Issuer, and the Registrar and Paying Agent.

The Second Tranche Bonds shall be offered and sold through a general public offering in the Philippines, and issued and transferable in minimum principal amounts of ₱50,000.00 and in multiples of ₱10,000.00 thereafter, and traded in denominations of ₱10,000.00 in the secondary market.

The Second Tranche Bonds shall mature [7] years from the Issue Date, unless earlier redeemed by the Issuer pursuant to the terms thereof and subject to the provisions on redemption and payment below.

PDTC has no interest in or relation to DoubleDragon which may conflict with its roles as Registrar and as Paying Agent for the Offer.

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

### **Form and Denomination**

The Second Tranche Bonds are in scripless form, and shall be issued in denominations of ₱50,000.00 each as a minimum and in multiples of ₱10,000.00 thereafter and traded in denominations of ₱10,000.00 in the secondary market.

### **Title**

Legal title to the Second Tranche Bonds shall be shown in the Registry Book maintained by the Registrar. A notice confirming the principal amount of the Second Tranche Bonds purchased by each applicant in the Offering shall be issued by the Registrar to all Bondholders following the Issue Date. Upon any

assignment, title to the Second Tranche Bonds shall pass by recording of the transfer from the transferor to the transferee in the electronic Registry Book maintained by the Registrar. Settlement in respect of such transfer or change of title to the Second Tranche Bonds, including the settlement of any cost arising from such transfers, including, but not limited to, documentary stamps taxes, if any, arising from subsequent transfers, shall be for the account of the relevant Bondholder.

### **Bond Rating**

Philippine Rating Services Corporation (“**PhilRatings**”) assigned an Issue Credit Rating of PRS Aaa with Stable Outlook to the Second Tranche Bonds.

Obligations rated PRS Aaa are of high quality and are subject to very low credit risk. The obligor’s capacity to meet its financial commitment on the obligation is extremely strong. PRS Aaa is the highest rating category on PhilRatings’ existing credit rating scale. A Stable Outlook means that the rating is likely to be maintained or to remain unchanged in the next twelve months. In issuing the rating and corresponding outlook, PhilRatings considered DoubleDragon’s: (i) clearly defined and well-executed growth strategy; (ii) its experienced management and its ability to form solid alliances with industry-recognized partners; (iii) its conservative financial position considering the capital-intensive nature of the Company’s business; and (iv) expectations of improved operating cash flow, backed by increasing rental income.

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

### **Transfer of Bonds**

#### ***Registry Book***

The Issuer shall cause the Registry to be kept by the Registrar, in electronic form. The names and addresses of the Bondholders and the particulars of the Second Tranche Bonds held by them and of all transfers of Second Tranche Bonds shall be entered into the Registry Book.

As required by Circular No. 428-04 issued by the Bangko Sentral ng Pilipinas, the Registrar shall send each Bondholder, in the mode elected by such Bondholder in the Application to Purchase or the Registration Form, a written statement of registry holdings at least quarterly (at the cost of the Issuer) and a written advice confirming every receipt or transfer of the Second Tranche Bonds that is effected in the Registrar’s system. Such statement of registry holdings shall serve as the confirmation of ownership of the relevant Bondholder as of the date thereof. Any requests of Bondholders for certifications, reports or other documents from the Registrar, except as provided herein, shall be for the account of the requesting Bondholder. No transfers of the Second Tranche Bonds may be made during the period commencing on a Record Date as defined in the section on “*Interest Payment Date*” or page [61](#) of this Offer Supplement.

#### ***Transfers; Tax Status***

The Registrar shall ultimately and conclusively determine all matters regarding the evidence necessary to effect any such transfers. Settlement in respect of such transfers or change of title to the Bonds, including the settlement of any documentary stamp taxes, if any, arising from subsequent transfers, shall be settled directly between the transferee and/or the transferor Bondholders.

Transfers across tax categories shall not be allowed except on Interest Payment Dates that fall on a Business Day. Restricted transfers include, but are not limited to, transfers on a non-Interest Payment Date (1) between taxable and non-taxable entities, (2) between taxable entities of different tax categories (where tax-withheld entities with different final withholding tax rates (e.g. 20%, 25%) are considered as belonging to different tax categories), or (3) between parties who claim the benefit of a tax treaty; provided, however, that transfers from a tax-exempt category to a taxable tax category on a non-Interest Payment Date shall be allowed using the applicable tax-withheld series name to ensure that the computation is based on the final withholding tax rate of the taxable party to the trade. For such transactions, the tax-exempt entity shall be treated as belonging to the same tax category as its taxable counterpart for the interest period within which such transfer occurred.

A Bondholder claiming tax-exempt status is required to submit a written notification of the sale or purchase to the Trustee and the Registrar, including the tax status of the transferor or transferee, as appropriate,

together with the supporting documents specified under “Payment of Additional Amounts; Taxation” herein set forth, upon submission of the Account Opening Documents to the Registry.

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

### **Secondary Trading of the Bonds**

The Issuer intends to list the Second Tranche Bonds at PDEX for secondary market trading. The Bonds will be traded in a minimum board lot size of ₱10,000 as a minimum, and in multiples of ₱10,000 in excess thereof for so long as any of the Bonds are listed on PDEX. Secondary market trading in PDEX shall follow the applicable PDEX rules, conventions, and guidelines, including, among others, the rules and conventions on trading and settlement between bondholders of different tax status and shall be subject to the relevant fees of PDEX and PDTC. Upon listing of the Second Tranche Bonds with PDEX, investors shall course their secondary market trades through PDEX Brokering Participants for execution in the PDEX Trading Platform in accordance with PDEX Trading Rules, Conventions, and Guidelines, and shall settle such trades on a Delivery versus Payment (DvP) basis in accordance with PDEX.

Settlement Rules and Guidelines. The PDEX rules and conventions are available in the PDS website ([www.pds.com.ph](http://www.pds.com.ph)). An Investor Frequently Asked Questions (FAQ) discussion on the secondary market trading, settlement, documentation and estimated fees are also available in the PDS website.

### **Ranking**

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

### **Interest**

#### **Interest Payment Dates**

The Second Tranche Bonds bear interest on its principal amount from and including Issue Date at the rate of 7.77% p.a., payable quarterly in arrear on 21 May, 21 August, 21 November, and 21 February of each year commencing on 21 May 2025, until and including the Maturity Date (each, an “**Interest Payment Date**”) or the next Business Day if such dates fall on a non-Business Day, without any adjustment in the amount of interest as originally computed. If the Issue Date is set at a date other than 21 February 2025, then the Interest Payment Dates will be automatically adjusted to the numerically corresponding dates at every three (3) months following the actual Issue Date (or if there is no day so numerically corresponding, such date shall pertain to the last day of such calendar month). The last Interest Payment Date shall fall on the Maturity Date.

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

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

combination of the following factors: (1) General movements of the financial markets; (2) Results of the bookbuilding exercise; and (3) Issuer's commercial considerations.

### ***Interest Accrual***

Each Bond shall cease to bear interest from and including the Maturity Date, as defined in the discussion on “*Final Redemption*” on page 62 of this Offer Supplement, unless, upon due presentation, payment of the principal in respect of the Bond then outstanding is not made, is improperly withheld or refused, in which case the Penalty Interest (see “*Penalty Interest*” on page 68 of this Offer Supplement) shall apply.

### ***Determination of Interest Amount***

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

### **Redemption and Purchase**

#### ***Final Redemption***

Unless previously purchased and cancelled, the Second Tranche Bonds shall be redeemed at par or 100% of face value on the relevant Maturity Date. However, if the Maturity Date is not a Business Day, payment of all amounts due on such date may be made by the Issuer through the Paying Agent, without adjustment in computation as to the amount of interest payable and principal amount, on the succeeding Business Day.

#### ***Optional Redemption***

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

| <b>Early Redemption Option Date</b>            | <b>Early Redemption Price</b> |
|--|-------------------------------|
| On the [•] <sup>th</sup> Interest Payment Date | [•]%                          |
| On the [•] <sup>th</sup> Interest Payment Date | [•]%                          |
| On the [•] <sup>th</sup> Interest Payment Date | [•]%                          |

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

#### ***Redemption for Tax Reasons***

If payments under the Second Tranche Bonds become subject to additional or increased taxes other than the taxes and rates of such taxes prevailing on the Issue Date as a result of certain changes in law, rule or regulation, or in the interpretation thereof, and such additional or increased rate of such tax cannot be avoided by use of reasonable measures available to the Issuer, the Issuer may redeem the Second Tranche Bonds in whole, but not in part, on any Interest Payment Date (having given not more than 60 nor less than 30 days' notice) at par plus accrued interest, subject to the requirements of Applicable Law. For avoidance of doubt, the Issuer shall not be liable for the payment of the additional or increased taxes, which shall be for the account of the Bondholders.

#### ***Redemption due to Change in Law***

The Company may also redeem the Second Tranche Bonds, in whole (not in part), at any time having given not less than 30 nor more than 60 days' written notice prior to the intended date of redemption, such

notice to be deemed irrevocable upon issuance thereof, if any Change in Law (as defined below) will materially and adversely affect the ability of the Issuer to comply with its obligations under the Second Tranche Bonds or the Trust Agreement or the financial position or operations of the Issuer.

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

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

### ***Purchase and Cancellation***

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

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

### ***Payments***

The principal of, interest on, and all other amounts payable on the Second Tranche Bonds shall be paid to the Bondholders by crediting of the settlement accounts designated by each of the Bondholders. The principal of, and interest on, the Second Tranche Bonds shall be payable in Philippine Pesos, net of final taxes and fees (if any). DD shall ensure that so long as any of the Second Tranche Bonds remains outstanding, there shall at all times be a Paying Agent for the purposes of the Second Tranche Bonds. DD may terminate the appointment of the Paying Agent, as provided in the Registry and Paying Agency Agreement. In the event the appointed office of any institution shall be unable or unwilling to continue to act as the Paying Agent, DD shall appoint the Makati City office of such other leading institution in the Philippines authorized to act in its place.

### ***Payment of Additional Amounts - Taxation***

Interest income on the Second Tranche Bonds is subject to a final withholding tax at rates of between twenty percent (20.0%) and twenty-five percent (25.0%) depending on the tax status of the relevant Bondholder under relevant law, regulation or tax treaty. Except for such final withholding tax and as otherwise provided, all payments of principal and interest are to be made free and clear of any deductions or withholding for or on account of any present or future taxes or duties imposed by or on behalf of Republic of the Philippines, including, but not limited to, issue, registration or any similar tax or other taxes and duties, including interest and penalties, if any. If such taxes or duties are imposed, the same shall be for the account of the Issuer; provided however that, the Issuer shall not be liable for the following:

- (a) The applicable final withholding tax applicable on interest earned on the Second Tranche Bonds prescribed under the Tax Code, as amended and its implementing rules and regulations as maybe in effect from time to time. An investor who is exempt from the aforesaid withholding tax, or is subject to a preferential withholding tax rate shall be required to submit the following requirements to the Registrar, subject to acceptance by the Issuer as being sufficient in form and substance: (i) certified true copy of the current, valid, and subsisting tax exemption certificate, ruling or opinion issued by the BIR confirming the exemption or preferential rate; (ii) a duly notarized undertaking, in the prescribed form, declaring and warranting its tax exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer of any suspension or revocation of the tax exemption certificates or preferential rate entitlement, and agreeing to indemnify and hold the Issuer and the

Registrar free and harmless against any tax assessments, claims, actions, suits, and liabilities resulting from the non-withholding of the required tax; (iii) for those who are claiming benefits under tax treaties, duly submitted BIR Form 0901-I (Interest Income) or application form for treaty purposes and apostilled/consularized tax residency certificate (“**TRC**”) duly issued by the foreign tax authority as required under BIR Revenue Memorandum Order (“**RMO**”) No. 14-2021; and (iv) such other documentary requirements as may be required by the Issuer and the Registrar and Paying Agent under the applicable regulations of the relevant taxing or other authorities which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty, such as proof of filing of a tax treaty relief application with the BIR International Tax Affairs Division (“**ITAD**”) prior to the first taxable event, and consularized proof of the Bondholder’s legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided 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 Bondholder on the interest payments to such Bondholder; provided further that, all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties assessments or government charges subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such exemption to the Registrar and Paying Agent;

- (b) Gross Receipts Tax under Section 121 of the Tax Code;
- (c) Taxes on the overall income of any securities dealer or Bondholder, whether or not subject to withholding; and
- (d) Value Added Tax (“**VAT**”) under Sections 106 to 108 of the Tax Code, and as amended by RA No. 9337. Documentary stamp tax for the primary issue of the Second Tranche Bonds and the execution of the Bond Agreements, if any, shall be for the Issuer’s account.

## **Financial Ratios**

The Issuer shall maintain at all times a maximum Debt-to-Equity Ratio of not more than 70:30 and Debt Service Coverage Ratio of not less than 1:1.25. Compliance with these financial ratios shall be tested on annual basis, pursuant to the procedure set forth in the Trust Agreement. Other than these financial ratios, the Issuer is not required to maintain any financial ratio.

The term “Debt Service Coverage Ratio” means the (a) Company’s EBITDA utilizing the audited consolidated financial statements as Financial Statements as of the last day of the immediately preceding fiscal year, divided by (b) the aggregate amount of all Debt, interest, and other financial charges in respect of borrowed money payable by the Company for the year when the determination is made; provided, that for purposes of computing the Debt Service Coverage Ratio, the Company’s aggregate amount of Debt means, without duplication, all short-term and long-term interest-bearing obligations of the Company, direct or contingent, for borrowed money, including, for avoidance of doubt, the Company’s obligations arising from the issuance of any class or series of capital stock that by its terms or otherwise is (a) required to be redeemed, or (b) redeemable at the option of the holder of such class or series of capital stock; provided further that, calculation of Debt Service Coverage Ratio 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; and provided further, that “**EBITDA**” shall mean, in relation to any relevant period, earnings before interest, taxes, depreciation and amortization. It is the net income of the Company 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 PFRS.

The term “Debt-to-Equity Ratio” means, as of the date of determination, (a) the Company’s total Debt, divided by (b) total Equity, each as reflected in the 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 Company’s total Debt means, without duplication all short-term and long-term interest-bearing obligations of the Company, direct or contingent, for borrowed money including, for avoidance of doubt, the Company’s obligations arising from the issuance of any class or series of capital stock that by its terms or

otherwise is (a) required to be redeemed, or (b) redeemable at the option of the holder of such class or series of capital stock. The outstanding preferred shares of the Issuer are classified as Equity, in accordance with its classification set by the Issuer's independent auditors.

### **Negative Pledge**

The Issuer hereby covenants and agrees that the Issuer shall not, from the date hereof and for as long as the Bonds or any portion thereof remain outstanding, except with the prior written consent of the Majority Bondholders, and except to the extent necessary to give effect to (i) the merger between Hotel101 Global Pte. Ltd. and JVSPAC Acquisition Corporation, and (ii) when made as any contribution to a REIT for value under the REIT Law:

- (a) directly or indirectly, incur or suffer to exist, or permit any Subsidiary to directly or indirectly incur or suffer to exist, any Lien (other than Permitted Liens) upon any assets and revenues, present and future, of the Issuer or any of its Subsidiaries, as the case may be, or
- (b) enter into, or permit any Subsidiary to enter into, any loan facility agreement secured by or to be secured by a Lien upon any assets and revenues, present and future, whether registered or unregistered, of the Issuer or any Subsidiary, as the case may be, unless the Issuer or a Subsidiary has made or will make effective provisions, satisfactory to the Bondholders in its absolute discretion, whereby the Lien thereby created will secure, on an equal first ranking and ratable basis, any and all the obligations of the Issuer hereunder and such other Debt which such Lien purports to secure; provided, that the foregoing restriction shall not apply to the following (the "**Permitted Liens**"):
  - (i) Liens created pursuant to any Indebtedness disclosed to the Trustee in writing prior to the date of the Trust Agreement;
  - (ii) Liens for taxes, assessments or governmental charges or levies not yet delinquent or which are being contested in good faith and in appropriate proceedings;
  - (iii) other Liens incidental to the ordinary conduct of the business of the Issuer or the Subsidiary, as the case may be, the ownership of the properties and assets of the Issuer or the Subsidiary, as the case may be; provided, that: (1) such Liens are not incurred or granted in connection with incurring or maintaining Debt of any Person; (2) such Liens do not, individually or in the aggregate, materially detract from the value of such properties or assets or materially impair the use thereof in the operation of the business of the Issuer or the Subsidiary, as the case may be, or materially interfere with the sale or other disposition of such properties or assets; and (3) such Liens shall in no event secure obligations or liabilities incurred by the Issuer or the Subsidiary, as the case may be, in the ordinary course of any real property development business;
  - (iv) Liens arising by operation of Law (other than any preference or priority under Article 2244, paragraph 14(a) of the Civil Code of the Philippines) on any property or asset of the Issuer, including, without limitation, amounts owing to a landlord, carrier, warehouseman, mechanic or material man; and
  - (v) Liens created with the prior written consent of the Majority Bondholders.
- (c) engage in any business, or amend its articles of incorporation to authorize it to engage in any business, which is not presently authorized under its articles of incorporation;
- (d) except if the Issuer is the surviving entity and provided that such event will have no Material and Adverse Effect on the financial position of the Issuer, effect any merger or consolidation or material change in its management;
- (e) sell, transfer, convey, lend or otherwise dispose of all or substantially all of its assets or cause its subsidiaries to sell, transfer, convey, lend or otherwise dispose of all or substantially all of its assets;
- (f) assign, transfer or otherwise convey any right to receive any of its income or revenues unless in its ordinary course of business, or when made as a contribution to a REIT for value under the REIT Law, it being understood that for the purposes of this subsection, a sale, transfer, conveyance, or disposition by the Issuer shall be deemed to cover substantially all of its assets if it would be rendered incapable of continuing its business or accomplishing the purpose for which it was incorporated;

provided that for the purposes of this Subsection, the Bondholders shall be deemed to have given their consent (and therefore shall require no further prior written consent or execution of any act or deed to evidence such consent) to a transfer, conveyance or disposition by the Issuer of all or substantially all of its assets to a REIT under the REIT Law for as long as such transfer, conveyance or disposition is made for value based on an appraisal made by a third party appraiser and the Issuer receives, in exchange for such transfer, conveyance, or disposition, a corresponding interest in the REIT, or unless otherwise required by applicable law;

- (g) except to the extent required under applicable law, declare or pay any dividends (other than stock dividends): (i) during the subsistence of an Event of Default, or (ii) if such declaration or payment would result in an Event of Default;
- (h) acquire treasury shares or decrease or reduce its authorized capital stock: (i) during the subsistence of an Event of Default, or (ii) if such acquisition, decrease or reduction would result in an Event of Default;
- (i) voluntarily suspend all or substantially all of its business operations or cause the suspension of all or substantially all of the business operations of its subsidiaries; and
- (j) enter into any management contracts, profit-sharing or any similar contracts or arrangements whereby its business or operations are managed by, or its income or profits are, or might be shared with, another person, firm or company, which management contracts, profit-sharing or any similar contracts or arrangements can have a Material Adverse Effect on the Issuer's ability to perform its material obligations under the Bonds.

#### **Events of Default**

Each of the following events constitutes an Event of Default.

- (a) **Payment Default.** The Company fails to pay any of the principal, interest and fees or any other sum payable by the Company under the Second Tranche Bonds, as and when due and payable at the place and in the currency in which it is expressed to be payable, except that the late payment of principal, interest and fees, or any other sum payable by the Company under the Second Tranche Bonds arising solely due to a technical reason not attributable to the fault or negligence of the Company affecting the transfer of funds despite timely instruction having given by the Company shall not result in an Event of Default, provided that such non-payment or late payment due to technical reason shall be remedied within three (3) Business Days;
- (b) **Representation Default.** Any representation or warranty made or repeated by the Company in the Trust Agreement is incorrect or misleading in any material respect when made or deemed to have been made or repeated, and the same is not cured within a period of thirty (30) days (or such longer period as the Majority Bondholders shall approve) after written notice of such failure given by the Trustee is received by Issuer.
- (c) **Financial Covenant Default.** The Company fails to maintain Debt-to-Equity Ratio and the Debt Service Coverage Ratio; provided that with respect to the Debt Service Coverage Ratio, such breach is not remedied by the Company, through the infusion of additional equity or extension of shareholder advances, in amounts sufficient to maintain the Debt Service Coverage Ratio at 1:1.25, within two (2) months from the date of the breach. For avoidance of doubt, any breach of the Debt-to-Equity Ratio is not remediable.
- (d) **Other Provisions Default.** The Company fails to perform or comply with any term, obligation or covenant contained in the Trust Agreement, or in any other document issued pursuant thereto or otherwise in connection therewith, and such failure is not remediable or, if remediable (in the reasonable opinion of the Trustee), shall continue unremedied during the applicable grace period or, in the absence of such grace period, within a period of thirty (30) days after written notice of such failure given by the Trustee is received by the Company, provided, however, that no additional grace period shall apply to the Events of Default specified in (a), (f), and (g).
- (e) **Cross-Default.** The Company violates any material term or condition of any contract executed by the Company with any bank, financial institution, or other person, corporation or entity for the payment of borrowed money which constitutes an event of default under said contract, or in general, violation of any, law or regulation which violation, if remediable, is not remedied by the Company within thirty

(30) Business Days from receipt of notice by the Trustee provided that, no event of default shall occur under this paragraph unless the aggregate amount of Indebtedness in respect of which one or more of the events above mentioned has/have occurred equals or exceeds ₱500,000,000.

- (f) **Insolvency Default.** The Company becomes insolvent or is unable to pay its Indebtedness when due or commits or suffers any act of bankruptcy, which term shall include: (i) the filing of a petition, by or against the Company, in any bankruptcy, insolvency, administration, suspension of payment, rehabilitation, reorganization (other than a labor or management reorganization), winding-up, dissolution, moratorium or liquidation proceeding of the Company, or any other proceeding analogous in purpose and effect, unless for petition filed against the Company, it is contested in good faith by the Company in appropriate proceedings or otherwise dismissed by the relevant court within 60 days from the filing of such petition (or such longer period as the Majority Bondholders shall approve); (ii) the making of a general assignment by the Company for the benefit of the creditors; (iii) the admission in writing by the Company, through its President, Chief Executive Officer, Chief Operating Officer, Chief Finance Officer, of its general inability to pay its Indebtedness; (iv) the entry of any order of judgment of any competent court, tribunal or administrative agency or body confirming liquidation of the Company, unless withdrawn or revoked by the appropriate court, tribunal or lawful appointment of a receiver or trustee to take possession of a substantial portion of the properties of the Company, unless contested in good faith by the Company to authorize any of the foregoing, unless withdrawn or rescinded within sixty (60) calendar days from the taking of such action.
- (g) **Closure Default.** The Company voluntarily suspends or ceases operations of a substantial portion of its business for a continuous period of thirty (30) calendar days except when due to fortuitous events or force majeure.
- (h) **Expropriation Default.** Any act or deed or judicial or administrative proceedings in the nature of an expropriation, confiscation, nationalization, acquisition, seizure, sequestration or condemnation of or with respect to all or at least seventy percent (70%) of the value of the Company's total consolidated assets as shown in the latest Financial Statements shall be undertaken or instituted by any Governmental Authority, and such act, deed or proceeding shall continue undismissed or unstayed for a period of more than sixty (60) calendar days.
- (i) **Judgment Default.** A final and executory judgment, decree or order for the payment of money, damages, fine or penalty or its equivalent shall be rendered against the Issuer which, together with all other judgments against the Company then outstanding and unsatisfied, exceeds ₱500,000,000.00, and which may in the reasonable opinion of the Trustee Material Adverse Effect on the ability of the Borrower to comply with its obligations under the Bond Agreements, and the Issuer has failed to demonstrate to the reasonable satisfaction of the Trustee within thirty (30) days of the judgment, decree or order being entered that the judgment, decree or order will be satisfied, discharged or stayed within thirty (30) days of the judgment, decree or order being entered, or (ii) is not paid, discharged, stayed or fully bonded within thirty (30) days after the date when payment of such judgment, decree or order is due.
- (j) **Writ and Similar Process Default.** An attachment or garnishment of or levy upon any of the properties of the Company which might have a Material Adverse Effect is made and is not discharged or stayed within thirty (30) days of having been so imposed.
- (k) **Closure Default.** Any Governmental Approval now or hereafter necessary to enable the Issuer to comply with its obligations under the Trust Agreement or required for the conduct of its business and operations shall be modified, withdrawn, withheld, revoked, cancelled or otherwise terminated in a manner which, in the reasonable opinion of the Trustee, would have a Material Adverse Effect on the Company and the same remains for a continuous period of thirty (30) calendar days except when due to fortuitous events or force majeure.

## Consequences of Default

### Declaration

- (a) If any one or more of the Events of Default shall occur and be continuing and not otherwise remedied as herein provided, either the Trustee, upon the written direction of the Majority Bondholders, by notice in writing delivered to the Issuer, or the Majority Bondholders, by notice in writing delivered to the Issuer and the Trustee, may declare the principal of the Second Tranche Bonds then outstanding, including all interest accrued and unpaid thereon and all amounts due thereunder, to be due and

payable immediately, anything contained in the Trust Agreement or in the Second Tranche Bonds to the contrary notwithstanding (“**Declaration of Default**”).

- (b) The provision in (a) above, however, is subject to the condition that the Majority Bondholders, by written notice to the Issuer and to the Trustee, may rescind and annul such Declaration of Default made by the Trustee pursuant to a consequence of default and its consequences, upon such terms, conditions and agreements, if any, as they may determine including, in connection with a Cross Default, the fact that the non-payment of the obligation is contested in good faith by the Issuer; provided, that, no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair any right consequent thereto. Any such waiver shall be conclusive and binding upon all the Bondholders and upon all future holders and owners of such Second Tranche Bonds, or of any Bond issued in lieu thereof or in exchange therefor, irrespective of whether or not notation of such waiver is made upon the Second Tranche Bonds.
- (c) At any time after an Event of Default shall have occurred, the Trustee may:
  - (i) by notice in writing to the Issuer, the Paying Agent and the Registrar, require the Paying Agent and Registrar to deliver all evidence of the Second Tranche Bonds and all sums, documents and records held by them in respect of the Second Tranche Bonds to the Trustee or as the Trustee shall direct in such notice; provided, that, such notice shall be deemed not to apply to any document or record which the Paying Agent or Registrar is not obliged to release by any law or regulation; and
  - (ii) by notice in writing to the Issuer, require the Issuer to make all subsequent payments in respect of the Second Tranche Bonds to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn.

#### ***Notice of Default***

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

#### ***Penalty Interest***

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

#### ***Payments in the Event of Default***

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

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

### ***Application of Payments***

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

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

Second: To the payment of Penalty Interest.

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

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

Fifth: The remainder, if any, shall be paid to the Issuer, its successors or assigns, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct. Except for any interest and principal payments, all disbursements of the Paying Agent in relation to the Second Tranche Bonds shall require the conformity of the Trustee.

### ***Unclaimed Payments***

Any money remitted to the Paying Agent for the payment of principal and interest and other sums payable under the Trust Agreement on the Bonds, including Penalty Interest, if any, but not actually applied to such payment because the same have not been claimed by the Bondholders shall be held in trust by the Paying Agent for the Bondholders and shall be dealt with in accordance with the terms of the Registry and Paying Agency Agreement.

Claims in respect of principal and interest or other sums payable under the Trust Agreement on the Bonds will prescribe unless 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 the payment becomes due.

### ***Remedies***

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

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

### ***Ability to File Suit***

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

covenanted by every Bondholder with every other Bondholder and the Trustee, that no one or more Bondholder shall have any right in any manner whatsoever by virtue of or by availing of any provision of the Trust Agreement to affect, disturb or prejudice the rights of the holders of any other such Second Tranche Bonds or to obtain or seek to obtain priority over or preference to any other such holder or to enforce any right under the Trust Agreement, except in the manner herein provided and for the equal, ratable and common benefit of all Bondholders. For the protection and enforcement of the provisions of this Section, each and every Bondholder and the Trustee shall be entitled to such relief as can be given under the law.

### ***Waiver of Default by Bondholders***

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

### **Meetings of Bondholders**

#### ***Meetings***

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

#### ***Notice of Meetings***

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

#### ***Failure of Trustee to Call a Meeting***

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

#### ***Quorum***

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

#### ***Procedure for Meetings***

The Trustee shall preside at all the meetings of the Bondholders unless the meeting shall have been called by the Issuer or by the Bondholders, in which case the Issuer or the Bondholders calling the meeting, as the case may be, shall move for the election of the chairman and secretary of the meeting from among the Bondholders then present or represented during the meeting.

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

### ***Voting Rights***

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

### ***Voting Requirement***

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

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

### ***Role of the Trustee in Meetings of Bondholders***

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

### ***Evidence Supporting Bondholders' Action***

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

### ***Duties and Responsibilities of the Trustee***

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

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

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

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

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

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

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

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

### **Formal Amendments**

The Issuer and the Trustee may 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, without prior notice to or the consent of the Bondholders or other parties, provided in all cases that such amendment or waiver does not adversely affect the interests of the Bondholders and provided further that all Bondholders are notified of such amendment or waiver.

### **Supplemental Agreements**

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

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

all the Bondholders.

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

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

Promptly after the execution by the Issuer and the Trustee of any supplemental agreement pursuant to the provisions of this Section, the Issuer shall send a notice to the Bondholders setting forth in general terms the substance of such supplemental agreement. Any failure of the Issuer to send such notice or any defect therein shall not, however, in any way impair or affect the validity of any supplemental agreement.

## **Miscellaneous**

### ***Notice***

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

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

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

### ***Binding and Conclusive Nature***

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

### ***Dispute Settlement***

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

### ***No Right to Set-Off***

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

### ***Governing Law***

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

## PLAN OF DISTRIBUTION

### ***The Offer***

The Second Tranche Bonds is offered by the Company as the second tranche of the Bonds under the Company's ₱30,000,000,000.00 Debt Securities Program. The Company shall issue the Second Tranche Bonds to institutional and retail investors in the Philippines through a public offering to be conducted through the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners. The Second Tranche Bonds do not include an international offering. The Second Tranche Bonds will be issued with an aggregate principal amount of up to Five Billion Pesos (₱5,000,000,000.00) with an oversubscription option of up to Five Billion Pesos (₱5,000,000,000.00). In case the Oversubscription Option is partly exercised or not exercised at all during the Offer Period, the Second Tranche Bonds under Oversubscription Option that will not be taken up or exercised during the Offer Period will remain under Debt Securities Program and may be issued in tranches within the Shelf Period.

On 8 November 2024, the SEC issued an Order rendering effective the Registration Statement of the Company in connection with the offer and sale to the public of Securities under the Debt Securities Program to be issued in one or more Tranches within a three (3)-year period from its effectivity. On 14 July 2024, fixed-rate bonds with a principal amount of Ten Billion Pesos (₱10,000,000,000.00) were issued as the first Tranche of the Debt Securities Program.

### ***Shelf Registration of Securities Not Covered by the Offer***

After the close of the Offer and within the Shelf Period, the Company may, at its sole discretion, offer any or all of the remaining balance of the aggregate principal amount of the Bonds in subsequent tranches, [including any amount remaining if the Oversubscription Option is partly exercised or not exercised at all]. Any such subsequent offering requires the submission by the Company of the relevant updates and amendments to the Registration Statement and the issuance of the corresponding permit to sell by the SEC. As a listed company, the Company regularly disseminates such updates and information in its disclosures to the SEC, PDEx, and PSE.

However, there can be no assurance in respect of: (i) whether the Company would issue such Bonds at all; (ii) the size or timing of any individual issuance or the total issuance of such Bonds; or (iii) the specific terms and conditions of such issuance. Any decision by the Company to offer such debt securities will depend on a number of factors at the relevant time, many of which are not within the Company's control, including but not limited to: prevailing interest rates, the financing requirements of the Company's business and prospects, market liquidity and the state of the domestic capital market, and the Philippine, regional and global economies in general.

### **Joint Issue Managers, Joint Lead Underwriters, and Bookrunners of the Offer**

[•] and [•] as the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners for the Offer, have agreed to manage the Offer and to distribute and sell the Second Tranche Bonds, pursuant to the Underwriting Agreement. Subject to the fulfillment of the conditions provided in the Underwriting Agreement, each Joint Issue Manager, Joint Lead Underwriter, and Bookrunner has committed to underwrite the following amounts on a firm basis:

| <b>Joint Issue Managers, Joint Lead Underwriters and Bookrunners</b> | <b>Underwriting Commitment</b> |
|--|--------------------------------|
| [•]  | [•]                            |
| [•]  | [•]                            |
| [•]  | [•]                            |
| <b>Total</b>   | <b>₱[•]</b>                    |

There is no allocation of the Oversubscription Option among the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners. The Issuer and Joint Issue Managers, Joint Lead Underwriters, and Bookrunners have the right but not the obligation to exercise the Oversubscription Option. In case the Oversubscription Option is exercised, the Bonds pursuant to the said Oversubscription Option will be allocated on a daily basis to the Joint Issue Managers, Joint Lead Underwriters and Bookrunners based on actual demand. In the event the Oversubscription Option is not exercised, it is deemed cancelled and the filing fee for that over-subscription is forfeited.

The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to DoubleDragon of the net proceeds of the Second Tranche Bonds.

The underwriting fees to be paid by the Company in relation to the Offer shall be equivalent to 1% exclusive of gross receipts tax (“**GRT**”) of the final aggregate nominal principal amount of the Second Tranche Bonds issued. This shall be inclusive of any commissions to be paid to the Selling Agent.

For the purpose of complying with their respective commitments under the Underwriting Agreement, each of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners may, under such terms and conditions not inconsistent with the provisions of the Underwriting Agreement, particularly the underwriting commitment of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, appoint selling agents for the sale and distribution to the public of the Second Tranche Bonds; provided, that the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners shall remain solely responsible to the Company in respect of their obligations under the Underwriting Agreement entered into by them with the Company, and except as otherwise provided in the Underwriting Agreement, the Company shall not be bound by any of the terms and conditions of any agreements entered into by the Underwriters with the selling agent. East West Banking Corporation has been appointed as a Selling Agent.

The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners are licensed by the SEC to engage in the underwriting or distribution of the Second Tranche Bonds. The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners may, from time to time, engage in transactions with and perform services in the ordinary course of its business, for DoubleDragon or any of its subsidiaries.

[•]

None of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners have any direct or indirect relations with DoubleDragon in terms of material ownership by their respective major stockholder(s).

The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners have undertaken the requisite due diligence over the Issuer as Joint Issue Managers, Joint Lead Underwriters, and Bookrunners of the Offer.

[•]’s parent company are banking institutions regulated by the BSP that have relationships with the Company and/or its Subsidiaries. These relationships are independent of the engagement of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners and are entered into on an arm’s length basis in the ordinary course of its banking business. These banking institutions are engaged in transactions with, and have performed various commercial banking and other services for the Company and/or its affiliates in the past and are expected to do so for the Company and/or its affiliates from time to time in the future including, insofar as such bank have affiliates that offer such services, investment banking and underwriting services. However, all services provided by each of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, including in connection with the Offer, have been provided as an independent contractor and not as a fiduciary to the Company.

The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners do not have a contract or other arrangement with the Company under which any of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners may return to the Company any unsold securities of the Offer. The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners do not have any direct or indirect interests in the Company or in any securities thereof including options, warrants or rights thereto. None of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners have any right to designate or nominate any member of the Company’s Board.

### **Sale and Distribution**

The distribution and sale of the Second Tranche Bonds shall be undertaken by the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners who shall sell and distribute the Second Tranche Bonds to third party buyers/investors. Nothing herein shall limit the right of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners to purchase the Second Tranche Bonds for their own respective accounts.

The Second Tranche Bonds shall be offered to the public in the Philippines.

The obligations of each of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners will be jointly, and not solidary, and nothing in the Underwriting Agreement shall be deemed to create a partnership or joint venture between and among any of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners. Unless otherwise expressly provided in the Underwriting Agreement, the failure or success by a Joint Issue

Managers, Joint Lead Underwriters, and Bookrunners to carry out its obligations thereunder shall neither relieve the other Joint Issue Managers, Joint Lead Underwriters, and Bookrunners of their obligations under the same Underwriting Agreement, nor shall any of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners be responsible for the obligation of another Joint Issue Manager, Joint Lead Underwriter, and Bookrunner.

There are no persons to whom the First Tranche Bonds are allocated or designated, and the Second Tranche Bonds shall be offered to the public at large and without preference.

There are no finder's fees, discounts or commissions shall be paid to any broker dealers in the distribution of the Second Tranche Bonds.

### **Offer Period**

The Offer Period shall commence on 3 February 2025 and end at 5:00 p.m. on 14 February 2025 or such earlier or later date as may be mutually agreed between the Company and the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners.

### **Application to Purchase**

The procedure set out in this section and the succeeding sections should be read together with the more detailed procedure and other conditions set out in the Application to Purchase.

Applicants may purchase the Second Tranche Bonds during the Offer Period by submitting to the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners properly completed Applications to Purchase, whether originally signed or electronically submitted (through the e-Securities Issue Portal or "e-SIP"), together with two (2) signature cards, identification document, and the full payment of the Purchase Price of the Second Tranche Bonds in the manner provided in the said Application to Purchase.

Corporate and institutional Applicants must also submit, in addition to the foregoing:

- (a) An original notarized certificate of the corporate secretary (or the managing director in case of a partnership) or an equivalent officer of the Applicant setting forth resolutions of the board of directors, partners or equivalent body (i) authorizing the purchase of the Second Tranche Bonds indicated in the Application to Purchase and (ii) designating the signatories, with their specimen signatures, for the said purposes;
- (b) copies of its Articles of Incorporation and By-Laws (or the Articles of Partnership in case of a partnership) and latest amendments thereof, together with the Certificate of Incorporation issued by the SEC or other organizational documents issued by an equivalent government institution, stamped and signed as certified true copies by the SEC or the equivalent government institution, or by the corporate secretary, or by an equivalent officer(s) of the Applicant who is/are authorized signatory(ies);
- (c) two (2) duly accomplished signature cards containing the specimen signatures of the authorized signatories of the Applicant, validated by its corporate secretary or by an equivalent officer(s) who is/are authorized signatory(ies) (whose authority(ies) and specimen signatures will be submitted to the Registrar);
- (d) BIR Certificate of Registration showing the Applicant's Tax Identification Number;
- (e) identification document(s) of the authorized signatories of the Applicant, as specified in item (a) of the immediately succeeding paragraph below; and
- (f) such other documents as may be reasonably required by any of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, Selling Agents or the Registrar in the implementation of its internal policies regarding "know your customer" and compliance with anti-money laundering laws.

Individual applicants must also submit, in addition to accomplished Applications to Purchase and its required attachments:

- (a) identification document ("ID") of the Applicant which shall consist of any one of the following valid identification documents bearing a recent photo, and which is not expired: Philippine Identification Card, Passport, Driver's License, Professional Regulation Commission ID, National Bureau of

Investigation Clearance, Police Clearance, Postal ID, Maritime Industry Authority ID, Voter's ID, Barangay Certification, Government Service Insurance System e-Card, Social Security System Card, Senior Citizen Card, Overseas Workers Welfare Administration ID, OFW ID, Seaman's Book, Alien Certification of Registration/Immigrant Certificate of Registration, Government Office and government-owned and controlled corporation ID, e.g., Armed Forces of the Philippines, Home Development Mutual Fund, Certification from the National Council for the Welfare of Disabled Persons, Department of Social Welfare and Development Certification, Integrated Bar of the Philippines ID, company IDs issued by private entities or institutions registered with or supervised or regulated either by the BSP, SEC or the Insurance Commission, or school ID duly signed by the principal or head of the school (for students who are beneficiaries of remittances/fund transfers who are not yet of voting age);

- (b) two (2) duly accomplished signature cards containing the specimen signature of the Applicant;
- (c) validly issued tax identification number issued by the BIR; and
- (d) such other documents as may be reasonably required by the Underwriters, Selling Agents or the Registrar and Paying Agent in the implementation of their respective internal policies regarding "know your customer" and compliance with anti-money laundering laws.

An Applicant who is claiming exemption from any applicable tax, or entitlement to preferential tax rates shall, in addition to the requirements set forth above, be required to submit the following requirements to the relevant Underwriter or Selling Agent (together with their respective Applications to Purchase), subject to acceptance by the Issuer as being sufficient in form and substance:

- (i) a current and valid BIR-certified true copy of the tax exemption certificate, ruling or opinion issued by the BIR and addressed to the relevant applicant or Bondholder, confirming its exemption or preferential rate, as required under BIR Revenue Memorandum Circular No. 8-2014 including any clarification, supplement or amendment thereto, and certified by the corporate secretary of the Bondholder that: (a) the exemption certificate is a true copy of the original; (b) the original is in the possession of the corporate secretary as the duly authorized custodian of the same; and (c) the corporate secretary has personal knowledge based on his official functions of any amendment, revocation, expiration, change, or any circumstance affecting said certification's validity, or a copy of the law of the country of domicile allowing a deemed paid tax credit in an amount to the 15% spared or waived by the Philippines duly authenticated by the Philippine embassy or, for countries that are members to the Apostille Convention, an apostilled copy of the law of the country of domicile which apostilled or authenticated copy shall be valid for one year from the date of issuance. Should the submitted tax exemption certificate, ruling or opinion expire during the Offer Period, the Bondholder must submit an updated/revalidated tax exemption certificate;
- (ii) with respect to tax treaty relief:
  - (a) prior to the payment of the initial interest due, (i) three (3) originals of the duly executed and apostilled/consularized BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes filed by the Applicant or, if the Applicant is a fiscally transparent entity, each of the Applicant's owners or beneficiaries with the proof of receipt by the concerned office of the BIR, as required under BIR RMO No. 14-2021, (ii) one (1) original of the apostilled/consularized TRC issued by the respective foreign tax authority of the country of residence of the Applicant, or, if the Applicant is a fiscally transparent entity, the country of residence of each of the Applicant's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, (iii) the relevant provision of the applicable tax treaty providing for the claimed tax exemption or preferential tax rate, in a form acceptable to the Issuer, and (iv) three (3) originals of the duly notarized, consularized or apostilled (as the case may be), if executed outside of the Philippines, special power of attorney executed by the Applicant or the Applicant's owners or beneficiaries, as may be applicable, in favor of the authorized representative (if the Application Form for Treaty Purposes and other documents are accomplished by an authorized representative) and confirmation acceptable to the Issuer that the Applicant or the Applicant's owners or beneficiaries is/are not doing business in the Philippines to support the applicability of a tax treaty relief, and (v) such other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, including but not limited to the documentary requirements enumerated in BIR RMO No. 14-2021 in relation to BIR RMC Nos. 77-2021 and 20-2022, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the first (1<sup>st</sup>) day of the month when such initial interest payment shall fall due and, if applicable, including any clarification, supplement, or amendment thereto;

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

- (b) prior to the payment of subsequent interests due, (i) three (3) originals of the duly executed and apostilled/consularized new or updated BIR Form 0901-I (Interest Income) or Application Form for Treaty Purposes, as the Issuer deems applicable, and (ii) one (1) original of apostilled/consularized TRC duly issued by the respective foreign tax authority of the country of residence of the Bondholder or, if the Bondholder is a fiscally transparent entity, the country of residence of each of the Bondholder's owners or beneficiaries, in the form acceptable for recognition under Philippine laws, if the validity period of the previously TRC has already lapsed; and (iii) such other additional documents as may be required by the Issuer or pursuant to applicable tax regulations, including but not limited to the documentary requirements enumerated in BIR RMO No. 14-2021 in relation to BIR RMC Nos. 77-2021 and 20-2022, which shall be submitted by the Bondholder/Registrar to the Issuer no later than the first (1<sup>st</sup>) day of the month when such subsequent interest payments shall fall due and, if applicable, including any clarification, supplement, or amendment thereto;
  - (c) in the event that the Issuer determines that the non-resident Bondholder is not entitled to the preferential tax treaty rate based on the documents submitted in item (i) above and determines that all conditions for the availment thereof have not been satisfied, the Issuer shall apply the regular tax rates;
  - (d) the non-resident Bondholder may apply for tax treaty relief with the BIR in accordance with BIR RMO No. 14-2021;
  - (e) the Issuer shall not apply for any confirmatory application of preferential tax rates with the BIR;
  - (f) should the BIR grant the application for tax treaty relief, it is the obligation of the non-resident Bondholder to apply for refund with the BIR. The Issuer shall not refund the non-resident Bondholder any amount as a result of the application of the higher tax rate;
  - (g) the non-resident Bondholder must update its certificate of entitlement ("COE") annually, if applicable, as described in BIR RMO No. 14-2021, as further clarified by BIR RMC Nos. 77-2021 and 20-2022. Expired COEs will not be accepted by the Issuer; and
  - (h) aside from the updated COE (if applicable), the non-resident Bondholder shall submit its TRC annually to the Issuer as continuing proof of its entitlement to the preferential tax treaty rate. Absent such updated TRC and COE (if applicable), the Issuer shall apply the regular tax rate;
- (iii) a duly notarized undertaking executed by (i) the corporate secretary or any authorized representative of such Applicant or Bondholder who has personal knowledge of the exemption or preferential rate treatment based on his official functions, if the Applicant purchases, or the Bondholder holds, the Second Tranche Bonds for its account, or (ii) the trust officer, if the applicant is a universal bank authorized under Philippine law to perform trust and fiduciary functions and purchase the Second Tranche Bonds pursuant to its management of tax-exempt entities (i.e. Employee Retirement Fund, etc.), declaring and warranting such entities' tax-exempt status or preferential rate entitlement, undertaking to immediately notify the Issuer, the Registrar and the Paying Agent (1) of any suspension, revocation, amendment or invalidation (in whole or in part) of the tax exemption certificate, ruling or opinion issued by the BIR, executed using the prescribed form under the Registry and Paying Agency Agreement; (2) if there are any material changes in the factual circumstances of the Bondholder including but not limited to its character, nature, and method of operation, which are inconsistent with the basis for its income tax exemption; or (3) if there are any change of circumstance, relevant treaty, law or regulation or any supervening event that may or would result in the interest income of the Second Tranche Bonds being ineligible for exemption or preferential rate, with a declaration and warranty of its tax exempt status or entitlement to a preferential tax rate, and agreeing to indemnify and hold the Issuer, the Registrar and the Paying Agent free and harmless against any claims, actions, suits, and liabilities resulting from the non-withholding or incorrect withholding of the required tax, provided, that in case of corporate, partnership or trust account investors, such Bondholder shall also submit an original certification from the corporate secretary or an equivalent officer of the investor, setting forth the resolutions of its board of directors or equivalent body

authorizing the execution of the undertaking and designating the signatories, with their specimen signatures, for the said purpose; and

- (iv) such other documentary requirements as may be required by the Issuer and the Registrar or the Paying Agent under the applicable regulations of the relevant taxing or other authorities, e.g., BIR RMO No. 14-2021 and BIR RMO Circulation No. 20-2022, which for purposes of claiming tax treaty withholding rate benefits, shall include evidence of the applicability of a tax treaty and consularized or apostilled (as the case may be) proof of the Bondholder's legal domicile in the relevant treaty state, and confirmation acceptable to the Issuer that the Bondholder is not doing business in the Philippines; provided, 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 Bondholder on the interest payments to such Bondholder; provided, further, that all sums payable by the Issuer to tax exempt entities shall be paid in full without deductions for taxes, duties, assessments or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of the required documents and of additional reasonable evidence of such tax-exempt status to the Registrar.

Unless otherwise indicated above, the foregoing requirements shall be submitted, (i) in respect of issuance of the Second Tranche Bonds, upon submission of the Application to Purchase to the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners or Selling Agents who shall then forward the same to the Registrar; or (ii) in respect of a transfer from a Bondholder to a purchaser, to the Registrar upon submission of the account opening documents.

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

The Purchase Price for each Bond is payable in full upon submission of the duly executed Application to Purchase. Payments of the Purchase Price shall be made either in checks or appropriate debit instructions or payment instructions made out to the order of the relevant Joint Issue Manager, Joint Lead Underwriter, and Joint Bookrunner or Selling Agent. All payments must be made or delivered to the relevant Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, or the Selling Agent to whom the Application to Purchase is submitted.

Completed Applications to Purchase and corresponding payments must reach the relevant Joint Issue Manager, Joint Lead Underwriter, and Joint Bookrunner, or the Selling Agent prior to the end of the Offer Period, or such earlier date as may be specified by the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners. Acceptance by the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, or the Selling Agent of the completed Application to Purchase shall be subject to the availability of the Second Tranche Bonds and the acceptance by Maynilad. In the event that any check payment is returned by the drawee bank for any reason whatsoever or the nominated bank account to be debited is invalid, the Application to Purchase shall be automatically canceled and any prior acceptance of the Application to Purchase shall be deemed revoked.

### **Minimum Purchase**

A minimum purchase of ₱50,000.00 shall be considered for acceptance. Purchases in excess of the minimum shall be in multiples of ₱10,000.00.

### **Allotment of the Second Tranche Bonds**

If the Second Tranche Bonds are insufficient to satisfy all Applications to Purchase, the available Second Tranche Bonds shall be allotted at the discretion of the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners, in consultation with the Issuer and subject to the Issuer's right of rejection.

### **Acceptance of Applications**

The Company and the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners reserve the right to accept or reject Applications to Purchase the Second Tranche Bonds [and in case of oversubscription allocate the Second Tranche Bonds available to the Applicants in a manner they deem appropriate].

### **Rejection of Applications**

The Joint Issue Managers, Joint Lead Underwriters, and Bookrunners shall accept, reduce or reject

Applications to Purchase on behalf of the Issuer in accordance with the following provisions and the allocation plan. Reasons for rejection or reduction may include the following:

- (a) Applications may be rejected if: (i) the Purchase Price is unpaid; (ii) payments are insufficient or where checks, as applicable, are dishonored upon first presentment; (iii) the Application to Purchase is not received by the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners or the Selling Agent on or before the end of the Offer Period; (iv) the number of the Second Tranche Bonds subscribed is less than the minimum amount of subscription; (v) the Applications to Purchase do not comply with the terms of the Offer; or (vi) the Applications to Purchase do not have sufficient information or are not supported by the required documents.
- (b) Applications may be reduced if the Offer is oversubscribed, in which case the number of the Second Tranche Bonds covered by such Applications to Purchase shall be reduced pro rata or in accordance with such other methodology adopted by the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners.

In the event an Application to Purchase is rejected or the amount of the Second Tranche Bonds applied for is scaled down for a particular Applicant, the relevant Joint Issue Manager, Joint Lead Underwriter, and Bookrunner or the Selling Agent shall notify the Applicant concerned that his/her application has been rejected or that the amount of the Second Tranche Bonds applied for has been scaled down.

### **Refunds**

If any application is rejected or accepted in part only, payments made by the Applicant or the appropriate portion thereof shall be returned without interest to such Applicant through the relevant Joint Issue Manager, Joint Lead Underwriter, and Bookrunner or the Selling Agent with whom such Application to Purchase was coursed through.

The manner of refunds shall be made, at the option of each Joint Issue Manager, Joint Lead Underwriter, and Bookrunner and or the Selling Agent, either (i) through the issuance of check(s) payable to the order of the relevant Applicant and crossed "Payees' Account Only" and mailed or delivered, at the risk of the Applicant, to the address specified in the Application to Purchase, or (ii) through the issuance of instructions for automatic credit payments to the accounts of the relevant Applicants, as indicated in their respective Applications to Purchase.

### **Payments**

The Paying Agent shall open and maintain a bank account for the Second Tranche Bonds, which shall be operated solely and exclusively by the said Paying Agent in accordance with the Registry and Paying Agency Agreement (the "Payment Account"), provided that beneficial ownership of the Payment Account shall always remain with the Bondholders. The Payment Account shall be used exclusively for the payment of the principal, interest and other payments due on the Second Tranche Bonds on the relevant Payment Date.

The Paying Agent shall maintain the Payment Account while the Second Tranche Bonds are outstanding, and until six (6) months past the relevant Maturity Date. Upon closure of the Payment Account, any balance remaining in the Payment Account shall be returned to the Issuer and shall be held by the Issuer in trust and for the irrevocable benefit of the Bondholders with unclaimed interest and principal payments and such other payments that are due on the Second Tranche Bonds.

### **Unclaimed Payments**

Any payment of interest on, or the principal of the Second Tranche Bonds which remain unclaimed after the same shall have become due and payable, shall be held in trust by the Paying Agent for the Bondholders and shall be dealt with in accordance with the relevant provisions of the Registry and Paying Agency Agreement.

Claims in respect of principal and interest or other sums payable under the Trust Agreement on the Bonds will prescribe unless 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 the payment becomes due.

### **Purchase and Cancellation**

The Issuer may purchase the Second Tranche Bonds at any time in the open market or by tender or by

contract, in accordance with PDEX Rules, as may be amended from time to time, without any obligation to make pro rata purchases from all Bondholders. Any Second Tranche Bonds so purchased shall be deemed fully redeemed and cancelled and may not be re-issued.

Upon listing of the Second Tranche Bonds on PDEX, the Issuer shall disclose any such transactions in accordance with the applicable PDEX disclosure rules.

### **Secondary Market**

The Company intends to list the Second Tranche Bonds in the PDEX. The Company may purchase the Second Tranche Bonds at any time in the PDEX trading system without any obligation to make pro-rata purchases of Second Tranche Bonds from all Bondholders. The Second Tranche Bonds shall be traded in denominations of ₱10,000.00 in the secondary market.

For a more detailed discussion, please refer to the section “*Terms and Conditions of the Bonds*”.

### **Register of Bondholders**

The Second Tranche Bonds shall be issued in scripless form and shall be registered in the Register of Bondholders to be maintained by the Registrar. A Master Bond Certificate representing the Second Tranche Bonds sold in the Offer shall be issued in the name of the Trustee for the benefit of the Bondholders.

Legal title to the Second Tranche Bonds shall be shown in the Register of Bondholders to be maintained by the Registrar. Initial placement of the Second Tranche Bonds and subsequent transfers of interests in the Second Tranche Bonds shall be subject to applicable prevailing Philippine selling restrictions. The names and addresses of the Bondholders and the particulars of the Second Tranche Bonds held by them and all transfers of the Second Tranche Bonds shall be entered into the Register of Bondholders. Transfers of ownership of the Second Tranche Bonds shall be effected through book-entry transfers in the Register of Bondholders.

For a more detailed discussion, please refer to the section “*Terms and Conditions of the Bonds*.”

## USE OF PROCEEDS

The Issue Price shall be at par, which is equal to the face value of the Second Tranche Bonds. The Issuer expects that the net proceeds of the Second Tranche Bonds shall amount to approximately ₱[•] Billion for a ₱[Ten] Billion issue size, and after deducting fees, commissions, and expenses.

*Based on an Issue Size of ₱5,000,000,000.00*

| Particulars  | Total (₱)         |
|--|-------------------|
| <b>Estimated Gross Proceeds</b>  | ₱5,000,000,000.00 |
| Fees to be paid to the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners: |                   |
| Underwriting and Selling Fees <sup>(A)</sup>   | [•]               |
| Documentary Stamp Taxes  | 37,500,000.00     |
| PDEX Listing and Processing Fees   | [•]               |
| SEC Registration Fee and Legal Research Fee  | 2,525,030.00      |
| Credit Rating Fee  | [•]               |
| Other Expenses <sup>(B)</sup>  | [•]               |
| Less: Total Estimated Expenses   | [•]               |
| <b>Estimated Net Proceeds</b>  | [•]               |

<sup>(A)</sup> 1% of the Gross Proceeds for underwriting and selling fees plus gross receipt taxes will be paid to the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners.

<sup>(B)</sup> “Other Expenses” shall refer to the expenses with the creation of this Offer Supplement, legal fees of the Issuer’s legal counsel, fees of the Auditor, Second-Party Opinion Provider, Trustee, Registrar and Paying Agent, and miscellaneous related expenses such as printing, out-of-pocket expenses for the Offer.

| Particulars                              | Total (₱) |
|--|-----------|
| <b>Other Expenses</b>                    |           |
| Legal Counsel of the Issuer              | ₱[•]      |
| Auditor Fees                             | [•]       |
| Trustee Fees                             | [•]       |
| Registry and Paying Agency Fees          | [•]       |
| Investor Presentation/ Roadshow Expenses | [•]       |
| <b>Total Other Expenses</b>              | [•]       |

*Based on an Issue Size of ₱10,000,000,000.00*

| Particulars  | Total (₱)          |
|--|--------------------|
| <b>Estimated Gross Proceeds</b>  | ₱10,000,000,000.00 |
| Fees to be paid to the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners: |                    |
| Underwriting and Selling Fees <sup>(A)</sup>   | [•]                |
| Documentary Stamp Taxes  | 75,000,000.00      |
| PDEX Listing and Processing Fees   | [•]                |
| SEC Registration Fee and Legal Research Fee  | 2,525,030.00       |
| Credit Rating Fee  | [•]                |
| Other Expenses <sup>(B)</sup>  | [•]                |
| Less: Total Estimated Expenses   | [•]                |
| <b>Estimated Net Proceeds</b>  | [•]                |

<sup>(A)</sup> 1% of the Gross Proceeds for underwriting and selling fees plus gross receipt taxes will be paid to the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners.

<sup>(B)</sup> “Other Expenses” shall refer to the expenses with the creation of this Prospectus, legal fees of the Issuer’s legal counsel, fees of the Auditor, Second-Party Opinion Provider, Trustee, Registrar and Paying Agent, and miscellaneous related expenses such as printing, out-of-pocket expenses for the Offer.

| Particulars           | Total (₱) |
|-----------------------|-----------|
| <b>Other Expenses</b> |           |

|  |                     |
|--|---------------------|
| Legal Counsel of the Issuer              | ₱5,000,000.00       |
| Auditor Fees                             | 2,000,000.00        |
| Trustee Fees                             | 150,000.00          |
| Registry and Paying Agency Fees          | 200,000.00          |
| Investor Presentation/ Roadshow Expenses | 50,000.00           |
| <b>Total Other Expenses</b>              | <b>7,400,000.00</b> |

In addition to these one-time costs, the Company expects to also incur annual expenses related to the Second Tranche Bonds as follows:

- The Issuer shall pay an annual maintenance fee of 1/200 of 1% of the face value or maximum of 150,000.00 charged by PDEX for the continued listing in the Exchange.
- The Issuer shall pay an annual retainer fee to the Trustee amounting to ₱40,000.00 per quarter.
- The issuer shall incur Paying Agency fees amounting to 5 basis points of the amount to be paid with a minimum of ₱10,000.00 and a maximum of ₱100,000.00 payable each Interest Payment Date. The Registrar will charge based on the face value of the Second Tranche Bonds and the number of Bondholders.
- The Issuer shall incur annual monitoring fees of ₱450,000.00 for its credit rating with PhilRatings. It should be noted, however, that this fee is paid in relation to all of the bonds that the Company has or will issue.

The net proceeds of the Second Tranche Bonds will be used to fund the Issuer's general corporate requirements, specifically to increase working capital fund as set out below:

(in ₱ Millions)

| <b>Purpose</b>   | <b>Net Proceeds from Base Offer<br/>(in ₱ Millions)</b> | <b>Net Proceeds from the Offer assuming the Oversubscription Option is Fully Exercised<br/>(in ₱ Millions)</b> | <b>Estimated Timing of Utilization / Disbursement</b> |
|--|---|--|---|
| To fund the Issuer's general corporate requirements, specifically to increase working capital fund | [•]   | [•]  | [•]   |
| <b>Total</b>   | <b>[•]</b>  | <b>[•]</b>   | <b>[•]</b>  |

The Company shall use internally generated funds and/or available bank lines to the extent the proceeds of the Offer are insufficient to fund its working capital. The Company believes that it has sufficient available cash and credit facilities to cover the requirements.

[In the event that the Oversubscription Option is partly exercised or not exercised at all during the Offer Period,] in case the Company is not able to raise the full amount of the Offer, the Company shall use internally generated funds and/or available bank lines to the extent the proceeds of the Offer are insufficient to fund its requirements.

While awaiting disbursements, the Company may deposit the funds in time deposits or special deposit accounts and/or invest the same in Philippine government Peso-denominated securities. The Company will not use any portion of the proceeds to reimburse any of its officers, directors, employees or shareholders for services rendered, asset previously transferred, or money loaned or advanced. Other than the fees relating to the underwriting and issue management of the Company, the Company will not use the proceeds to pay any financial obligations with the Underwriters and its affiliates.

No amount of proceeds shall be used to reimburse any officer, director, employee, or stockholder for services rendered, assets previously transferred, money loaned or advanced, or otherwise. Except for the underwriting fees and expenses related to the Bonds, no amount of the proceeds will be utilized to pay any outstanding financial obligation to the Joint Issue Managers, Joint Lead Underwriters and Bookrunners.

The foregoing discussion represents a best estimate of the use of proceeds of the Offer based on the Company's current plans and anticipated expenditures. In the event that there is any change in the Company's development plan, including force majeure, market conditions and other circumstances, the Company will carefully evaluate the situation and may reallocate the proceeds for future investments or other uses, and/or hold such funds in investments, whichever is better for the Company's and its shareholders' interest taken as a whole. The Company's cost estimates may also change as these plans are developed further, and actual costs may be different from budgeted costs. For these reasons, timing and actual use of the net proceeds may vary from the foregoing discussion and the Company's management may find it necessary or advisable to alter its plans. In the event of substantial deviation, adjustment or reallocation in the planned use of proceeds, the Company shall inform the SEC, the stockholders, and PDEX in writing at least thirty (30) days before such deviation, adjustment or reallocation is implemented. Any material or substantial adjustment to the use of proceeds, as indicated above, shall be approved by the Board and shall be publicly disclosed through the SEC, PSE, and PDEX.

## CAPITALIZATION AND INDEBTEDNESS

The following tables set forth, in accordance with PFRS, the Company's capitalization as of 30 September 2024 and as adjusted to give effect to the issuance of the Base Offer and the Second Tranche Bonds, assuming the full exercise of the Oversubscription Option. These tables should be read in conjunction with the Company's consolidated financial statements and the notes thereto, included elsewhere in this Offer Supplement.

*Base Offer:*

| (Amounts in ₱ millions)   | Actual as of<br>30 September<br>2024 | First<br>Tranche<br>Bonds | After First<br>Tranche<br>Bonds | Bonds to be<br>issued <sup>a</sup> | Adjusted for<br>the Base<br>Offer of ₱5<br>Billion (Upon<br>issuance of<br>the Second<br>Tranche<br>Bonds) |
|---|--------------------------------------|---------------------------|---------------------------------|------------------------------------|--|
| <b>Debt</b>   |                                      |                           |                                 |                                    |  |
| Short-term borrowings   | 16,595.00                            |                           | 16,595.00                       |                                    | 16,595.00  |
| Long-term borrowings  |                                      |                           |                                 |                                    |  |
| Long-term notes and<br>bonds  | 37,047.00                            | 10,000.00                 | 37,047.00                       |                                    | 37,047.00  |
| bonds   | 19,702.00                            |                           | 29,702.00                       |                                    | 29,702.00  |
| Bonds to be issued  | -                                    |                           | -                               | 5,000.00                           | 5,000.00   |
| Lease liabilities   | 1,313.00                             |                           | 1,313.00                        |                                    | 1,313.00   |
| <b>Total Indebtedness</b>   | <b>74,657.00</b>                     | <b>10,000.00</b>          | <b>84,657.00</b>                | <b>5,000.00</b>                    | <b>89,657.00</b>   |
| <b>Equity</b>   |                                      |                           |                                 |                                    |  |
| Common Shares   | 237.31                               |                           | 237.31                          |                                    | 237.31   |
| Preferred Shares  | 10,000.00                            |                           | 10,000.00                       |                                    | 10,000.00  |
| Additional paid-in capital  | 5,540.59                             |                           | 5,540.59                        |                                    | 5,540.59   |
| Retained earnings   | 37,516.03                            |                           | 37,516.03                       |                                    | 37,516.03  |
| Remeasurement income (loss)<br>on defined benefit<br>liability – net of tax | (679.64)                             |                           | (679.64)                        |                                    | (679.64)   |
| Treasury stock  | (391.67)                             |                           | (391.67)                        |                                    | (391.67)   |
| Non-controlling interests   | 42,674.74                            |                           | 42,674.74                       |                                    | 42,674.74  |
| <b>Total Equity</b>   | <b>94,897.36</b>                     | <b>-</b>                  | <b>94,897.36</b>                |                                    | <b>94,897.36</b>   |
| <b>Total Capitalization<sup>b</sup></b>                                     | <b>169,554.36</b>                    | <b>10,000.00</b>          | <b>179,554.36</b>               | <b>5,000.00</b>                    | <b>184,554.36</b>  |

<sup>a</sup> Reflects gross proceeds assuming a base offer of ₱5 billion

<sup>b</sup> Total capitalization is the sum of Total Indebtedness and Total Equity

*Assuming the full exercise of the Oversubscription Option:*

| (Amounts in ₱ millions)      | Actual as of<br>30 September<br>2024 | Tranche 1        | After<br>Tranche 1 | Bonds to be<br>issued <sup>a</sup> | Adjusted for<br>maximum<br>Offer of ₱10<br>Billion (Upon<br>issuance of<br>the Second<br>Tranche<br>Bonds) |
|------------------------------|--------------------------------------|------------------|--------------------|------------------------------------|--|
| <b>Debt</b>                  |                                      |                  |                    |                                    |  |
| Short-term borrowings        | 16,595.00                            |                  | 16,595.00          |                                    | 16,595.00  |
| Long-term borrowings         |                                      |                  |                    |                                    |  |
| Long-term notes and<br>bonds | 37,047.00                            | 10,000.00        | 37,047.00          |                                    | 37,047.00  |
| bonds                        | 19,702.00                            |                  | 29,702.00          |                                    | 29,702.00  |
| Bonds to be issued           | -                                    |                  | -                  | 10,000.00                          | 10,000.00  |
| Lease liabilities            | 1,313.00                             |                  | 1,313.00           |                                    | 1,313.00   |
| <b>Total Indebtedness</b>    | <b>74,657.00</b>                     | <b>10,000.00</b> | <b>84,657.00</b>   | <b>10,000.00</b>                   | <b>94,657.00</b>   |

|   |                   |                  |                   |                   |
|---|-------------------|------------------|-------------------|-------------------|
| <b>Equity</b>   |                   |                  |                   |                   |
| Common Shares   | 237.31            |                  | 237.31            | 237.31            |
| Preferred Shares  | 10,000.00         |                  | 10,000.00         | 10,000.00         |
| Additional paid-in capital  | 5,540.59          |                  | 5,540.59          | 5,540.59          |
| Retained earnings   | 37,516.03         |                  | 37,516.03         | 37,516.03         |
| Remeasurement income (loss)<br>on defined benefit<br>liability – net of tax | (679.64)          |                  | (679.64)          | (679.64)          |
| Treasury stock  | (391.67)          |                  | (391.67)          | (391.67)          |
| Non-controlling interests   | 42,674.74         |                  | 42,674.74         | 42,674.74         |
| <b>Total Equity</b>   | <b>94,897.36</b>  | <b>-</b>         | <b>94,897.36</b>  | <b>94,897.36</b>  |
| <b>Total Capitalization<sup>b</sup></b>                                     | <b>169,554.36</b> | <b>10,000.00</b> | <b>179,554.36</b> | <b>189,554.36</b> |

<sup>a</sup> Reflects an additional of ₱5.00 billion in gross proceeds assuming the Oversubscription Option is fully exercised, bringing the total issue size to ₱10 billion

<sup>b</sup> Total capitalization is the sum of Total Indebtedness and Total Equity

As of 30 September 2024, the Company has a total bonded indebtedness of ₱19.57 billion. With the issuance of the Bonds, ₱10 billion-worth of new bonded indebtedness will be created assuming the Oversubscription Option is fully exercised.

## **DETERMINATION OF OFFER PRICE**

The Second Tranche Bonds shall be issued on a fully-paid basis and at an issue price that is at par. The Interest Rate is a fixed rate of 7.77% per annum.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

*The following discussion of the Company's financial results should be read in conjunction with the independent auditors' reports and the Company's audited and reviewed consolidated financial statements and notes thereto contained in this Offer Supplement and the section entitled "Summary Consolidated Financial Information and Other Data."*

*This discussion contains forward-looking statements and reflects the current views of the Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the section entitled "Risk Factors" and elsewhere in the Offer Supplement.*

### **For the nine months ended 30 September 2024 compared to the nine months ended 30 September 2023**

#### **Revenues**

The Company reports Consolidated Revenue figures for nine months ended September 30, 2024 at ₱6,420.36 million.

The Company's rental revenues increased by ₱184.58 million to ₱2,984.57 million during the nine months ended September 30, 2024 compared to ₱2,799.99 million during the same period last year, increase is due to the combination of rental escalation and new tenants onboarded.

Real estate sales amounting to ₱838.62 million, a decrease of ₱371.77 million for the nine months ended September 30, 2024 compared to the same period in 2023, decrease is due to the limited remaining units of inventory left for sale for its Hotel101 Philippine-based projects, and also due to timing of recognition based on construction completion. The Company expects to only begin sales recognition for its first batch of overseas projects, namely Hotel101 Niseko and Hotel101 Madrid in fourth quarter of 2024 upon significant construction completion despite already selling out a significant part of the overseas projects inventory.

Hotel Revenues increased by 35.2% to ₱618.14 for the nine months ended September 30, 2024, from ₱457.09 million posted in the same period in 2023, due to increase in occupancy rate for hotel properties and additional hotel revenue from recently-opened Hotel101-Fort.

The Company's interest income for the nine months ended September 30, 2024 decreased by ₱29.10 million or, to ₱58.65 million, compared to ₱87.75 million in 2023, as a result of the decrease in interest income from short term placements.

The Company's Others - net for the nine months ended September 30, 2024 amounting to ₱1.92 billion increased by ₱329.57 million or, 20.7%, compared to ₱1.59 billion in 2023 due to the increase cinema revenues, management income, interests and other charges to tenants.

#### **Cost and Expenses**

Cost of real estate sales amounting to ₱429.90 million, a decrease by ₱187.40 million, -30.4% for the nine months ended September 30, 2024 compared to the same period in 2023, the decrease in line with the real estate sales for the period.

Cost of hotel operations amounting to ₱432.75 million increased by ₱112.26 million, 35.0%, for the nine months ended September 30, 2024. The increase is due to higher hotel occupancy resulting to higher operating costs.

Selling expenses of ₱117.80 million increased by ₱25.32 million, or 27.4%, from ₱92.49 million from the same period last year due to the increase in expenses related to events and sales roadshows and other marketing expenses.

General and administrative expenses of ₱1,532.03 million increased by ₱181.10 million, or 13.4% due to increase in utilities, employees salaries, depreciation and professional fees.

Interest expense amounting to ₱1,179.97 million was recognized for the nine months ended September 30, 2024 – an increase from ₱1,142.38 million or 3.3% in the same period last year.

### **Income before income tax**

The Company's consolidated income before income tax for the nine months ended September 30, 2024 is at ₱2,727.91 million, an increase of ₱105.48 million or 4.0%, from its consolidated income before income tax of ₱2,622.43 million recorded for the same period in 2023.

### **Income tax expense**

The Company's income tax expense for the first nine months is at ₱195.35 million, an increase of ₱45.83 million, or 30.7%, from its income tax expense of ₱149.52 million recorded for the same period in 2023. Increase in income tax expense is due to higher taxable income for the period.

### **Net Income**

The Company's consolidated net income of ₱2,532.56 million increased by ₱59.64 million, for the nine months ended September 30, 2024 from ₱2,472.91 million posted for the same period in the previous year.

### **For the nine months ended 30 September 2024 compared to the year ended 31 December 2023**

As of the end of September 30, 2024, Consolidated Total Assets stood at ₱192.43 billion while Total Equity reached ₱94.90 billion.

### **Current Assets**

Cash amounting to ₱5.37 billion as of September 30, 2024, an increase of ₱2.45 billion or 84.0% from ₱2.92 billion as of December 31, 2023. Increase in cash was mainly due to the strengthening of the Company's cash position from collections and availments.

Receivables amounting to ₱16.93 billion as of September 30, 2024, an increase of ₱2.63 billion (18.4%) from ₱14.30 billion as of December 31, 2023 due to increase in installment contracts receivable and rent receivable. Impairment loss on receivables amounted to ₱39.86 million for the period.

Real estate inventories amounting to ₱5.64 billion as of September 30, 2024 increased by ₱ 1.11 billion (24.6%) from ₱4.52 billion on December 31, 2023. Increase was due to the capital expenditures related to Hotel101 projects with the ongoing construction of different Hotel101 projects offset by the cost of real estate sales during the period.

Prepaid expenses and other current assets - net amounting to ₱6.79 billion as of September 30, 2024, an increase of ₱537.39 million (8.6%) from ₱6.25 billion as of December 31, 2023 due to increase in advances to contractors and suppliers, and prepaid expenses.

### **Noncurrent Assets**

Receivables – net of current portion remains at ₱298.60 million as of September 30, 2024.

Property and equipment – net amounting to ₱1.24 billion as of September 30, 2024 increased by ₱35.11 million (2.9%) from ₱1.20 billion as of December 31, 2023 due to the additions recognized for the period less depreciation.

Investment property amounting to ₱152.20 billion as of September 30, 2024 increased by ₱4.26 billion (2.9%) from ₱147.94 billion as of December 31, 2023.

Right-of-use assets - net of current portion amounting to ₱4.82 million as of September 30, 2024, decreased by ₱10.52 million (-68.6%) from ₱15.33 million as of December 31, 2023 decrease is due to depreciation for the period.

Deferred tax assets amounting to ₱233.82 million as of September 30, 2024 increased by ₱87.87 million, or

60.2% from ₱145.95 million as of December 31, 2023 due to additional deferred tax component from NOLCO and unearned revenues.

Other noncurrent assets amounting to ₱2.61 billion increased by ₱91.91 million, or 3.7% from ₱2.52 billion as of December 31, 2023 due to increase in deposits and increase in derivative asset.

### **Current Liabilities**

Accounts payable and other liabilities amounting to ₱6.93 billion as of September 30, 2024, a decrease of ₱1.49 billion, or -17.7%, from ₱8.42 billion as of December 31, 2023 due to decrease in trade payable, retention payable and withholding tax payable.

Short-term notes payable amounting to ₱16.59 billion as of September 30, 2024, an increase of ₱ 1.31 billion, or 8.6%, from ₱15.28 billion as of December 31, 2023.

Customers' deposits amounting to ₱1.44 billion as of September 30, 2024 increased by ₱750.04 million or 109.5% from ₱685.02 million as of December 31, 2023 due to the increase in deposits from unit buyers of Hotel101 projects.

Due to related parties remains at ₱560.81 million as of September 30, 2024.

Dividends payable amounted to ₱1,087.11 million as of September 30, 2024, an increase of ₱600.80 million, or 123.5%, from ₱486.31 million as of December 31, 2023, increase is due to the dividends declared by the Company during the quarter.

Income tax payable amounting to ₱29.11 million as of September 30, 2024 increased by ₱11.07 million, or 61.4%, from ₱18.04 million as of December 31, 2023 due to higher taxable income.

### **Noncurrent Liabilities**

Long-term notes payable is at ₱37.05 billion as of September 30, 2024 an increase of 25.9% due to loan availments of the Company during the period.

Bonds payable amounted to ₱19.70 billion as of September 30, 2024, an increase of ₱1.15 billion, or 6.2%, from ₱18.55 billion as of December 31, 2023 due to new bond issuance for the period offset by payments.

Lease liabilities- net of current portion amounted to ₱1.31 billion as of September 30, 2024, an increase of ₱94.31 million, or 7.7%, from ₱1.22 billion as of December 31, 2023 due to additional lease liabilities.

Deferred tax liabilities increased by ₱836.66 million (7.8%) to ₱11.53 billion from ₱10.70 billion as of December 31, 2023 mainly due to deferred tax component of borrowing cost.

Other noncurrent liabilities amounting to ₱1.26 billion as of September 30, 2024, a decrease of ₱21.21 million, or -1.7% from ₱1.28 billion as of December 31, 2023 due to decrease in security deposits and deferred output VAT.

### **Equity**

Equity amounting to ₱94.90 billion as of September 30, 2024, an increase of ₱328.97 million from ₱94.57 billion as of December 31, 2023, due to net income during the period.

### **Key Performance Indicators of the Company**

|                       | <b>Unaudited<br/>September 30, 2024</b> | <b>Audited<br/>December 31, 2023</b> |
|-----------------------|---|--------------------------------------|
| Current Ratio         | 1.31                                    | 1.10                                 |
| Asset to Equity       | 2.03                                    | 1.92                                 |
| Debt to Equity Ratios |   |                                      |
| On Gross Basis        | 0.77x                                   | 0.67x                                |
| On Net Basis          | 0.72x                                   | 0.64x                                |

|                 |      |      |
|-----------------|------|------|
| Acid Test Ratio | 0.84 | 0.68 |
|-----------------|------|------|

|                       | Unaudited<br>Nine months ending<br>September 30, 2024 | Unaudited<br>Nine months ending<br>September 30, 2023 |
|-----------------------|---|---|
| Return on Equity      | 2.88%   | 3.18%   |
| Net Income to Revenue | 23.45%  | 23.29%  |
| Revenue Growth        | 4.46%   | 3.01%   |
| Income Growth         | 5.16%   | 9.34%   |
| EBITDA                | PhP 3,994.39 Million                                  | PhP 3,807.20 Million                                  |
| Solvency Ratio        | 0.027x  | 0.031x  |

The following are the formula by which the Company calculates the foregoing performance indicators are as follows:

|  |   |
|--|---|
| 1. Current Ratio                         | $\frac{\text{Current Assets}}{\text{Current Liabilities}}$  |
| 2. Asset to Equity Ratio                 | $\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$   |
| 3. Debt to Equity Ratio<br>(Gross Basis) | $\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$   |
| 4. Debt to Equity Ratio<br>(Net Basis)   | $\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt less Cash and Cash Equivalent}}{\text{Total Equity}}$                                     |
| 5. Acid Test Ratio                       | $\frac{\text{Cash} + \text{Accounts Receivable} + \text{Marketable Securities}}{\text{Current Liabilities}}$  |
| 6. Return on Equity                      | $\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$                             |
| 7. Net Income to Revenue                 | $\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$   |
| 8. Revenue Growth                        | $\frac{\text{Total Revenue (Current Period)} - \text{Total Revenue (Prior Period)}}{\text{Total Revenue (Prior Period)}}$                                   |
| 9. Income Growth                         | $\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)}}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}} - 1$ |
| 10. EBITDA                               | Income from Operations + Depreciation and Amortization + Interest Expense   |
| 11. Solvency Ratio                       | $\frac{\text{Net Income} + \text{Depreciation and Amortization}}{\text{Total Liabilities}}$   |

**For the year ended 31 December 2023 compared to the year ended 31 December 2022**

*Please refer to pages 94-100 of the Prospectus.*

**For the year ended 31 December 2022 compared to the year ended 31 December 2021**

*Please refer to pages 101-109 of the Prospectus.*

## BUSINESS

*The following section discusses updates to the Description of Business after the date of the Prospectus and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Offer Supplement carefully, including the section entitled "Risk Factors and Other Considerations" and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement.*

### OVERVIEW

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

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

In 2021, the Company further strengthened its balance sheet with the public offering of shares and listing of DDMP REIT, Inc. (formerly DD Meridian Park Development Corp. ("**DDMPDC**")) ("**DDMPR**") and the equity infusion by JFC and its subsidiary into CentralHub Industrial Centers, Inc. ("**CHICI**"), DoubleDragon's industrial leasing subsidiary. As of 30 September 2024, the Company's total equity was ₱94.90 billion and its gross Debt-to-Equity was 0.77x, which is below the Company's cap of 2.33x.

Having met its target of 1.2 million sq.m. of completed gross floor area ("**GFA**") for its leaseable portfolio, the Company intends to pursue a strategy of revenue optimisation for its retail leasing, office leasing, hospitality and industrial leasing operations, with the goal of maximising recurring revenue. As of 30 September 2024, the Company's completed portfolio encompassed 1.298 million sq.m. of GFA, with 53% in retail, 28% in office, 8% in hospitality, and 11% in industrial leasing. Further, by 2030 the Company targets to increase its portfolio to 2.4 million sq.m. of GFA spread across its four core business segments: 30% in retail, 15% in office, 20% in hospitality, and 35% in industrial leasing.

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

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

Grade A 41-storey commercial and office tower with approximately 60,394.67 sq.m. of leasable space and is situated in the heart of the Ortigas central business district in Metro Manila. The project, which was completed in 2019, is a joint venture between the Company and JFC, who also serves as the building's anchor tenant. In addition to DD Meridian Park and Jollibee Tower, the Company also owns The SkySuites Tower, comprising two towers, including an office tower that is currently being leased to tenants.

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

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

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

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

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

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

The Company intends to acquire additional sites that are strategically located across Luzon, Visayas and

Mindanao. The industrial centers will contain standardised, multi-use, and industrial quality warehouses suited for commissaries, cold storage and logistics centers to be leased to locators operating nationwide in the Philippines.

DoubleDragon reported Consolidated Net Income of ₱2.53 Billion for the first nine months ending 30 September 2024 as compared to the same period the prior year.

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

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

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

Total Assets increased to ₱192.43 Billion in the first nine months ending 30 September 2024. Total Equity increased to ₱94.90 Billion in the first nine months ending 30 September 2024 making DoubleDragon on track to exceed ₱100 Billion in Total Equity for the first time in 2024. DoubleDragon happens to be one of the very few companies that has not only positioned a diversified hard asset portfolio spread out across the Philippines, but it also happens to be one of the very few that has organically developed a novel asset-light concept and highly unique business model in Hotel101 ("HBnB") that is portable and exportable to other continents globally. The export of Hotel101 is expected to eventually become one of the major US Dollar inflow generator to the Philippine economy.

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

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

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

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

DoubleDragon in less than 10 years has completed over 1.3 million square meters of diversified asset portfolio consisting of a chain of provincial community malls in Luzon, Visayas and Mindanao, office buildings in Metro Manila, hotels in the Philippines and overseas, and warehouse complexes around the country.

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

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

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

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

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

## **IMPACT OF COVID-19 ON THE COMPANY'S OPERATIONS**

The Company surpassed its goal of completing a portfolio comprising 1.2 million sq.m. of GFA, even in the face of construction constraints arising from the COVID-19 outbreak and the community quarantine measures implemented in the Philippines since mid-March of 2020. Apart from adjusting its project completion targets, the Company does not believe that the COVID-19 pandemic has had a material impact on its operations, and has affirmed the relevance of its portfolio:

*Provincial retail leasing* – The Company's CityMalls, are all located outside of the National Capital Region and continued to provide services to various communities during the imposition of community quarantine measures across the country. Majority of the leasable space within each CityMall are anchor tenants like supermarkets, pharmacies, money remittance shops, medical clinics, food and banks which provide essential goods and services that cater to the general good of the public especially during these periods. The Company believes that its focus on essential retail goods and services have resulted in resilient performance of its CityMalls compared to more destination-focussed malls. The occupancy of the Company's CityMalls as of 30 September 2024 was at 87.65%, the Company believes that the occupancy rate will continue to recover as the Philippine economy continues to open up.

The Company has successfully entered into lease renewals with several major tenants on the same terms and conditions, including escalation rates. The Company has observed that the demand for dining out has remained strong and continues to increase.

*Office leasing* – The Company's office towers spread out across Metro Manila continued to be operational and are covered by fixed rate lease agreements, post-dated cheques, security deposits and advance rentals for the duration of their lease terms. The Company has observed strong leasing momentum from tenants who look to expand their current occupied space to improve safe distancing measures. The Company believes that its tenant mix of corporate offices, government offices, accredited BPOs and POGOs and healthcare and insurance offices. In 2024, the Company signed leases covering 79% of leasable space in its latest office building DoubleDragon Tower. The Company's main office asset, DD Meridian Park, had a 77.6% blended overall occupancy as of 30 September 2024.

*Industrial warehouse leasing* – The Company's CentralHub sites nationwide are leased to companies involved in fast-moving consumer goods distribution and food production which are priority industries the Government mandated to be fully operational during the imposition of the community quarantine measures for the benefit of the nation and its people. The Company believes that its industrial warehouse leasing business has remained pivotal due to mobility issues and the need for additional and efficient logistics operations across the country throughout the COVID-19 pandemic.

*Hospitality* – Despite the COVID-19 pandemic significantly affecting the tourism industry since the first half of 2020, the average hotel occupancy of all the Company's hotel properties have remained stable for as of 30 September 2024 with average occupancy of 80.6% for Hotel101 Manila and Jinjiang Inn properties. The Company believes this is mainly due to the Company's hotel portfolio not being heavily reliant on foreign tourists with price points of ₱2,500- ₱3,500 per room per night being a value 3-star hotel chain, and because of the continued demand from business travellers and designation of certain properties as quarantine hotels.

The Company believes that its four core segments have remained strong despite the COVID 19 pandemic and that the remaining tenants of the Company are companies that have also stood the impact of the pandemic and have demonstrated ability to continue its businesses.

The Company's operations have remained uninterrupted with stringent monitoring in place covering the production of employees with flexible working arrangements. The Company continues to remain vigilant in upholding the health and safety of its employees. The Company closely monitors updates from the Philippine Department of Health and other reliable sources publishing information regarding COVID-19 and shall continue comply with all Government-mandated measures relating to COVID-19.

**HISTORY**

Please refer to pages 110-112 of the Prospectus.

**RECENT DEVELOPMENTS**

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

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

**Release of Third Quarter 2024 Financials**

On 15 November 2024, the Issuer released its financial results as of 30 September 2024, available at [•].

**Hotel101 Global App hits half a million registered users milestone**

On 30 October 2024, the Issuer’s subsidiary Hotel101 Global has achieved milestone of exceeding 500,000 (half a million) registered users on its Hotel101 Global APP. The next milestone of 1 million registered users is expected to be attained by the end of 2024.

Please also refer to pages 114-115 of the Prospectus.

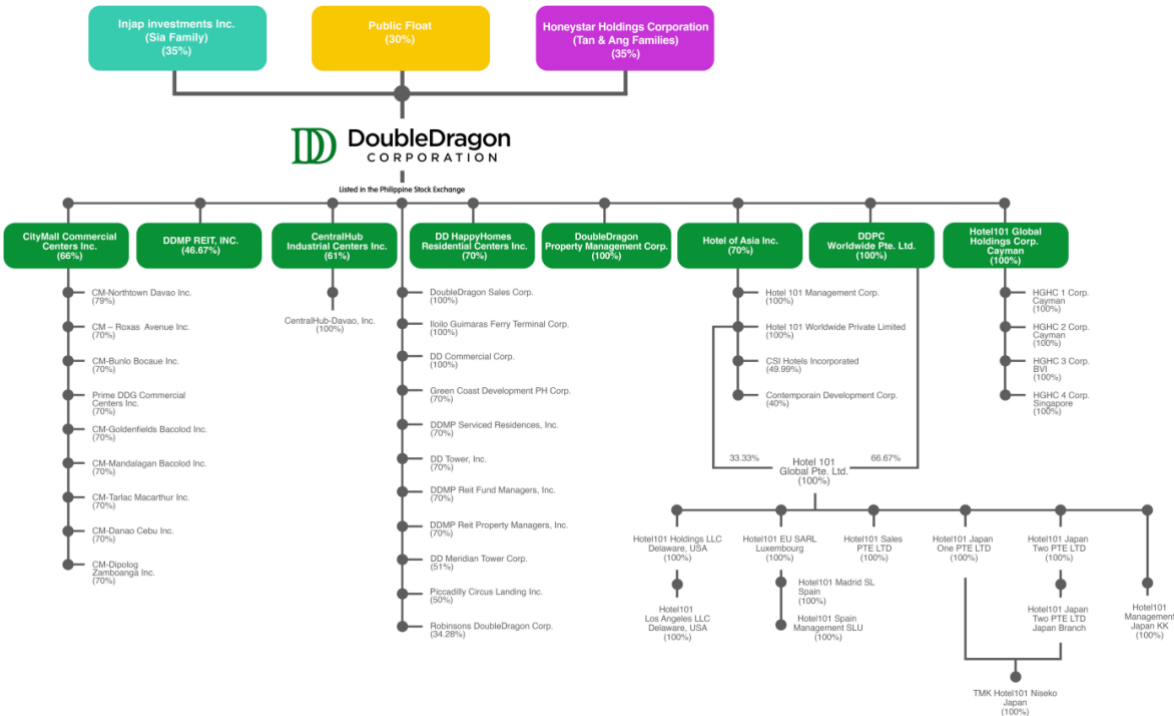
**Additional Subsidiaries Incorporated in 2024**

Please refer to page 115 of the Prospectus.

**MATERIAL RECLASSIFICATION, MERGER, CONSOLIDATION**

**CORPORATE STRUCTURE**

The Company’s corporate structure as of the date of this Offer Supplement is presented in the diagram below:



See “– *Subsidiaries*” for more information on each of the Company’s subsidiaries as of 30 September 2024.

## **COMPETITIVE STRENGTHS**

### **Diversified Philippine property group with four recurring income growth pillars**

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

#### ***Retail***

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

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

#### ***Office***

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

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

#### ***Hospitality***

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

annual occupancy rate of 86.2% in 2023 while Hotel101 Fort started operating in 2023.

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

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

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

### ***Industrial Leasing***

In addition, the Company formed its owned subsidiary CentralHub Industrial Centers Inc. (“CHICI”) as its industrial leasing arm. The Company envisions CHICI to be a branded modern institutional quality logistics platform suited for commissaries, cold storage and logistic centers. As of 30 September 2024, the Company owns 10 CentralHub sites across the Philippines, with a total of 60.57 hectares of prime industrial land. Five of the Company's CentralHub sites, namely CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig, are currently operational. CentralHub-Sta Barbara Iloilo, CentralHub-Davao, CentralHub-Cebu are under construction while CentralHub-Surigao and CentralHub-Negros are currently in the development stages. As of 30 September 2024, Phases 1 and 2 of CentralHub-Tarlac, CentralHub-Capiz, CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig were all fully leased out. CentralHub-Laguna 1, CentralHub-Laguna 2 and CentralHub-Pasig were infused into CHICI by JFC pursuant to the definitive agreements executed between the Company and JFC on 19 August 2021 implementing the ₱4.0 billion investment of JFC in CHICI. JFC acquired common shares of CentralHub and infused its 16.4 hectares of industrial properties in Santolan, Pasig and Carmelray, Laguna which are currently utilised as commissaries (including the largest operating commissary of JFC). As of 30 September 2024, the equity and asset swap between CentralHub and JFC was completed and the transfer of title for the two CentralHub- Laguna and CentralHub-Pasig were completed. The Company and JFC intend to prepare CHICI for the Philippines' first industrial REIT IPO in 2025.

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

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

### **Well-defined execution capability with proven track record**

*Please refer to page 117 of the Prospectus.*

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

The Company remains focused on growing its business segments to achieve economies of scale and drive cost efficiencies. For example, with its aim to be the largest community mall player in first class municipalities and second and third class cities, the rollout of its expansion plans allows the

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

### ***Proven execution ability in delivery***

The Company believes that it has an established execution track record. Since its listing in 2014, the Company has managed to build up an investment property portfolio with a total value of ₱152.2 billion, as of 30 September 2024.

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

### ***Strategic acquisitions to enter into new business segments***

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

### ***Proven ability to raise funding***

The Company has demonstrated a strong ability to secure funding, raising approximately ₱110.0 billion in long-term capital since the Company's listing to fund the Company's vision. The Company has also been able to diversify sources of funds which include bank borrowings, and issuance of preferred shares and fixed-rate corporate bonds, which enhance the Company's financial flexibility in raising capital. On 15 December 2016, the Company debuted in the local debt market with the listing of its ₱5.3 billion fixed rate bonds due 2026, as an initial tranche of its up to ₱15 billion bonds shelf registration. On 13 July 2018, the Company listed an additional 143,370,600 shares via a follow-on equity offering at P30.00 per share, or total gross proceeds of ₱4.3 billion. On 27 July 2020, the Company, through its subsidiary DDWPL, issued US\$75.0 million 7.25% guaranteed senior notes due 2025. On 24 March 2021, the Company completed the listing of DDMPR raising ₱9.0 billion. The follow-on offering and listing of DDMPR resulted in the increase of the Company's total equity, further strengthening its financial position. On 10 March 2022, DDWPL issued an additional US\$55.0 million 7.25% guaranteed senior notes due 2025. On 4 November 2022, the Company's credit rating was upgraded to PRS Triple A by Philippine Rating Services Corp., a Philippine debt watcher. On 25 November 2022, DDWPL issued an additional US\$30.0 million 7.25% guaranteed senior notes due 2025. As of 30 September 2024, the Company had a gross Debt-to-Equity ("**D/E**") ratio of 0.77x which is below the 2.33x maximum gross D/E ratio the Company is required to maintain under its debt covenants. The Company believes that this financial headroom enables the Company to react faster to growth and any potential inorganic opportunities that are value accretive for its business.

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

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

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

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

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

*Please refer to pages 119-120 of the Prospectus.*

### **Supported by strategic partnerships with credible local and international business groups**

*Please refer to page 120 of the Prospectus.*

### **Experienced board and management team with strong corporate governance**

*Please refer to page 120 of the Prospectus.*

## **BUSINESS STRATEGIES**

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

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

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

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

stream, the Company believes that the remaining portfolio is well positioned for upside given exposure to the following trends:

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

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

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

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

- The Company's target is to achieve a strong portfolio of CityMalls across first class municipalities and second- and third-class cities. Its key strategy is to continue to develop, own and operate a nationwide retail mall network, funding further expansion by using recurring income from its operating malls as well as profits from the sale of its development properties, supported by additional debt funding if required.
- The Company will continue to innovate, to implement optimal tenant mixes best suited to the Philippine consumer, to introduce new retail experiences adapted to market dynamics, and to adapt best practices and concepts from retail leaders elsewhere in Southeast Asia; and
- The Company will continue to create barriers into the community mall segment, by targeting underserved lower tier areas. The Company chooses such sites based on the following criteria: (i) sites that give the Company a first-mover advantage in areas where there is less operational baggage from costs, but also (ii) sites where the Company are familiar with and (iii) sites with scarce presence of competitors and suitably sized lots within and in surrounding prime city center areas.

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

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

The Company's management team has also continued to assess and adapt to shifts in the demands in the real estate industry. For example, the Company added industrial leasing as its fourth pillar as the Company believes that warehousing in the Philippines is currently fragmented, and there remains favorable local

macroeconomic dynamics to translate into strong and sustainable demand for logistics facilities and underpinned by limited stock of existing logistics facilities. Given the significant overlap of tenants in its retail mall business and their corresponding needs for industrial space, the Company believes that it is in a position to not only tap into this existing demand but to also help its tenants achieve operating efficiencies. The current industrial landscape is such that majority of the current stock of logistics warehouse is old generation and fragmented properties that often provide less efficient warehousing conditions – existing warehouses are not suitable for distribution needs as one of the key specifications requires the floor-to-ceiling height to be 14 meters high, while most of the current facilities are only six meters high.

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

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

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

*Please refer to page 122-123 of the Prospectus.*

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

*Please refer to page 123 of the Prospectus.*

## **BUSINESS SEGMENTS**

The Group focuses on 4 business segments.



## RETAIL LEASING

The Company operates its retail leasing segment primarily through its subsidiary, CMCCI. As of 30 September 2024, the Company owns and operates 46 malls, primarily located in the provincial areas of the Philippines. As of 30 September 2024, the Company also had 43 operational CityMalls, and seven CityMalls under construction with an additional land bank for 14 CityMalls. CMCCI is 66% owned by the Company and 34% owned by SMIC, the holding company for one of the largest conglomerates in the Philippines. The Company believes CityMall is the first branded independent community mall chain to focus on the provincial areas in the Philippines.

All CityMalls have a standard color, design, look, feel and approximate size. The Company believes that the standardization of the CityMalls makes the mall design a brand unto itself. The photos below depict the typical look of a CityMall:



CityMall provides prime and strategic locations in the heart of the community that it serves, locating the malls close to national highways in order to amplify visibility and ensure the mall is in the city center for maximum exposure. CityMall caters to top Philippine fast food brands such as Jollibee, Mang Inasal, Chowking, Greenwich, Red Ribbon and Highlands Coffee, as well as other leading retailers. The Company believes that CityMall provides the platform in which modern retail brands can expand into the provinces because it is the first modern retail format in most of the cities that it is penetrating. The Company's tenants include well-known brands such as Bank of the Philippine Islands, BDO Unibank, Watsons, Burger King, Panda Express, LBC and 7-Eleven.

In December 2016, CMCCI started to roll out cinemas in various CityMall locations. As of 30 September 2024, 12 cinemas are operational. Each cinema is expected to have a seating capacity of 100 to 120 seats. As part of its commitment to sustainable development, the Company intends to "greenergize" its CityMalls, deploying rainwater collection systems and/or solar panels when possible.

The Company's tenancies are generally granted for a term of one to five years, with the exception of some of the larger anchor tenants, whose tenancies can last for up to 15 years, and kiosks which are on annual lease terms, with each renewable on an annual basis thereafter. Generally, six months' notice is required for termination of leases for a term of three to five years, and three months' notice is required for annual leases. Further, tenants are generally required to pay a six-month deposit at the commencement of the lease. A majority of the Company's leases are on fixed annual rates, subject to annual escalation clauses. Certain tenants of the Company, such as fast food tenants, pay rent based on a percentage of their revenues. The Company likewise has lease arrangement with tenants covering lease rates that is derived from a percentage of their revenues subject to a Minimum Guaranteed Rent (MGR) amount.

Leasable spaces are delivered bare by the Company to its tenants. The Company's tenants are responsible for the fit-out of their respective leased spaces, and are required to return such spaces to the Company in bare shell at the end of the lease term.



*Latest Photos of CityMall*

### **Other Malls**

#### *Dragon8 Mall*

Dragon8 Mall was a partially constructed project acquired by the Company on 2 May 2014. The project is located on a 5,972 sq. m. prime corner lot at C.M. Recto corner Dagupan Streets, Divisoria in Manila. In line with the area being known as a micro retail destination, Dragon8 Mall offers micro retailers a modern version of the mall stall units currently being offered within the vicinity at similar prices.

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

## ***Umbria Mall***

The Company partnered with the Aryana Group, through Piccadilly Circus Landing, Inc., to develop the Umbria Commercial Center in Binan, Laguna. Umbria Commercial Center is a multi-story structure housing specialty shops, casual dining, cafes and deli shops, convenience and drug store, wellness and beauty centers, and a supermarket. A key design feature of the mall is its architecture which is inspired by the umbrella-like structure in L'Umbracle Gardens in Valencia, Spain. Umbria Commercial Center opened on December 2, 2016.

## **OFFICE LEASING**

*Please refer to page 127-134 of the Prospectus.*

## **HOTELS**

The Company's hospitality segment is operated through its subsidiary, HOA, which is 70% owned by the Company. HOA's hospitality operations are comprised of 6 operational hotels with 1,482 hotel rooms, including the Company's own hotel brand, "Hotel101", located in the Manila Bay Area near the Mall of Asia, the Hotel101-Manila and the Hotel101-Fort in Bonifacio Global City, Taguig. CSI Hotels, Inc., a 50%-owned subsidiary of HOA, is the Philippines' master franchisee of the "Jinjiang Inn" brand, one of the largest hotel brands in Asia, with two hotels in operation in Ortigas and Makati, Metro Manila, that primarily target Chinese tourists. HOA also operates Injap Tower, a 21-storey condotel located in Iloilo City. HOA also operates Injap Tower, a 21-storey condotel located in Iloilo City. As of 30 September 2024, the Company has seven hotels under construction which is expected to add another 3,463 rooms, and an additional ten hotels under planning and development stages.

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

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

As of 30 September 2024, the Company has a portfolio of 7,981 rooms which include both operational and rooms in the pipeline.

The units in Hotel101 are sold to buyers prior to construction completion and opening. The buyers receive individual condominium titles, and likewise are able to receive income share from the hotel's revenues. The Company continues to manage the hotel, and shares a portion of the gross revenue with the individual unit owners in accordance with respective management agreements. The hotel is managed by Hotel101 Management Corp, a wholly owned subsidiary of HOA, under a 25-year management contract (with an option to extend for another 25 years).

The Hotel101 concept allows the Company to generate revenue and income twice from one project, first from the pre-selling of the condotel units and second from the long term-recurring revenue from hotel operations after the project's completion.

The Company's Board of Directors approved the creation of international wholly-owned selling arm subsidiaries in Singapore, Hong Kong, Japan, London, Italy and the USA to focus on the international pre-selling of Hotel101 projects in the Philippines. The Company plans to organise several more sales teams in preparation for the pre-selling activities of the next Hotel101 projects in Cebu, Boracay, Bohol, Palawan, Libis and Niseko. On 2 April 2019, the Company incorporated its international wholly owned selling arm, Hotel101 Worldwide Private Limited, in Singapore.

On 21 June 2019, the Company inaugurated its Hotel101 sales lounge at the ground floor of DoubleDragon Plaza at DD Meridian Park, Bay Area, Pasay City. The Hotel101 sales lounge houses a training center,

various meeting and conference rooms, the “Happy Room” model unit, scale models of the upcoming Hotel101 projects and other discussion areas catering to Hotel101 buyers and unit owners. HOA leases the sales lounge from DD Meridian Park Development Corp.

The Company’s Hotel101 Global Application, on both Apple iOS and Android platforms, is designed to provide efficient services across countries and is already available on iOS and Android. The Hotel101 Global App provides hotel reservation services and promotional programs, including vouchers, points and loyalty perks programs. The application will be the core of the Company’s global operations as it will hold the thousands of uniform Hotel101 units owned mainly by third party unit-owners enrolled exclusively in the Hotel101 Global App.

The Company believes that its foray into the hospitality sector will allow it to benefit from the significant tourism prospects globally, as well as fully optimize the use and value of its string of prime properties in strategic locations throughout the country as well as in its international locations.

Operational Hotels:

|                                  | Number of Rooms |
|----------------------------------|-----------------|
| Hotel101-Manila                  | 518             |
| Hotel101- Fort                   | 606             |
| JinJiang Inn-Makati              | 59              |
| JinJiang Inn-Ortigas             | 95              |
| Injap Tower                      | 194             |
| JinJiang Inn-Boracay (Station 1) | 10              |
| <b>Total</b>                     | <b>1,482</b>    |

**Hotel101-Manila**

*Please refer to page 135 of the Prospectus.*

**Hotel101-Fort**

*Please refer to page 136 of the Prospectus.*

**Jinjiang Inn**

*Please refer to pages 136-137 of the Prospectus.*

**Injap Tower**

*Please refer to page 137 of the Prospectus.*

**List of Hotels Under Construction**

*Please refer to pages 137-140 of the Prospectus.*

**Other Hotel Developments**

*Please refer to page 140 of the Prospectus.*

**INTERIM PROJECTS**

*Please refer to pages 140-142 of the Prospectus.*

## OTHER INITIATIVES

Please refer to page 142 of the Prospectus.

## CONTRIBUTIONS TO REVENUE

The table below illustrates the amounts of revenue, profitability, and identifiable assets attributable to domestic and foreign operations for the nine months ended 30 September 2024:

|                     | <b>Sept 2024</b> |         |
|---------------------|------------------|---------|
|                     | In ₱'000         | In %    |
| <b>Revenues</b>     |                  |         |
| <i>Domestic</i>     | 6,419,989.71     | 99.99%  |
| <i>Foreign</i>      | 372.15           | 0.01%   |
| Total               | 6,420,361.85     | 100.00% |
| <b>Net Income</b>   |                  |         |
| <i>Domestic</i>     | 2,623,687.20     | 103.60% |
| <i>Foreign</i>      | (91,128.08)      | -3.60%  |
| Total               | 2,532,559.12     | 100.00% |
| <b>Total Assets</b> |                  |         |
| <i>Domestic</i>     | 184,316,501.67   | 95.78%  |
| <i>Foreign</i>      | 8,112,490.62     | 4.22%   |
| Total               | 192,428,992.29   | 100.00% |

For the years ended 31 December 2023, 2022, and 2021, please refer to pages 142- 143 of the Prospectus.

## International Expansion

Please refer to page 143 of the Prospectus.

## COMPETITION

DoubleDragon's top competitors are investment holding companies with a strong real estate portfolio such as SM Investments Corp. (SM), Ayala Corporation (AC) and JG Summit Holdings Corp. (JGS).

SM is the holding company of the SM Group with interests in property, retail and banking with total assets as at 31 December 2023, and 30 September 2024 were ₱1.586 trillion and ₱1.652 trillion, respectively. AC principal business interests include real estate and hotels; financial services and insurance; telecommunications; industrial technologies; power; and automotive, outsourcing, and others with total assets as at 31 December 2023, and 30 September 2024 were ₱1.609 trillion and ₱1.716 trillion, respectively. JGS has substantial business interests in real estate and hotels; foods; agro-industrial and commodities; air transportation; banking; and petrochemicals with total assets as at 31 December 2023, and 30 September 2024 were ₱1.112 trillion and ₱1.026 trillion, respectively.

Since CityMall was conceptualized to be the modern alternative to traditional retailers in the provinces, the Company believes that traditional retailers would primarily be considered as the current competitors of CityMall. However, traditional retailers are often less organized and do not have the branding strength or critical mass that the Company can achieve through the nationwide roll out of its CityMalls. The existing traditional retailers are also more often than not locally owned and specific only to that city or region. Currently, only a fraction of the pricing advantage previously enjoyed by local retailers exists. The Company believes this pricing advantage will continue to be reduced or eliminated in the near term as branded retailers continue to penetrate the provinces. Other community mall developers could potentially be considered competitors to CityMall, although the Company believes that it has the advantage of familiarity, focus and actual business experience in these provincial areas of the Philippines.

For the office segment, the Company will compete with a majority of property players that are also invested in the office segment. The office segment is dependent on the continuous growth of the BPO industry in the Philippines, which make up majority of the end users in this market. Economic downturns could potentially

affect this sector, thus, in order to minimize risk, the Company has only developed office projects within the top five prime locations for these types of developments.

For the industrial leasing, the Company competes with other small to large property players with warehouses and logistic hubs around the country. Due to the COVID 19 pandemic, there is a positive demand for logistics space in the country given that companies involved in fast-moving consumer goods distribution and food production are priority industries the Government mandated to be fully operational during the imposition of the community quarantine measures. The Company believes that it can compete in the market given the locations of its industrial properties and the synergies with its related parties.

The Company's hotels cater to the mid-end market and compete with other three-star hotels and alternative sources of accommodation, such as short-term lets of private property, within the areas where HBNB has current and planned operations, such as the Manila Bay Area, Makati City, Bonifacio Global City, Taguig and Ortigas Center in the Philippines and Hokkaido Prefecture, Japan, Madrid, Spain, Westlake North District of Los Angeles, California, United States, and other international Hotel101 sites.

The Hotel101 concept is also positioned as an alternative real estate investment to titled apartment condo real estate units that people buy with the intention to lease out or enroll the asset in short term rental application platforms for passive income while preserving the long-term asset value of the titled apartment unit that could eventually be passed on as inheritance. The Hotel101 concept, while similar to existing short-term apartment rental websites and application platforms in the sense that its inventory is owned by third-party Unit Owners, is distinct in the sense that Hotel101 offers predictability of offering and consistency of quality.

The Company competes with the top 5 real estate companies in the Philippines, with properties and products focused on retail leasing, office leasing, industrial leasing and hotels.

## **MARKETING**

*Please refer to pages 144 of the Prospectus.*

## **SUPPLIERS**

*Please refer to pages 144 of the Prospectus.*

## **CUSTOMERS**

The Company does not have a customer that will account for twenty percent (20%) or more of its revenues.

## **RESEARCH AND DEVELOPMENT**

While the Company engages in research and development activities, the expenses incurred in connection with these activities are not material.

## **EMPLOYEES**

As of 30 September 2024, the Company and its Subsidiaries have a total of 666 organic employees, with 349 organic employees in operations. The Parent Company had 255 organic employees as of the same period. The Company and its Subsidiaries expect to increase to 675 organic employees in the next 12 months.

| <b>Type of Employee</b> | <b>Number</b> |
|-------------------------|---------------|
| Managerial              | 50            |
| Rank and File           | 625           |
| <b>TOTAL</b>            | <b>675</b>    |

The Company has no collective bargaining agreements with its employees due to the absence of organized labor organizations in the Company. Aside from complying with the minimum compensation standards mandated by law, the Company makes available to qualified personnel supplemental benefits such as health insurance, car plans and bonuses. The Company has not experienced any disruptive labor disputes, strikes or threats of strikes, and management believes that the Company's relationship with its employee in general is satisfactory.

## INTELLECTUAL PROPERTY

*Please refer to pages 145-148 of the Prospectus.*

## HEALTH, SAFETY AND ENVIRONMENT

*Please refer to page 148-149 of the Prospectus.*

## INSURANCE

*Please refer to pages 149 of the Prospectus.*

## SUBSIDIARIES AND ASSOCIATES

### Subsidiaries

*Please refer to the table on pages 149-150 of the Prospectus.*

The following is a brief description of each of the Company's eighteen direct subsidiaries:

- (1) **DoubleDragon Sales Corp. ("DDSC")**, incorporated on 12 November 2012, is engaged in the business of selling or marketing real estate products, including, but not limited to land, buildings, condominium units, townhouses, apartments, house and lot packages and all other forms of real estate products.
- (2) **DoubleDragon Property Management Corp. ("DDPMC")**, incorporated on 17 January 2012, is engaged in the business of maintaining, preserving, preparing and cleaning buildings, condominiums, townhouses, hotels, amusement or recreational places or counters, office premises, factories, shops, equipment and facilities, as well as to render janitorial services, window cleaning, to undertake additional carpentry works, plumbing, electrical, painting, landscaping, gardening, ground maintenance services of any and all kinds of buildings.
- (3) **CityMall Commercial Centers Inc. ("CMCCI")**, incorporated on 27 December 2013, is engaged in the business of commercial shopping centers or malls focused on provincial retail leasing.
- (4) **Piccadilly Circus Landing Inc. ("PCLI")** was incorporated on 10 October 2012. Its primary purpose is to engage, operate, hold or manage real estate business.
- (5) **DD HappyHomes Residential Centers Inc. ("DDHH")** was incorporated on 15 September 2011. Its primary purpose is to engage, operate, hold or manage real estate business.
- (6) **DDMP REIT, Inc.** (formerly DD Meridian Park Development Corp. ("**DDMPDC**")) ("**DDMPR**") was incorporated on 27 October 2014. Following its compliance with the requirements of Republic Act No. 9856, The Real Estate Investment Trust Act of 2009 and its Implementing Rules and Regulations (the "**REIT Law**") in March 2021, DDMPR started operating as a real estate investment trust ("**REIT**").
- (7) **Hotel of Asia, Inc. ("HOA")** was incorporated on 8 June 2011. Its primary purpose is to engage in and carry on the business of operating hotel/s and resort/s and to operate and maintain all services and facilities incident thereto.
- (8) **Iloilo-Guimaras Ferry Terminal Corp. ("IGFTC")** was incorporated on 10 June 2016. Its primary

purpose is to finance, design, construct, develop, operate and maintain the Iloilo-City Guimaras Ferry Terminal and its surrounding areas within the Parola Port.

- (9) **CentralHub Industrial Centers, Inc. (“CHICI”)** was incorporated on 31 August 2017. Its primary purpose is to engage in and carry on a business of receiving, accepting, unloading, storing and/or deposit of goods, chattels, fungibles, parcels, boxes, documents, mail, products, money, vehicles, animals, articles, cargoes, and effects of all kinds and provide facilities, amenities, conveniences, features, services and/or accommodations in relation and necessary to said business. CHICI is the Company’s Subsidiary focused on industrial warehouse leasing.
- (10) **DD Meridian Tower Corp. (“DDMTC”)** was incorporated on 2 October 2018. Its primary purpose is to engage in the business of real estate development including but not limited to residential and commercial subdivisions, buildings and condominium projects in accordance with Republic Act No. 4726 (otherwise known as The Condominium Act) as amended (“**The Condominium Act**”).
- (11) **Green Coast Development PH Corp. (“GCDPC”)** was incorporated and registered with the Philippine SEC on 10 May 2013 primarily to acquire by purchase, lease, donation or to own, use, improve, subdivide, sell, mortgage, exchange, lease, develop and hold for investment or otherwise, real estate of all kinds, whether improve manage or otherwise dispose of buildings, houses, apartments, and other structures of whatever kind, together with their appurtenances. GCDPC has not yet started its commercial operations as at 31 December 2024.
- (12) **DDPC Worldwide Pte. Ltd. (“DDWPL”)** Incorporated on 26 June 2020 as a company with limited liability under the laws of Singapore. DDWPL is the holding company of the Company’s investments outside the Philippines.
- (13) **DDMP REIT Fund Managers, Inc. (“DDMP REIT Fund Managers”)** was incorporated on 19 November 2020, a corporation organised and existing under the law of the Philippines primarily to engage in the business of providing fund management services to REIT companies, as provided under the REIT Law.
- (14) **DDMP REIT Property Managers, Inc. (“DDMP REIT Property Managers”)** was incorporated on 19 November 2020, a corporation organised and existing under the laws of the Philippines primarily to engage in the business of property management, providing functions like formulate and implement leasing strategies; enforce tenancy conditions; ensure compliance with government regulations in respect to the real estate under management; perform tenancy administration work, such as managing tenant occupancy and ancillary amenities; conduct rental assessment, formulating tenancy terms, preparing tenancy agreement, rent collection and accounting; secure and administer routine management services; maintain and manage the physical structures/real properties; and formulate and implement policies and programmes in respect of building management, maintenance and improvement; and initiate refurbishments and monitoring of such activities.
- (15) **DDMP Serviced Residences, Inc.** was incorporated and registered with the Philippine SEC on 19 November 2020 primarily to engage in the business of real estate development including but not limited to residential and commercial buildings, spaces, subdivisions, and condominium projects, to buy and acquire by purchase, lease or otherwise, lands, and interest in land and to own, hold, impose, promote, develop, subdivide and manage any land owned, held or occupied by the company, to construct, erect and manage or administer building such as condominiums, apartments, hotels, restaurants, stores, offices, spaces, or other structures now or hereafter erected on any land owned, held or occupied and to sell, lease or otherwise dispose of lands or interest in lands and buildings or other structures at any time. It is a joint venture company with 70% owned by the Company.
- (16) **DD Tower, Inc.** was incorporated and registered with the Philippine SEC on 19 November 2020 primarily to engage in the business of real estate development including but not limited to residential and commercial buildings, spaces, subdivisions, and condominium projects, to buy and acquire by purchase, lease or otherwise, lands and interest in lands and to own, hold, impose, promote, develop, subdivide and manage any land owned, held or occupied by the company, to construct, erect and manage or administer building such as condominiums, apartments, hotels, restaurants, stores, offices, spaces, or other structures now or hereafter erected on

any land owned, held or occupied and to sell, lease or otherwise dispose of lands or interests in lands and buildings or other structures at any time. It is a joint venture company with 70% owned by the Company.

- (17) **DD Commercial Corp. (“DDCC”)** was incorporated and registered with the Philippine SEC on 28 March 2022 primarily to engage in the business of commercial real estate development including but not limited to residential and commercial subdivisions, buildings, condominium projects; to buy and acquire by purchase, lease or otherwise, lands and interest in lands and to own, hold, impose, promote, develop, subdivide and manage any land owned, held or occupied by the company, to construct, erect and manage or administer building such as condominiums, apartments, hotels, restaurants, stores, offices, spaces, or other structures now or hereafter erected on any land owned, held or occupied and to sell, lease or otherwise dispose of lands or interests in lands and buildings or other structures at any time. DDCC is 100% owned by the Company.
- (18) **Hotel101 Global Pte. Ltd. (“Hotel101 Global”)** was incorporated and registered in Singapore on 28 July 2022. Hotel101 Global primarily holds all international investments of Hotel101 outside the Philippines. Hotel101 Global is intended to be the future overseas IPO vehicle for the Group’s international expansion of Hotel101.
- (19) **Hotel101 Global Holdings Corp (“Hotel101 Global Holdings”)** was incorporated and registered in Cayman Islands in 2024 in preparation for the listing of Hotel101 Global in NASDAQ. Hotel101 Holdings will hold all Hotel101 assets internationally and is 100% owned by the Company.

The following table presents the primary business activities the Company and the Company’s subsidiaries are engaged in:

|                              |  |
|------------------------------|--|
| Industrial leasing .....     | CHICI  |
| Hospitality business .....   | HOA, DDMP Serviced Residences, Inc.,<br>Hotel101Global, Hotel101 Global Holdings           |
| Retail Leasing .....         | CMCCI, PCLI, DD, DDCC  |
| Office Leasing .....         | DDMPR, DDMTC, DD Tower, Inc.   |
| Real Estate Residential..... | DD, DDHH   |
| Others .....                 | DDSC, IGFTC, DDPMC, GCDPC, DDWPL,<br>DDMP REIT Fund Manager, DDMP REIT<br>Property Manager |

## Associates

*Please refer to pages 152-153 of the Prospectus.*

## MATERIAL PERMITS AND LICENSES

The Company has the material permits and licenses necessary for the business of the Company, the pertinent details of which are provided in Annex C of the Offer Supplement. While the Company does not expect that any permits which are in the process of renewal or application will be withheld or delayed, there can be no assurance that third parties and the government will act on these promptly.

Failure to secure the necessary permits may result in cessation of the construction or delay the start of commercial operations of projects under development, which in turn may have a material adverse effect on the Company’s business, financial condition, results of operations and prospects. Please see discussions under the sections on “*Regulation and Environmental Matters*” on Page [193](#) of this Offer Supplement.

## PROPERTIES

The Company and its subsidiaries’ investment properties are stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser. The fair values of

the investment properties were arrived at using the market data approach for land and cost or income approach for buildings.

### Land Banking

The following table sets forth the Company and its subsidiaries land bank as of 30 September 2024:

| <b>Location</b>              | <b>Land Area<br/>(in hectares.)</b> |
|------------------------------|-------------------------------------|
| Luzon . . . . .              | 53.74                               |
| Metro Manila . . . . .       | 9.84                                |
| Mindanao . . . . .           | 37.68                               |
| Visayas . . . . .            | 201.96                              |
| International . . . . .      | 1.77                                |
| <b>Grand Total</b> . . . . . | <b><u>304.99</u></b>                |

## Condominium and Residential

The locations and descriptions of the Company's condominium and residential properties as of 30 September 2024 are shown below:

| Project                            | Address                   | Ownership                                   |
|------------------------------------|---------------------------|---|
| The SkySuites Tower . . . . .      | Quezon City               | Land and Structure – 100% directly owned    |
| WH Taft Residences . . . . .       | Taft Avenue, Manila       | Land and Structure – 100% directly owned    |
| The Uptown Place Iloilo City . . . | Gen Luna St, Iloilo City  | Land and Structure – 100% directly owned    |
| Peoples Condominium . . . . .      | Mandurriao, Iloilo City   | Land and Structure – 100% directly owned    |
| First Homes Subdivision . . . . .  | Mandurriao, Iloilo City   | Land and Structure – 100% directly owned    |
| DD HappyHomes – Mandurriao . . .   | Odate, Mandurriao, Iloilo | Land and Structure – 70%                    |
| DD HappyHomes – Tanauan . . . . .  | Tanauan, Leyte            | owned through DDHH Land and Structure – 70% |
| DD HappyHomes – Zarraga . . . . .  | Zarraga, Iloilo           | owned through DDHH Land and Structure – 70% |
| Green Coast Property . . . . .     | Sibunag, Guimaras         | owned through DDHH Land and Structure – 70% |
| Green Coast Property . . . . .     | Nueva Valencia, Guimaras  | Land owned through GCDCPH – 70%             |

## Retail, Office and Hotel

The locations and descriptions of the Company's retail leasing properties as of 30 September 2024 are shown below:

| Project                        | Address  | Ownership  |
|--------------------------------|--|--|
| Dragon8 Mall . . . . .         | C.M. Recto and Dagupan Street Along Divisoria              | Land and Structure – 100% directly owned*  |
| Umbria . . . . .               | Biñan, Laguna  | Land and Structure – 50% owned through PCL   |
| DoubleDragon Plaza Retail..... | Corners Roxas Blvd., EDSA and Macapagal Avenue, Pasay City | Land – 46.67% owned through DDMPR  |
| CM-Arnaldo, Roxas.....         | Arnaldo Avenue, Baybay, Roxas City                         | Land – 100% directly owned, Structure – 66% owned through CMCCI**                          |
| CM-Consolacion .....           | Sta. Lucia Town Square, Cansaga, Consolacion, Cebu City    | Land and Structure – 66% owned through CMCCI   |
| CM-Anabu, Imus Cavite .....    | Aguinaldo Highway, Anabu, Imus, Cavite                     | Structure – 66% owned through CMCCI  |
| CM-Tetuan, Zamboanga .....     | Don Alfaro Street, Tetuan, Zamboanga City                  | Land and Structure – Owned Property, 46.2% effective ownership (70% owned by CMCCI through |

Prime DDG Commercial Centers Inc.)

|                           |                                 |  |
|---------------------------|---------------------------------|--|
| CM-Tagbak, Jaro . . . . . | Tagbak, Jaro Iloilo             | Structure – 66% owned through CMCCI            |
| CM-Kalibo . . . . .       | F. Quimpo Street, Kalibo, Aklan | Land and Structure – 66% owned through CMCCI** |

| <b>Project</b>                   | <b>Address</b>  | <b>Ownership</b>   |
|----------------------------------|---|--|
| CM-Tiaong, Quezon.....           | Maharlika Highway, Lalig, Tiaong, Quezon  | Structure – 66% owned through CMCCI  |
| CM-Parola, Iloilo .....          | Fort San Pedro Drive, Parola Wharf, Concepcion, Iloilo City   | Structure – 66% owned through CMCCI  |
| CM-Cotabato City.....            | Governor Gutierrez Avenue, Rosario Heights VII, Cotabato City   | Land and Structure – 66% owned through CMCCI   |
| CM-Mandalagan, Bacolod . . . . . | Lacson Street corner G.M. Cordova Avenue, Mandalagan, Bacolod City                                    | Land and Structure – 46.2% effective ownership, (70% owned by CMCCI through CM-Mandalagan Bacolod Inc.)                                      |
| CM-Kabankalan City.....          | Justice Perez Highway, Talubangi, Kabankalan City   | Structure – 66% owned through CMCCI  |
| CM-Victorias City.....           | Osmeña Avenue, Victorias City, Negros Occidental  | Land and Structure – 66% owned through CMCCI   |
| CM-San Carlos .....              | Azcona Street corner CL Ledesma Avenue, Poblacion, San Carlos City, Negros Occidenta                  | Land and Structure – 66% owned through CMCCI   |
| CM-Boracay . . . . .             | Station 1, Balabag, Boracay   | Structure – 66% owned through CMCCI  |
| CM-Tagum.....                    | Maharlika Highway corner Lapu-Lapu Extension, Magugpo, Tagum City                                     | Structure – 66% owned through CMCCI  |
| CM-SCTEX.....                    | Santiago, Concepcion, Tarlac, SCTEX Southbound  | Structure – 66% owned through CMCCI<br>Land and Structure – 46.2% effective ownership (70% owned by CMCCI through CM-Tarlac Macarthur, Inc.) |
| CM-Tarlac.....                   | McArthur Highway, Brgy. San Rafael, Tarlac City, Tarlac   |  |
| CM-Dumaguete .....               | Veterans Avenue National Highway, Brgy. Daro, Dumaguete City, Negros Oriental                         | Structure – 66% owned through CMCCI  |
| CM-Goldenfields.....             | Goldenfields Commercial Complex, Araneta St., Brgy. Singcang-Airport, Bacolod City, Negros Occidental | Land and Structure – 46.2% effective ownership (70% owned by CMCCI through CM-Goldenfields Bacolod Inc.)                                     |
| CM-Dau.....                      | Dau Access Road, Dau, Mabalacat, Pampanga   | Structure – 66% owned through CMCCI  |
| CM-Passi . . . . .               | Poblacion, Passi, Iloilo City   | Structure – 66% owned through CMCCI  |
| CM-Santa Rosa.....               | Pan-Philippine Highway, Poblacion, Sta. Rosa, Nueva Ecija   | Land and Structure – 66% owned through CMCCI**   |
| CM-Danao . . . . .               | Danao, Cebu City  | Structure – 46.2% effective ownership, (70% owned by CMCCI through CM-Danao Cebu Inc.)   |
| CM-Calamba . . . . .             | Manila South Rd., Brgy. Halang, Calamba, Laguna   | Land and Structure – 66% owned through CMCCI   |

| <b>Project</b>                     | <b>Address</b>  | <b>Ownership</b>  |
|------------------------------------|---|---|
| CM-Koronadal . . . . .             | Lacson St., Brgy. Morales,<br>Koronadal City, South Cotabato  | Land and Structure – 66% owned through<br>CMCCI   |
| CM-Pavia . . . . .                 | Pavia, Iloilo City  | Structure – 66% owned through<br>CMCCI  |
| CM-Mayombo . . . . .               | Calasiao – Dagupan Road, Brgy.<br>Mayombo, Dagupan  | Land and Structure – 66% owned<br>through CMCCI   |
| CM-Dipolog City . . . . .          | Filomena, Dipolog, Zamboanga  | Land and Structure – 46.2%<br>effective ownership, (70% owned by<br>CMCCI through CM-Dipolog<br>Zamboanga Inc.) |
| CM-Iponan, CDO . . . . .           | Claro M. Recto Avenue, Iponan,<br>Cagayan de Oro City   | Land – 66% owned through<br>CMCCI   |
| CM-Sorsogon . . . . .              | Sorsogon City   | Land and Structure – 66% owned<br>through CMCCI**   |
| CM-Calapan City . . . . .          | Calapan, Oriental Mindoro   | Land and Structure – 66%<br>owned through CMCCI   |
| CM-San Carlos, Pangasinan. . . . . | Burgos St. cor. Posadas St. and<br>Roxas Boulevard, Brgy. Poblacion,<br>San Carlos City, Pangasinan | Land and Structure – 66% owned<br>through CMCCI   |
| CM-Roxas Avenue . . . . .          | Roxas City, Capiz   | Land and Structure – 46.2%<br>effective ownership, (70% owned<br>by CMCCI through CM-Roxas Ave.<br>Inc.)**      |
| CM-Bulua, CDO . . . . .            | Bulua, Cagayan de Oro City  | Land and Structure – 66%<br>owned through CMCCI   |
| CM-Isulan . . . . .                | Isulan-Tacurong City Road,<br>Brgy. Poblacion, Isulan, Sultan<br>Kudarat                            | Land and Structure – 66% owned<br>through CMCCI   |
| CM-Cadiz . . . . .                 | Villena St., Brgy. Poblacion,<br>Cadiz City, Negros Occidental                                      | Land and Structure – 66% owned<br>through CMCCI   |
| CM-Ozamiz City . . . . .           | Catadman, Ozamiz  | Land – 66% owned through<br>CMCCI   |
| CM-Bacalso . . . . .               | Bacalso, Cebu City  | Land – 66% owned through<br>CMCCI   |
| CM-Tuguegarao . . . . .            | Pan-Philippine Highway, Brgy.<br>Leonarda (formerly Brgy. Pengue<br>Ruyu), Tuguegarao City, Cagayan | Land and Structure – 66% owned<br>through CMCCI**   |
| CM-Aparri . . . . .                | Aparri, Cagayan   | Land and Structure – 66%<br>owned through CMCCI**   |
| CM-Los Baños-Bay . . . . .         | Bay, Laguna   | Land – 66% owned through<br>CMCCI**   |
| CM-General Trias . . . . .         | General Trias, Cavite   | Land – 66% owned through<br>CMCCI**   |
| CM-Surigao . . . . .               | Surigao City, Surigao del Norte   | Land – 66% owned through<br>CMCCI   |
| CM-Antique . . . . .               | San Jose, Antique   | Land – 66% owned through<br>CMCCI**   |
| CM-Palo . . . . .                  | Palo, Leyte   | Land – 66% owned through<br>CMCCI**   |
| CM-Ormoc . . . . .                 | Brgy. Cogon, Ormoc City, Leyte  | Land – 66% owned through<br>CMCCI   |

| <b>Project</b>                   | <b>Address</b>                   | <b>Ownership</b>  |
|----------------------------------|----------------------------------|---|
| CM-Guiwan . . . . .              | Guiwan, Zamboanga City           | Land – 46.2% effective ownership (70% owned by CMCCI through Prime DDG Commercial Centers Inc.)     |
| CM-Guimaras . . . . .            | Jordan, Guimaras                 | Land – 66% owned through CMCCI**  |
| CM-Bocause . . . . .             | Bocause, Bulacan                 | Land and Structure – 46.2% effective ownership (70% owned by CMCCI through CM-Bunlo Bocause, Inc.)  |
| CM-Basilan . . . . .             | Isabela, Basilan                 | Land – 66% owned through CMCCI**  |
| CM-Arayat . . . . .              | Arayat, Pampanga                 | Land – 66% owned through CMCCI**  |
| CM-Pagadian.....                 | Pagadian City, Zamboanga del Sur | Land – 66% owned through CMCCI**  |
| CM-Tagbilaran . . . . .          | Tagbilaran, Bohol                | Land – 66% owned through CMCCI**  |
| CM-Norhtown Davao . . . . .      | Norhtown, Davao City             | Land and structure – 52.1% effective ownership (79% owned by CMCCI through CM-Norhtown Davao, Inc.) |
| CM-Dinalupihan . . . . .         | Tabacan, Dinalupihan, Bataan     | Land – 66% owned through CMCCI**  |
| CM-Bais. . . . .                 | Bais, Negros Oriental            | Land – 66% owned through CMCCI**  |
| CM-Baler, Aurora . . . . .       | Baler, Aurora                    | Land – 66% owned through CMCCI**  |
| CM-Lam-an, Ozamiz. . . . .       | Lam-an, Ozamiz City              | Land – 66% owned through CMCCI**  |
| CM-San Enrique . . . . .         | San Enrique, Negros              | Land – 66% owned through CMCCI**  |
| CM-Bongabon . . . . .            | Bongabon, Nueva Ecija            | Land – 66% owned through CMCCI**  |
| CM-Lucena . . . . .              | Lucena City                      | Land – 66% owned through CMCCI**  |
| CM-La Carlota . . . . .          | La Carlota, Negros Occidental    | Land – 66% owned through CMCCI**  |
| CM-Balibago, Sta. Rosa . . . . . | Balibago, Sta. Rosa, Laguna      | Land – 66% owned through CMCCI**  |
| CM-San Francisco. . . . .        | San Francisco, Agusan Del Sur    | Land – 66% owned through CMCCI**  |
| DDCC Novaliches.....             | Novaliches, Quezon City, Manila  | Land – 100% owned through DDCC  |
| DDCC Capiz . . . . .             | Roxas City, Capiz                | Land – 100% owned through DDCC  |
| DDCC Davao City . . . . .        | Talomo, Davao City               | Land – 100% owned through DDCC  |
| DD Kalibo .....                  | Andagao, Kalibo, Aklan           | Land – 100% directly owned  |

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

\*\* Transfer of titles of some of the lots to CMCCI, DDMT, HOA, CHICI, RRDC still for registration.

\*\*\* With annotation on the tax declaration that a Deed of Absolute Sale was acknowledged before a notary public in 1998 with attached BIR Certificate of Registration.

\*\*\*\* Mortgage entered on 27 April 2005 in favor of the Bank of the Philippine Islands to guarantee a principal obligation in the sum of P60 Million (with Deed of Cancellation of Real Estate Mortgage) for cancellation.

As of 30 September 2024, the Company has acquired the following properties for the development of CityMalls:

|    | <b>Location*</b>                           | <b>Lot Area<br/>(in sq.m.)</b> | <b>Liens**</b>   |
|----|--|--------------------------------|--|
| 1  | CM Mayombo . . . . .                       | 12,817                         | None   |
| 2  | CM Kalibo . . . . .                        | 13,530                         | Estate Lien (Date of Entry:<br>22 June 2015)   |
| 3  | CM Consolacion-Cebu . . . . .              | 10,251                         | None   |
| 4  | CM Cotabato . . . . .                      | 15,000                         | None   |
| 5  | CM Sta. Rosa-Nueva Ecija . . . . .         | 19,516                         | Estate Lien (Date of Entry:<br>2 May 2015)   |
| 6  | CM Victorias-Negros . . . . .              | 13,734                         | Estate Lien (Date of Entry:<br>15 August 2012)   |
| 7  | CM San Carlos-Negros. . . . .              | 9,387                          | Estate Lien (Date of Instrument:<br>23 September 2014 and<br>18 May 2015)  |
| 8  | CM Koronadal-Cotabato . . . . .            | 10,000                         | Estate Lien (Date of Entry:<br>5 March 2014)   |
| 9  | CM Bulua-CDO . . . . .                     | 11,464***                      | Estate Lien (Date of Entry:<br>13 November 2015) Estate  |
| 10 | CM Iponan-CDO . . . . .                    | 11,957                         | Lien (Date of Entry:<br>27 November 2015)  |
| 11 | CM Isulan . . . . .                        | 9,247                          | None   |
| 12 | CM Surigao . . . . .                       | 10,505                         | None   |
| 13 | CM Manabay-Ozamis . . . . .                | 22,262                         | None   |
| 14 | CM Antique. . . . .                        | 15,298                         | Estate Lien (Date of Entry:<br>26 February 2016)   |
| 15 | CM Calapan . . . . .                       | 7,159                          | None   |
| 16 | CM Pagadian . . . . .                      | 23,317                         | None   |
| 17 | CM Calamba . . . . .                       | 10,309                         | Deed of Sale requiring Vendee<br>to comply with the terms of the<br>milling contract (Date of Entry:<br>25 May 1998) |
| 18 | CM Ozamis-Lam-An . . . . .                 | 6,023                          | None   |
| 19 | CM San Enrique . . . . .                   | 13,991                         | None   |
| 20 | CM Baler, Aurora . . . . .                 | 7,217                          | None   |
| 21 | CM Ormoc, Leyte . . . . .                  | 20,732                         | None   |
| 22 | CM Sorsogon. . . . .                       | 5,869                          | None   |
| 23 | CM San Carlos, Pangasinan . . . . .        | 6,597                          | None   |
| 24 | CM Palo, Leyte . . . . .                   | 20,000                         | None   |
| 25 | CM Cadiz City, Negros Occidental . . . . . | 10,412                         | None   |
| 26 | CM Tuguegarao . . . . .                    | 16,525                         | None   |
| 27 | CM General Trias . . . . .                 | 19,659                         | None   |
| 28 | CM Tagbilaran, Bohol . . . . .             | 7,583                          | None   |
| 29 | CM Bongabon, Nueva Ecija . . . . .         | 11,025                         | None   |
| 30 | CM Aparri, Cagayan . . . . .               | 7,198                          | None   |
| 31 | CM Los Baños, Laguna . . . . .             | 24,273                         | Estate Lien (Date of Entry: 28<br>November 2013)   |
| 32 | CM Basilan . . . . .                       | 8,692                          | None   |
| 33 | CM Lucena . . . . .                        | 23,510                         | None   |
| 34 | CM Guimaras . . . . .                      | 8,405                          | None   |
| 35 | CM Dinalupihan . . . . .                   | 20,000                         | None   |
| 36 | CM Balibago Sta. Rosa . . . . .            | 15,000                         | None   |
| 37 | CM Bais . . . . .                          | 16,944                         | None   |
| 38 | CM La Carlota. . . . .                     | 17,439                         | None   |

|    |                            |        |      |
|----|----------------------------|--------|------|
| 39 | CM Arayat . . . . .        | 11,996 | None |
| 40 | CM San Francisco . . . . . | 16,614 | None |

\* Except for CM Dagupan, CM Consolacion, CM Cotabato, CM Isulan, CM Victorias Negros, CM San Carlos Negros, CM Koronadal Cotabato, CM Bulua CDO, CM Iponan CDO, CM Mananabay-Ozamis, CM Calamba, CM Ozamis-Lam-an, CM Ormoc Leyte, CM San Carlos Pangasinan, CM Surigao, CM Calapan, CM Pagadian, CM San Enrique, CM Cadiz, CM Basilan and CM Lucena with titles registered in the name of CM, transfers of titles over the other CM sites in the name of CM are currently pending.

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

\*\*\* 1,319 sq.m. is currently leased to Hotel of Asia, Inc. for the construction of Jinjiang Inn-Cagayan de Oro.

The locations and descriptions of the Company's office leasing properties as of 30 September 2024 are shown below:

| <b>Project</b>                                 | <b>Address</b>   | <b>Ownership</b>   |
|--|--|--|
| DoubleDragon Plaza<br>(Tower 1 to 4) . . . . . | Corners Roxas Blvd., EDSA<br>and Macapagal Avenue,<br>Pasay City       | Land and Structure – 46.67%<br>owned through DDMPR                             |
| DoubleDragon Center East . . . . .             | Corners Roxas Blvd., EDSA<br>and Macapagal Avenue, Pasay<br>City       | Land and Structure – 46.67%<br>owned through DDMPR                             |
| DoubleDragon Center West . . . . .             | Corners Roxas Blvd., EDSA<br>and Macapagal Avenue, Pasay<br>City       | Land and Structure – 46.67%<br>owned through DDMPR                             |
| DoubleDragon Tower . . . . .                   | Corners Roxas Blvd., EDSA<br>and Macapagal Avenue, Pasay<br>City       | Land – 46.67% owned through<br>DDMPR and Structure – 70%<br>owned through DDTI |
| Jollibee Tower . . . . .                       | F. Ortigas Jr. Road cor.<br>Garnet Road, Ortigas Center,<br>Pasig City | Land and Structure – 100%<br>directly owned                                    |
| DoubleDragon Meridian Tower . . . . .          | Cor. EDSA and Macapagal<br>Avenue, Pasay City                          | Land and Structure – 51% owned<br>through DDMT                                 |
| #04-03& #04-04 Plus Building                   | 20 Cecil St, Plus Building,<br>Singapore                               | Structure – 100% owned through<br>DDPC Worldwide                               |
| Robinsons DoubleDragon . . . . .               | Quezon City, Manila  | Land – 34.28% owned through<br>RDC   |

The locations and descriptions of the Company's industrial warehouse properties as of 30 September 2024 are shown below:

| <b>Project</b>                            | <b>Address</b>                  | <b>Ownership</b>   |
|---|---------------------------------|--|
| CentralHub-Tarlac . . . . .               | Luisita Industrial Park, Tarlac | Land and Structure – 60.9%<br>owned through CHICI  |
| CentralHub-Capiz . . . . .                | Roxas, Capiz                    | Land and Structure – 100%<br>directly owned  |
| CentralHub-Sta. Barbara, Iloilo . . . . . | Sta Barbara, Iloilo             | Land – 60.9% owned through<br>CHICI  |
| CentralHub-Cebu . . . . .                 | Danao City                      | Land – 60.9% owned<br>through CHICI  |
| CentralHub-Davao . . . . .                | Davao                           | Land – 60.9% owned through<br>CHICI under the Joint Venture<br>Agreement signed 11 March<br>2019 |

CentralHub-Pasig . . . . .Santolan, Pasig City  
CentralHub-Laguna 1 . . . . .Carmelray, Laguna  
CentralHub-Laguna 2 . . . . .Carmelray, Laguna

Land – 60.9% owned through  
CHICI  
Land – 60.9% owned through  
CHICI  
Land – 60.9% owned through  
CHICI

| <b>Project</b>              | <b>Address</b> | <b>Ownership</b>                 |
|-----------------------------|----------------|----------------------------------|
| CentralHub-Surigao. . . . . | Surigao        | Land – 60.9% owned through CHICI |
| CentralHub-Negros . . . . . | Silay, Negros  | Land – 60.9% owned through CHICI |

The locations and descriptions of the Company’s hotels as of 30 September 2024 are shown below:

| <b>Project</b>                           | <b>Address</b>   | <b>Ownership</b>   |
|--|--|--|
| Injap Tower . . . . .                    | Iloilo City  | Land and Structure – 100% directly owner                                   |
| JinJiang Inn-Ortigas . . . . .           | San Miguel Ave., Ortigas                                   | Land and Structure – 100% directly owned                                   |
| JinJiang Inn-Makati. . . . .             | Makati City  | Land and Structure – under lease   |
| JinJiang Inn-Station 1 Boracay           | .Boracay Island, Malay, Aklan                              | Land and Structure – under lease   |
| Hotel101-Manila.....                     | Bay Area, EDSA Extension, Pasay City                       | Land and Structure – 70% owned through HOA                                 |
| Hotel101-Fort . . . . .                  | Fort Bonifacio, Taguig                                     | Land – 70% owned through HOA   |
| Hotel101-Davao. . . . .                  | Bo. Matina, Davao City                                     | Land – 70% owned through HOA   |
| Ascott-DD Meridian Park Manila . . . . . | Corners Roxas Blvd., EDSA and Macapagal Avenue, Pasay City | Land – 46.67% owned through DDMPR and Structure – 70% owned through DDMPRI |
| JinJiang Inn-Boracay Newcoast            | .Boracay Island, Malay, Aklan                              | Land – 70% owned through HOA   |
| Hotel101-Cagayan de Oro . . .            | .Bulua, Cagayan De Oro                                     | Land – 66% owned through CMCCI   |
| Hotel101-Bohol . . . . .                 | Panglao, Bohol   | Land – 70% owned through HOA   |
| Hotel101 Resort-Boracay . . . . .        | Boracay Island, Malay, Aklan                               | Land – 70% owned through HOA   |
| Hotel101-Palawan . . . . .               | San Vicente, Palawan                                       | Land – 70% owned through HOA   |
| Hotel101-Cebu . . . . .                  | Cebu   | Land – 70% owned through HOA   |
| Hotel101-Libis. . . . .                  | Murphy District, Quezon City                               | Land – 70% owned through HOA   |
| Hotel101-Baguió . . . . .                | Baguió City  | Land – 70% owned through HOA   |
| Hotel101-Niseko.....                     | Niseko, Hokkaido Prefecture, Japan                         | Land – 90% owned through HOA and DDPC Worldwide                            |
| Hote101-Madrid                           | Madrid, Spain  | Land – 90% owned through HOA and DDPC Worldwide                            |

**Joint Ventures**

*CityMalls*

The Company has also entered into joint venture agreements with various landowners for the development of CityMalls on their respective properties. Except for the joint venture agreements for CM-Northtown Davao and CM Danao-Cebu, all joint venture agreements have standard terms and result in the formation of a subsidiary which will proceed to own the property. CMCCI will own 70% of the joint venture company in exchange for the development of the CityMall while the original landowner will retain thirty 30% ownership in the joint venture company in exchange for the value of the land infused.

For CM-Northtown Davao, CMCCI will own 79% of the joint venture company while the original landowner will infuse cash equivalent to 21% of the outstanding capital stock after selling the land to the joint venture company. For CM Danao-Cebu, the land that is currently being leased for 25 years by CMCCI’s joint venture partner from the City of Danao will be subleased in favorr of the joint venture company for 25 years.

The CityMall locations under a joint venture structure as of 30 September 2024 are as follows:

|    | <u>Location</u>                   | <u>Lot Area<br/>(in sq.m.)</u> |
|----|-----------------------------------|--------------------------------|
| 1  | CM Mandalagan-Bacolod . . . . .   | 10,000                         |
| 2  | CM Goldenfields-Bacolod . . . . . | 10,940                         |
| 3  | CM Tetuan-Zamboanga* . . . . .    | 15,344                         |
| 4  | CM Guiwan-Zamboanga . . . . .     | 13,642                         |
| 5  | CM Macarthur-Tarlac . . . . .     | 20,000                         |
| 6  | CM Roxas Avenue . . . . .         | 4,680                          |
| 7  | CM Danao-Cebu. . . . .            | 5,700                          |
| 8  | CM Dipolog-Zamboanga . . . . .    | 12,862                         |
| 9  | CM-Northtown Davao . . . . .      | 15,605                         |
| 10 | CM-Bocaue . . . . .               | 10,085                         |

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

*CentralHub*

On 11 March 2019, CHICI signed a joint venture agreement with Alsons Development & Investments Corp. for the development of CentralHub-Davao. CentralHub-Davao has an area of 8.2 hectares with an expected capacity of 40,392 sq.m. of leasable industrial warehouse space. On 29 September 2022, CentralHub-Davao, Inc. was incorporated.

### **Long Term Lease**

The Group also leases various properties. As of 30 September 2024, the locations and areas of such material leased properties are as follows:

|   | <b>Location</b>                  | <b>Lot Area<br/>(in sq.m.)</b> | <b>Expiry Date</b>   | <b>Renewal Terms</b>  |
|---|----------------------------------|--------------------------------|--|---|
| 1 | CM Passi-Iloilo . . . . .        | 8,588                          | 10 April<br>2045   | None.   |
| 2 | CM Dumaguete*. . . . .           | 13,361                         | 31 December<br>2046  | On the 26th year of the lease term, Lessor and Lessee shall start negotiating the extension of lease term; failure to mutually agree on the extension of the lease term after one (1) year, lease term shall be deemed not to have been extended and shall expire on expiry date. |
| 3 | CM Ungka, Pavia-Iloilo . . . . . | 12,000                         | 31 August<br>2041  | Before the start of the 23rd year, Parties shall endeavour to execute a lease contract over the property extending the lease term.  |
| 4 | CM Tagum . . . . .               | 19,384                         | After 30<br>years<br>commencing<br>From<br>Lessee's<br>commercial<br>operations<br>(CM<br>Tagum has<br>Not<br>commenced<br>Commercial<br>operations) | Lessee shall submit written notice at least one (1) year before the expiration of lease term.   |
| 5 | CM Roxas-Arnaldo . . . . .       | 10,000                         | 31 March<br>2040   | At least 60 days prior to termination of lease term; if no agreement within 30 days, offer to renew is deemed not accepted; no automatic renewal.   |
| 6 | CM Imus Cavite . . . . .         | 27,438                         | 22 June 2040   | None.   |
| 7 | CM Tagbak Jaro-Iloilo**. . . . . | 5,500                          | 30 June 2040   | Before the start of the 23rd year, Parties shall endeavour to execute a lease contract over the property extending the lease term.  |

8 CM Bacalso-Cebu . . . . . 11,000 15 June 2044 The term of this contract may be extended through mutual agreement of the Parties.

|    | <u>Location</u>              | <u>Lot Area<br/>(in sq.m.)</u> | <u>Expiry Date</u>      | <u>Renewal Terms</u>   |
|----|------------------------------|--------------------------------|-------------------------|--|
| 9  | CM Boracay . . . . .         | 10,000                         | 8 October<br>2040       | Lease is renewable for another 25 years at the option of the lessee, and under such terms and conditions as may be acceptable to both lessor and lessee. |
| 10 | CM Dau-Pampanga . . . . .    | 5,181                          | 2 November<br>2044      | The term of this contract may be extended through mutual agreement of the Parties.   |
| 11 | CM Tiaong-Quezon. . . . .    | 8,547                          | 30<br>September<br>2040 | None.  |
| 12 | CM SCTEX-Tarlac . . . . .    | 17,453                         | 11<br>December<br>2038  | Notice to continue the sub-lease should be made one year prior to the end of this term for negotiations on renewal, by mutual agreement of Parties.      |
| 13 | CM Parola-Iloilo. . . . .    | 12,734                         | 7 July 2041             | The term of this contract may be extended through mutual agreement of the Parties.   |
| 14 | CM Kabankalan . . . . .      | 15,000                         | 31<br>December<br>2056  | The term of this contract may be extended or renewed subject through mutual agreement of the Parties.  |
| 15 | CM Danao-Cebu . . . . .      | 5,700                          | 17<br>November<br>2039  | The term of this contract may be extended or renewed subject through mutual agreement of the Parties.  |
| 16 | Hotel101 Global-Singapore. . | 53                             | 30 June<br>2026         | Three (3) years commencing on the day after the expiry of the Term.  |

\* Reclassification of the land to residential is still pending.

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

Long-term land leases on the foregoing properties generally range from 19 to 34 years and are subject to standard renewal terms and market rates. For some properties, the lessee has the option to renew for another 25 years.

## **Contracts of Lease for Office Space**

The Company leases its corporate office space located at the 10th and 11th Floors of at DoubleDragon Plaza, DD Meridian Park in the Manila Bay area. The office is leased by DD from DDMPR. The Contract of Lease for the 9,496.28 sq.m. office space is effective for a period of five years commencing on 10 October 2017 and ending on 9 October 2022. The contract was renewed for another five years from 10 October 2022 to 9 October 2027.

The sales lounge of the Company is leased by HOA from DDMPR. The Contract of Lease for the 429.66 sq.m. sales space is effective for a period of four years commencing on 16 April 2019 and ending on 15 April 2023.

The Hotel101 Global office in Singapore is leased by Hotel101 Global Pte Ltd from DDPC Worldwide Pte Ltd. The Contract of Lease for the 2,163.54 sq.ft. office space is effective for a period of five years until 31 August 2028.

The Company leases office and parking spaces and showrooms. The terms of the lease are for periods ranging from one to five years, renewable for the same period under the same terms and conditions. Generally, the rent under such leases shall escalate by an average of 5% to 10% each year.

**CORPORATE SOCIAL RESPONSIBILITY**

*Please refer to pages 169-171 of the Prospectus.*

## LEGAL PROCEEDINGS

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

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

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

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

On 30 April 2015, Cesar Tirol, Vicente G. Tirol, and Conception Tirol-Viray (collectively referred to as the “**Plaintiffs**”) filed a complaint for Forcible Entry with Damages against CM in relation to a parcel of land in Boracay, which is currently being leased by CM. Plaintiffs, as second generation heirs of the late spouses Ciriaco Tirol and Trinidad Hontiveros, claimed to be co-owners of the subject land who did not give their consent to the lease, hence Plaintiffs filed the instant case praying among others for reasonable compensation for the use and occupation of the subject land at the rate of not less than ₱300,000.00 per month from October 2014 until delivery, ₱5,000,000.00 moral damages and ₱100,000.00 litigation expenses. On 24 July 2015, CM filed its Answer praying for the dismissal based on the following: (i) there is no allegation that Plaintiffs have prior possession of the land; (ii) CM did not employ strategy or stealth in entering the land; and (iii) even assuming that Plaintiffs are co-owners of the subject property, the complaint must be dismissed for failure to implead the co-owners. On February 4, 2016, Leonard Tirol and Antonio Cyrian Gonzales (the “**Oppositors**”) filed their Motion for Leave for the admission of their Opposition where they confirmed that Plaintiffs were never in possession of the property and that they (the Oppositors) have the right to enter into a Lease Agreement with CM. On December 8, 2016, the case was dismissed for lack of jurisdiction and lack of cause of action. Plaintiffs appealed the dismissal of the case in February 2017. On 19 September 2022, the Regional Trial Court affirmed the decision of the Municipal Circuit Trail Court. Thereafter, Plaintiffs-Appellants elevated the case to the Court of Appeals, via a Petition for Review on Certiorari. The Court of Appeals remanded the case to the Regional Trial Court. CM filed a Motion for Reconsideration against the Court of Appeals' ruling.

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

CityMall Commercial Centers, Inc. is merely impleaded as lessee in good faith of one (1) of the thirty-two (32) properties previously owned by a corporation with disputing stockholders.

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

CM maintains that at the time that it entered into the lease agreement with DELDC for the Leased

Premises, CM relied, in good faith, on the clean TCT of the property presented by DELDC, bearing NO annotations. CM is in full possession of the lot and never had any legal impediment in constructing the building.

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

## MARKET PRICE OF AND DIVIDENDS ON THE COMMON AND PREFERRED SHARES AND RELATED SHAREHOLDER MATTERS

*The following section discusses updates to Market Price of and Dividends after the date of the Prospectus, and must be read in conjunction with the Prospectus. This section is qualified in its entirety by the more detailed information and financial statements and notes thereto appearing elsewhere in this Offer Supplement. Because it is a summary, it does not contain all of the information that a prospective purchaser should consider before investing. Prospective investors should read the entire Offer Supplement carefully, including the section entitled “Risk Factors and Other Considerations” and the audited consolidated financial statements and the related notes to those statements included in this Offer Supplement.*

The Company’s Common Shares and Preferred Share are traded on the PSE and were listed on April 7, 2014 and July 26, 2016, respectively. On July 13, 2018, the Company issued additional Common Shares through its Follow On Offering.

### MARKET INFORMATION

*Please refer to page 174 of the Prospectus.*

As of 15 January 2025, the closing price of the Company’s common share is ₱9.88 per share with a total market capitalization of ₱23,168,882,568 and for Company’s preferred shares, the closing price is ₱96.00 per share with a total market capitalization of ₱9,600,000,000.

### STOCKHOLDERS

As of 31 December 2024, there are approximately 135 registered holders of Common Shares and 86 registered holders of Preferred Shares.

The following table sets forth the 20 largest shareholders of the Company’s Common Shares as of 31 December 2024:

| Shareholder                         | No. of Shares<br>Subscribed | % of Ownership |
|-------------------------------------|-----------------------------|----------------|
| INJAP INVESTMENTS INC.              | 824,996,999                 | 35.1806800%    |
| HONEYSTAR HOLDINGS CORP.            | 824,996,999                 | 35.1806800%    |
| PCD NOMINEE CORP - FILIPINO         | 473,633,095                 | 20.1973270%    |
| PCD NOMINEE CORP - NON FILIPINO     | 216,072,446                 | 9.2140640%     |
| JAVELOSA, JOHN MICHAEL ALERTA       | 1,000,000                   | 0.0426430%     |
| HARLEY T. SY                        | 811,000                     | 0.0345840%     |
| HIROSHI TAKETSU                     | 532,500                     | 0.0227080%     |
| TIOPE, CONSUELO A.                  | 500,000                     | 0.0213220%     |
| ANG, MICHELLE MARIE C.              | 251,100                     | 0.0107080%     |
| ANG, MICHELLE MARIE C.              | 200,000                     | 0.0085290%     |
| TIUTAN, RICARDO G.                  | 150,000                     | 0.0063970%     |
| SA-ONROY, MARIA EPHIE ANGELA GICARO | 100,000                     | 0.0042640%     |
| TAN, ALBERT S.                      | 100,000                     | 0.0042640%     |
| EVELYN S. TAN                       | 100,000                     | 0.0042640%     |
| JURIDICO, PERRY ARTHUR B.           | 100,000                     | 0.0042640%     |
| DULACA, JERMAINE M.                 | 100,000                     | 0.0042640%     |
| PRESNEDI, JEREMIAH R.               | 87,000                      | 0.0037100%     |
| PRESNEDI, JEDIDIAH R.               | 87,000                      | 0.0037100%     |
| JARUDA, ELPIDIO H.                  | 75,000                      | 0.0031980%     |
| JARUDA, VERONICA P.                 | 75,000                      | 0.0031980%     |

The following table sets forth the 20 largest shareholders of the Company’s Preferred Shares as of 31 December 2024:

| Shareholder   | No. of Shares Subscribed | % of Ownership |
|---|--------------------------|----------------|
| PCD NOMINEE CORP - FILIPINO                                   | 97,045,420               | 97.045420%     |
| PCD NOMINEE CORP - NON FILIPINO                               | 1,108,560                | 1.108560%      |
| NG, ANDREW JONATHAN L.  | 550,000                  | 0.550000%      |
| KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILS., INC. | 426,900                  | 0.426900%      |
| JESSICA L. MALTO  | 105,000                  | 0.105000%      |
| KNIGHTS OF COLUMBUS FRATERNAL ASSOCIATION OF THE PHILS INC    | 68,700                   | 0.068700%      |
| TAN, JUDY O.  | 55,500                   | 0.055500%      |
| JOSEFINA GUTIERREZ CASTILLO OR CYNTHIA GUTIERREZ CASTILLO     | 55,000                   | 0.055000%      |
| BEN TIUK SY OR JUDY YU SY                                     | 50,000                   | 0.050000%      |
| BARCELONA, JOHN P.  | 37,500                   | 0.037500%      |
| FOUNDATION FOR RESOURCE LINKAGE AND DEVELOPMENT INC.          | 35,000                   | 0.035000%      |
| PARDINAS, ERNESTO LIM   | 32,700                   | 0.032700%      |
| LEOPOLDO FRANCISCO SULPICO JR                                 | 27,500                   | 0.027500%      |
| SOTA PHILIPPINES, INC.  | 25,000                   | 0.025000%      |
| WILLIAM O. DIZON OR SUSAN A. DIZON                            | 25,000                   | 0.025000%      |
| CHIONG PING G. CHING AND/OR MARIA GRACIA J. TAN               | 25,000                   | 0.025000%      |
| AGUINALDO A. ANDRADA OR MIRA GRACE Q. ANDRADA                 | 21,600                   | 0.021600%      |
| ALEJANDRO, REYNALDO G.  | 20,000                   | 0.020000%      |
| ONE POINT CONTACT, INC.                                       | 20,000                   | 0.020000%      |
| JARDIOLIN, JUSTINA MARIA G.                                   | 12,500                   | 0.012500%      |

## WARRANTS AND OPTIONS OUTSTANDING

As of the date of this Offer Supplement, there are executive officers of the Company who were granted options to subscribe to Common Shares of the Company pursuant to the Stock Option Plan approved by the Board of Directors in 2015 and ratified by the shareholders in 2016, and amendments to the Stock Option Plan in 2021. There are no stock options exercised as of the date of this Offer Supplement.

On 24 June 2021, the Company approved the amendment of its Employee Stock Option Plan in favor of certain eligible employees covering a total of 27,010,000 DD common shares as follows:

|                              | Current  | Amended   |
|------------------------------|--|---|
| Maximum Grant                | Two percent (2%) of Outstanding Capital Stock  | Two percent (2%) of Outstanding Capital Stock per year  |
| Timing of Issuance of Grants | Every three (3) years  | Annually  |
| Vesting                      | Year 1 – 20%<br>Year 2 – 30%<br>Year 3 – 50%   | Year 1 – 20%<br>Year 2 – 30%<br>Year 3 – 50%<br><br>Grantee has the option to subscribe to shares in whole or in part at the grant date (payment plan up to ten (10) Years) |
| Option life                  | Seven (7) years from grant   | Ten (10) years from grant   |
| Mode of Exercise             | Available for exercise upon vesting in whole or in part<br>1. Exercise and Hold<br>2. Exercise and Sell<br>(no cash out to employee) | Available for exercise upon vesting in whole or in part<br>1. Exercise and Hold<br>(payment plan up to ten years)<br>2. Exercise and Sell<br>(no cash out to employee)      |
| Conditions                   | Grantee must be an employee during the vesting period (up to three (3) years)  | Grantee must be an employee during the vesting period (up to three (3) years)   |

On 24 June 2021, the Corporation granted qualified Top Executives under the Long Term Incentive Plan a total of 28,500,000 DD common shares subject to the performance targets and parameters set forth in the Long Term Incentive Plan, as follows:

|  |  |
|--|--|
|  |  |
|--|--|

| Maximum Grant                       | Two percent (2%) of the Outstanding Capital Stock per Grant  |        |        |        |                   |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
|-------------------------------------|--|--------|--------|--------|-------------------|--|----------------------------------|-------------------|--------|--------|--------|-------------------|-------------------------------------|-----|-----|-----|-----|-----|-----------------------------------|-----|-----|-----|-----|-----|-----------------------------------|-----|-----|-----|-----|-----|
| Timing of Issuance of Grant         | Every three (3) years  |        |        |        |                   |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
| Strike Price                        | Fifteen percent (15%) discount to 15-day historical average at grant date  |        |        |        |                   |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
| vesting                             | 1 – 0%<br>2 – 0%<br>Year 3 – 100% (dependent on meeting targets)   |        |        |        |                   |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
| Performance Target                  | <table border="1"> <thead> <tr> <th>Sample Core Operating Net Income</th> <th>Year 0 (at Grant)</th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>3 year Cumulative</th> </tr> </thead> <tbody> <tr> <td>30% per annum Growth @ 100% vesting</td> <td>100</td> <td>130</td> <td>169</td> <td>220</td> <td>519</td> </tr> <tr> <td>20% per annum Growth @80% Vesting</td> <td>100</td> <td>120</td> <td>144</td> <td>173</td> <td>437</td> </tr> <tr> <td>10% per annum Growth @60% Vesting</td> <td>100</td> <td>110</td> <td>121</td> <td>133</td> <td>364</td> </tr> </tbody> </table> <p>If stock price hits compounded annual growth rate of 30% p.a. for three (3) years from grant date, grantee will be eligible to a minimum vesting of 50% of grant regardless of core operating net income.</p> |        |        |        |                   |  | Sample Core Operating Net Income | Year 0 (at Grant) | Year 1 | Year 2 | Year 3 | 3 year Cumulative | 30% per annum Growth @ 100% vesting | 100 | 130 | 169 | 220 | 519 | 20% per annum Growth @80% Vesting | 100 | 120 | 144 | 173 | 437 | 10% per annum Growth @60% Vesting | 100 | 110 | 121 | 133 | 364 |
| Sample Core Operating Net Income    | Year 0 (at Grant)  | Year 1 | Year 2 | Year 3 | 3 year Cumulative |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
| 30% per annum Growth @ 100% vesting | 100  | 130    | 169    | 220    | 519               |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
| 20% per annum Growth @80% Vesting   | 100  | 120    | 144    | 173    | 437               |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
| 10% per annum Growth @60% Vesting   | 100  | 110    | 121    | 133    | 364               |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
| Mode of Exercise                    | <p>Upon vesting date, the grantee will be awarded immediately the equivalent number of DD shares based on the following formula:</p> $\{(closing\ price\ three\ (3)\ years\ from\ grant\ date - strike\ price) \times no\ of\ options\ vested / closing\ price\ three\ (3)\ years\ from\ grant\ date\}$  |        |        |        |                   |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |
| Conditions                          | <p>1/3 of the shares awarded may be sold immediately<br/> 1/3 of the shares awarded will be subject to a holding period of 1 year from award date<br/> 1/3 of the shares awarded will be subject to a holding period of 2 years from award date<br/> Grantee must be an employee or corporate officer during the vesting period</p>  |        |        |        |                   |  |                                  |                   |        |        |        |                   |                                     |     |     |     |     |     |                                   |     |     |     |     |     |                                   |     |     |     |     |     |

## DIVIDENDS

On 13 December 2024, the Board of Directors approved regular cash dividends to the Preferred Shareholders in the amount of ₱2.42125 per share. The regular dividends were paid to all Preferred Shareholders on record as of 3 January 2025 on 14 January 2025.

*Please also refer to page 177 of the Prospectus.*

### Dividend Policy

*Please refer to pages 177-178 of the Prospectus.*

### RECENT SALE OF UNREGISTERED OR EXEMPT SECURITIES

*Please refer to page 178 of the Prospectus.*

## MANAGEMENT

The overall management and supervision of the Company is undertaken by the Company's Board of Directors. The Company's executive officers and management team cooperate with its Board by preparing appropriate information and documents concerning the Company's business operations, financial condition and results of operations for its review. Pursuant to the Company's current articles of incorporation as amended on 18 November 2022, the Board consists of eight members. As of the date of this Offer Supplement, two members of the Board are independent directors. All of the directors were re-elected at the Company's annual shareholders meeting on 13 December 2024 and will hold office for a period of one (1) year from their election and until their successors have been duly elected and qualified.

The table below sets forth each member of the Company's Board as of the date of this Offer Supplement.

| Name                                     | Age | Nationality | Position                                   |
|--|-----|-------------|--|
| Edgar J. Sia II . . . . .                | 47  | Filipino    | Chairman of the Board and CEO              |
| .. Tony Tan Caktiong . . . . .           | 71  | Filipino    | Co-Chairman of the Board                   |
| .. Ferdinand J. Sia . . . . .            | 45  | Filipino    | Director and President                     |
| .. Rizza Marie Joy S. Javelona . . . . . | 34  | Filipino    | Director, Treasurer and CFO                |
| .. William Tan Untiong. . . . .          | 70  | Filipino    | Director and Corporate Secretary           |
| .. Joseph Tanbuntiong. . . . .           | 61  | Filipino    | Director and Assistant Corporate Secretary |
| .. Gary P. Cheng . . . . .               | 60  | Filipino    | Independent Director                       |
| .. Vicente S. Perez, Jr. . . . .         | 66  | Filipino    | Independent Director                       |
| .. . . .                                 |     |             |  |

Messrs. Artemio V. Panganiban and Ernesto Tanmantiong serve as advisors to the Board.

The business experience of each of the directors and advisors in the last five years or more is set forth below.

**Edgar J. Sia II** (2009- present) is the Chairman and Chief Executive Officer of the Company. He is also the Chairman and CEO of Injap Investments Inc. and MerryMart Consumer Corp. Mr. Sia is also the Founder of Mang Inasal Philippines, Inc. and various other companies. He obtained his Doctorate Degree from the University of San Agustin Honoris Causa Major in Management in 2012.

**Tony Tan Caktiong** (2012- present) is a Director and Co-Chairman of the Company. Mr. Tan Caktiong currently serves as the Chairman of Honeystar Holdings Corporation and the Founder and current Chairman of Jollibee Foods Corporation since 1978. He is also a member of Board of Director of First Gen Corporation since 2005 and Philippine Long Distance Company and Temasek Foundation. He is member of the Board of Managers of SJBFF LLC and International Advisory Board. Mr. Tan Caktiong holds a Bachelor of Science in Chemical Engineering from the University of Santo Tomas in 1975 with a degree in Chemical Engineering.

**Ferdinand J. Sia** (2009- present) is the President and Chief Officer of the Company. He also serves as Director and President and Chief Operating Officer of MerryMart Consumer Corp. and Injap Investments, Inc. He previously served as Director and President of Mang Inasal from 2007 to 2012. He graduated from the Arellano University School of Law.

**Rizza Marie Joy S. Javelona** (2009- present) is the Treasurer and Chief Finance Officer of the Company. She is currently the Treasurer and Chief Finance Officer of Injap Investments Inc. She also serves as Comptroller of MerryMart Consumer Corp. and MerryMart Grocery Centers, Inc. She graduated Bachelors of Science in Accountancy at the University of the Philippines – Visayas and is a Certified Public Accountant.

**William Tan Untiong** (2012- present) is a Director and the Corporate Secretary of the Company. He has been a Director of Jollibee Foods Corp. since 1993 and likewise serves as a director and treasurer of Honeystar Holdings Corporation. He is the Vice President for Real Estate of Jollibee Foods Corp since 1989. He was appointed as Chief Real Estate Office in 2015.

**Joseph Tanbuntiong** (2012- present) is the President of Jollibee Philippines since 1 July 2013. He is the former President of Red Ribbon Philippines, having served there since 2008. He graduated from Ateneo de Manila University with a degree in Management Engineering.

**Gary P. Cheng** (2014- present) is an investment banking professional with over 20 years of corporate finance and capital markets experience. He is currently the Managing Director and co-founder of Fortman Cline Capital Markets Limited since 2007. Dr. Cheng served as the former President/CEO of Amalgamated Investment Bancorporation from 2003 and 2008 and former Vice President of Investment Banking at J.P. Morgan from 1993 to 2001. Dr. Cheng obtained his doctorate in Philosophy from the University of Leeds, England in 1991.

**Vicente S. Perez, Jr.** (2014- present) served as the Secretary of the Department of Energy from 2001 to 2005 and Managing Director of the Board of Investments in 2001. He is also the current Chairman of WWF Philippines and a member of WWF – International. Mr. Perez has a Masters in Business Administration – International Finance from the Wharton School University of Pennsylvania and a Bachelor’s Degree in Business Economics from the University of the Philippines.

**Chief Justice Artemio V. Panganiban** (2014- present) is a retired Chief Justice of the Republic of the Philippines. He sits as independent director of several listed companies including Meralco, Petron Corporation, First Philippine Holdings Corp., Philippine Long Distance Telephone Company (PLDT); Metro Pacific Investment Corp., and GMA Network, Inc. among others.

**Ernesto Tanmantiong** (2014- present) serves as President and Chief Executive Officer of Jollibee Foods Corp. He is also a Director of Grandworth Resources Corporation, Red Ribbon Bakeshop Inc., Fresh N’ Famous Foods, Inc. – Chowking, Honeystar Holdings Corp., and various other companies.

## **INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS OF DIRECTORS AND EXECUTIVE OFFICERS**

To the best of the Company’s knowledge and belief and after due inquiry, none of the Company’s directors, nominees for election as director, or executive officers have in the five-year period prior to the date of this Offer Supplement: (1) had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) have been convicted by final judgement in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offences; (3) have been the subject of any order, judgement, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (4) have been found by a domestic or foreign court of competent jurisdiction (in a civil action), the Philippine SEC or comparable foreign body, or a domestic or foreign exchange or other organised trading market or self-regulatory organisation, to have violated a securities or commodities law or regulation, such judgement having not been reversed, suspended, or vacated.

## **CORPORATE GOVERNANCE**

The Company submitted its Integrated Annual Corporate Governance Report (the “I-ACGR”) to the Philippine SEC on 1 September 2020 in compliance with Philippine SEC Memorandum Circular No. 6, series of 2009. The Company and its respective directors, officers and employees have complied with and endeavor to continually comply with the best practices and principles on good corporate governance as embodied in its Corporate Governance Manual. An evaluation system has been established by the Company to measure or determine the level of compliance of the Board of Directors and top-level management with its Manual of Corporate Governance. The Company is not aware of any material deviations from its Corporate Governance Manual.

**INDEPENDENT DIRECTORS**

The Manual requires the Company to have at least two independent directors in the Board of Directors, at least one of whom serves on each of the Corporate Governance, Nomination Committee, and the Audit Committee. An independent director is defined as a person who has not been an officer or employee of the Company, its subsidiaries or affiliates or related interests during the past three years counted from date of his election, or any other individual having a relationship with the institution, its parent, subsidiaries or related interest, or to any of the Company's director, officer or stockholder holding shares of stock sufficient to elect one seat in the board of directors or any of its related companies within the fourth degree of consanguinity or affinity, legitimate or common-law, which would interfere with the exercise of independent judgement in carrying out the responsibilities of a director.

**COMMITTEES OF THE BOARD**

*Please refer to pages 181-182 of the Prospectus.*

As of 30 September 2024, the Audit and Risk Management Committee is chaired by Mr. Gary P. Cheng, while Mr. Ferdinand J. Sia and Ms. Rizza Marie Joy J. Sia-Javelona serve as its members.

As of 30 September 2024, the Nomination Committee is chaired by Chief Justice Artemio V. Panganiban, while Ms. Rizza Marie Joy J. Sia-Javelona and Mr. William Tan Untiong serve as its members.

As of 30 September 2024, the Compensation is chaired by Mr. Vicente S. Perez Jr., while Mr. Ferdinand J. Sia and Ms. Rizza Marie Joy J. Sia-Javelona serve as members.

Currently, the Committee is headed by Chief Justice Artemio V. Panganiban while William Tan Untiong and Ms. Rizza Marie Joy J. Sia-Javelona serve as members.

**EVALUATION SYSTEM AND COMPLIANCE**

*Please refer to page 182 of the Prospectus.*

**EXECUTIVE COMPENSATION SUMMARY**

**Compensation**

Injap Investments Inc., through an Executive Management Services Agreement, provides executive, corporate, strategic, administrative and financial oversight services related to the real estate business of the Company. Total fees paid under such agreement amounted to ₱3,000,000.00 for each of the years ended 31 December 2021, 2022 and 2023 which covers the positions of the Chairman and Chief Executive Officer, the President and the Treasurer and Chief Financial Officer, who, together with the President, are the four most highly compensated executive officers of the Company. Projected 2024 executive management services agreement is ₱3,000,000.00.

For each of the years ended 31 December 2021, 2022 and 2023 the total salaries and allowances and bonuses paid to all other officers as a group unnamed are as follows:

**SUMMARY ANNUAL COMPENSATION TABLE**

| <b>Name and Principal Position</b>  | <b>Period</b>  | <b>Salary</b> | <b>Bonus</b> |
|---|----------------|---------------|--------------|
| Chief Investment Officer and Department Heads: (Accounting, Business Development, Corporate Services, Design, Engineering, Information Technology, Internal Audit, Leasing, Legal, Marketing, Treasury & Corporate Planning, Procurement) | Projected 2024 | ₱75,000,000   | -            |
|   | 2023           | ₱69,489,969   | -            |
|   | 2022           | ₱60,761,960   | -            |
|   | 2021           | ₱ 57,629,369  | -            |

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

The approval of the Stock Option Plan was ratified by the Company’s shareholders on 5 January 2016 and submitted to the Philippine SEC for approval on 4 November 2016. The proposed issuance of 9,850,000 Common Shares pursuant to the Stock Option Plan was approved by the Philippine SEC on 25 September 2017. On 9 January 2019, the PSE approved the Company’s application to list additional 9,850,000 common shares to cover the Company’s Stock Option Plan at an option price based on the closing price of the Company’s shares on the strike date. As of 30 September 2024, none of the eligible employees have exercised their respective options under the Stock Option Plan.

On 8 December 2016, the Company’s Board of Directors resolved to expand the coverage of the plan to include rank and file regular employees of DoubleDragon Corporation.

On 24 June 2021, the Company’s Board of Directors approved amendments to the Stock Option Plan and approved a Long-Term Incentive Plan. The approval was ratified by the Company’s shareholders on 30 July 2021.

**COMPENSATION OF DIRECTORS**

Independent directors receive a standard per diem for attendance in Board meetings. The Company paid a total of ₱2.58 million in 2023 and 2022. Except as stated above, the Directors did not receive other allowances or per diems for the past and ensuing year. There are no other existing arrangements/agreements under which directors are to be compensated during the last completed fiscal year and the ensuing year.

The chart below sets forth the compensation received by the Directors of the Company for the past three fiscal years:

| <b>Remuneration Item</b>                             | <b>Executive Directors</b>  | <b>Non-Executive Directors (other than independent directors)</b> | <b>Independent Directors</b> |
|--|---|---|------------------------------|
| (a) Fixed Remuneration                               | As directors, they do not receive compensation for services rendered. They receive compensation as officers of the corporation if they hold position as such. | None  | None                         |
| (b) Variable Remuneration                            | None  | None  | None                         |
| (c) Per diem Allowances                              | None  | None  | ₱2.58 Million                |
| (d) Bonuses  | None  | None  | None                         |
| (e) Stock Options and/or other financial instruments | None  | None  | None                         |
| (f) Others (Specify)                                 | None  | None  | None                         |

|              |   |   |                      |
|--------------|---|---|----------------------|
| <b>Total</b> | - | - | <b>₱2.58 Million</b> |
|--------------|---|---|----------------------|

### **SIGNIFICANT EMPLOYEES**

The Company believes that it is not dependent on any single employee. The Company considers the collective efforts of all its employees as instrumental to its success.

### **FAMILY RELATIONSHIPS**

*Please refer to page 184 of the Prospectus.*

### **EMPLOYMENT CONTRACTS**

*Please refer to page 184 of the Prospectus.*

## SECURITY OWNERSHIP OF DIRECTORS AND MANAGEMENT

The following table sets forth security ownership of the Company's Directors, and Officers, as of 31 December 2024:

| Name of Beneficial Owner        | Title of Class ( <i>Direct</i> ) | Number of shares  | Citizenship | %               |
|---------------------------------|----------------------------------|-------------------|-------------|-----------------|
| Edgar J. Sia II                 | Common                           | 5,000,000         | Filipino    | 0.21322%        |
|                                 | Preferred                        | -                 |             | -               |
| Tony Tan Caktiong               | Common                           | 1,000             | Filipino    | 0.00004%        |
|                                 | Preferred                        | -                 |             | -               |
| Ferdinand J. Sia                | Common                           | 12,032,712        | Filipino    | 0.51312%        |
|                                 | Preferred                        | -                 |             | -               |
| Rizza Marie Joy J. Sia-Javelona | Common                           | 1,000             | Filipino    | 0.00004%        |
|                                 | Preferred                        | -                 |             | -               |
| William Tan Untiong             | Common                           | 3,501,000         | Filipino    | 0.14929%        |
|                                 | Preferred                        | 50,000            |             | 0.05000%        |
| Joseph Tanbuntiong              | Common                           | 4,001,000         | Filipino    | 0.17062%        |
|                                 | Preferred                        | -                 |             | -               |
| Gary P. Cheng                   | Common                           | 250,001           | Filipino    | 0.01066%        |
|                                 | Preferred                        | -                 |             | -               |
| Vicente S. Perez, Jr.           | Common                           | 250,001           | Filipino    | 0.01066%        |
|                                 | Preferred                        | -                 |             | -               |
| <b>Total</b>                    | <b>Common (<i>Direct</i>)</b>    | <b>25,036,714</b> |             | <b>1.06765%</b> |
|                                 | <b>Preferred (<i>Direct</i>)</b> | <b>50,000</b>     |             | <b>0.05000%</b> |

Except as disclosed above, there is no director or key officer of the Company that owns at least 10% of its issued and outstanding shares of common or preferred stock.

**Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Company's voting securities as of 30 September 2024**

| <b>Name and Address of Record Owners</b>  | <b>Name of Beneficial Owner and Relationship with Record Owner</b> | <b>Citizenship</b> | <b>No. of Common Shares Held</b> | <b>% of Total Outstanding Shares</b> |
|---|--|--------------------|----------------------------------|--------------------------------------|
| Honeystar Holdings Corp.<br>10F Jollibee Plaza 10 F.<br>Ortigas Jr. Ave. Ortigas<br>Center, Pasig City                                    | The record owner is the beneficial owner of the shares indicated   | Filipino           | 824,996,999                      | 35.18%                               |
| Injap Investments Inc.<br>corner Fuentes and<br>Delgado Streets, Iloilo City  | The record owner is the beneficial owner of the shares indicated   | Filipino           | 824,996,999                      | 35.18%                               |
| PCD Nominee Corporation (Filipino)<br>Tower I, The Enterprise<br>Center,<br>6766 Ayala Ave. corner<br>Paseo de Roxas,<br>Makati City      | The record owner is the beneficial owner of the shares indicated   | Filipino           | 473,633,095                      | 20.20%                               |
| PCD Nominee Corporation (Non- Filipino)<br>Tower I, The Enterprise<br>Center,<br>6766 Ayala Ave. corner<br>Paseo de Roxas,<br>Makati City | The record owner is the beneficial owner of the shares indicated   | Non-Filipino       | 216,072,446                      | 9.21%                                |

As of 30 September 2024, foreign shareholders owned 9.22% of the Common Shares, and 1.07% of the Preferred Shares of the Company.

Except as disclosed above, the Company is not directly or indirectly owned or controlled by another corporation, any government or other natural or legal person, whether severally or jointly. There is no known arrangement, the operation of which may, at a subsequent date, result in a change in the control of the Company.

As of 31 December, 2024, the following are the owners of the Company's common stock in excess of 5% of total outstanding shares:

| <b>Name</b>              | <b>No. of Shares</b> | <b>Percentage</b> |
|--------------------------|----------------------|-------------------|
| Injap Investments Inc.   | 824,996,999          | 35.18%            |
| Honeystar Holdings Corp. | 824,996,999          | 35.18%            |

**Voting Trust Holders of 5% or More**

There are no persons holding more than 5% of a class under a voting trust or any similar agreements as of balance sheet date.

**Change in Control**

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

## **RELATED PARTY TRANSACTIONS**

The Company and its subsidiaries, in their ordinary course of business, engage in transactions with related parties and affiliates. These transactions include advances and reimbursement of expenses.

For more information, see Note 23 to the Company's consolidated financial statements elsewhere in this Offer Supplement.

For the period nine months ending 30 September 2024, there are no material changes on the transactions with related parties. The Company paid P950 of advances to a related party.

As of 30 September 2024, December 2023, 2022 and 2021, the Company has not made any provision for impairment losses relating to amounts owed by related parties.

*Please also refer to pages 188-190 of the Prospectus.*

## DESCRIPTION OF MATERIAL INDEBTEDNESS

*Please refer to page 191-192 of the Prospectus.*

## **REGULATION AND ENVIRONMENTAL MATTERS**

*Please refer to page 193-207 of the Prospectus.*

## PHILIPPINE TAXATION

*The statements herein regarding taxation are based on the laws in force as of the date of this Offer Supplement and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Second Tranche Bonds and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or commodities) may be subject to special rules. Neither these statements nor any other statements in this Offer Supplement are to be regarded as advice on the tax position of any holder of the Second Tranche Bonds or any person acquiring, selling or otherwise dealing in the Second Tranche Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Second Tranche Bonds. Prospective purchasers of the Second Tranche Bonds are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of Second Tranche Bonds.*

*The tax treatment of a holder of Second Tranche Bonds may vary depending upon such holder's particular situation, and certain holders may be subject to special rules not discussed below. This summary does not purport to address all tax aspects that may be important to a Bondholder*

The following is a general description of certain Philippine tax aspects of the Second Tranche Bonds. It is based on the present provisions of the National Internal Revenue Code of 1997, as amended by Republic Act No. 10963, otherwise known as the Tax Reform for Acceleration and Inclusion Law ("**TRAIN Law**"), which took effect on 1 January 2018, Republic Act No. 11534, otherwise known as the Corporate Recovery and Tax Incentives for Enterprise Act (the "**CREATE Act**"), which took effect on 11 April 2021, and Republic Act No. 12066, otherwise known as the Maximize Opportunities for Reinvigorating the Economy Act (TRAIN Law, CREATE Act, and CREATE MORE Act collectively, the "**Philippine Tax Code**"), the regulations promulgated thereunder and judicial and ruling authorities in force as of the date of this Offer Supplement, all of which are subject to changes occurring after such date, which changes could be made on a retroactive basis.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen of the Philippines while the term "non-resident alien" means an individual whose residence is not within the Philippines and who is not a citizen of the Philippines. A non-resident alien who stays in the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien doing business in the Philippines"; otherwise, such non-resident alien is considered a "non-resident alien not engaged in trade or business within the Philippines". A "domestic corporation" is one that is created or organized under the laws of the Philippines. A "resident foreign corporation" is a foreign corporation engaged in trade or business in the Philippines and a "non-resident foreign corporation" is a foreign corporation that is not engaged in trade or business within the Philippines. The term "non-Philippine holders" refers to beneficial owners of the Second Tranche Bonds who are (1) non-resident aliens not engaged in trade or business within the Philippines or (2) non-resident foreign corporations.

### **Documentary Stamp Tax**

Under the Philippine Tax Code, a documentary stamp tax is imposed upon every original issue of debt instruments, such as bonds and notes, at the rate of ₱1.50 on each ₱200, or fractional part thereof, of the issue price of such debt instruments; provided, that for debt instruments with terms of less than one year, the documentary stamp tax to be collected shall be proportionate to the ratio of the debt instrument's term in number of days to 365 days. The documentary stamp tax is collectible wherever the document is made, signed, issued, accepted or transferred when the obligation or right arises from Philippine sources, the property is situated in the Philippines, or where the object of the contract is located or used in the Philippines.

No documentary stamp tax is imposed on the subsequent sale or disposition of the Second Tranche Bonds, trading of the Second Tranche Bonds in a secondary market or through an exchange as long as there is no change in the maturity date or the material terms and conditions of the Second Tranche Bonds.

**Income Tax on Interest on the Second Tranche Bonds**

The Tax Code provides that interest-bearing obligations of Philippine residents are Philippine-sourced income subject to Philippine income tax. Alien individuals and foreign corporations are subject to Philippine income tax on Philippine-sourced income only.

Any payment made by the Issuer to a Bondholder of interest on the Second Tranche Bonds is Philippine-sourced income and accordingly subject to final withholding taxes in the Philippines at the following rates:

|   |      |
|---|------|
| Philippine citizens and resident alien individuals . . . . .        | .20% |
| Non-Resident aliens doing business in the Philippines . . . . .     | 20%  |
| Non-resident aliens not doing business in the Philippines . . . . . | .25% |
| Domestic corporations. . . . .                                      | .20% |
| Resident foreign corporations . . . . .                             | 20%  |
| Non-resident foreign corporation . . . . .                          | .25% |

If the payment made by the Issuer to a non-resident foreign corporation is in foreign currency and qualifies as interest on foreign loans, the applicable final withholding tax rate is 20%.

The tax imposed on the interest is a final withholding tax which constitutes a final settlement of Philippine income tax liability with respect to such interest.

The CREATE MORE Act amended Section 32(B) and now provides that income of any kind, to the extent required by any treaty obligation, shall not be included in the gross income and shall be exempt from income taxation under Title II of the Tax Code.

The aforementioned final withholding tax rates may be reduced by applicable provisions of tax treaties in force between the Philippines and the tax residence country of the non-Philippine holder. Most tax treaties to which the Philippines is a party provide for a preferential reduced tax rate of 15% where Philippine-source interest income is paid to a resident of the other contracting state. However, tax treaties would also normally qualify that the preferential reduced tax rates will not apply if the recipient of the interest income, even if considered a resident of the other contracting state, carries on business in the Philippines through a permanent establishment and the holding of the relevant interest-bearing instrument is effectively connected to such permanent establishment.

The BIR has prescribed certain procedures for the avilment of tax treaty relief. Assuming the payments to be made by the Issuer are subject to withholding tax, a non-Philippine holder may avail of the lower withholding tax rates allowed under an applicable tax treaty with the Philippines by submitting to the Issuer the following: (a) duly accomplished BIR Form No. 0901 indicating the basis for the preferential tax treaty rate; (b) Tax Residency Certificate for the relevant period duly issued by the tax authority of the residence of the non-Philippine holder; (c) original consularised or apostilled Special Power of Attorney (SPA) of the signing officer; or SPA issued by the non-Philippine holder to his/her authorised representative, which shall expressly state the authority to sign the BIR Form No. 0901; and (d) the relevant tax treaty provision relied upon by the non-Philippine holder in availing of the lower withholding tax rates; and (e) such other documents as may be required by the BIR including the supporting documents required under RMO No. 14-2021.

**Tax Exempt Status**

Bondholders who are exempt from, are not subject to final withholding tax, or are subject to a lower rate of final withholding tax on interest income paid by the Issuer may avail of such exemption or preferential withholding tax rate by submitting the necessary documents.

The BIR has prescribed certain procedures for avilment of such exemption or preferential withholding tax rate. Assuming the payments to be made by the Issuer are subject to withholding tax, subject to the filing of the Issuer’s application and its approval by the BIR, the Issuer will not

withhold or will withhold at a reduced rate provided that such Bondholder furnishes the Issuer with the following documents, in form and substance prescribed by the Issuer:

1. Proof of Tax Exemption or Entitlement to Preferential Tax Rates

- i. For (a) tax-exempt corporations and associations under Section 30 of the Tax Code (except non-stock, non-profit educational institutions under Section 30(H) of the Tax Code); (b) cooperatives duly registered with the Cooperative Development Authority; and (c) BIR-approved pension fund and retirement plan— certified true copy of valid, current and subsisting tax exemption certificate, ruling or opinion issued by the BIR. For this purpose, a tax exemption certificate or ruling shall be deemed “valid, current and subsisting” if it has not been more than 3 years since the date of issuance thereof, and has not been revoked, amended or modified;
- ii. For Tax-Exempt Personal Equity Retirement Account established pursuant to PERA Act of 2008 – certified true copy of the Bondholder’s current, valid and subsisting Certificate of Accreditation as PERA Administrator (BIR Form No. 2336);
- iii. For all other tax-exempt entities (including, but not limited to, (a) non-stock, non-profit educational institutions; (b) GOCC; and (c) foreign governments, financing institutions owned, controlled or enjoying refinancing from foreign governments, and international or regional financial institutions established by foreign governments) – certified true copy of tax exemption certificate, ruling or opinion issued by the BIR expressly stating that their income is exempt from income tax and, consequently, withholding tax; and
- iv. For entities claiming tax treaty relief – original or certified true copies of the following documents:

General requirements:

- A. Duly accomplished BIR Form No. 0901-I indicating the basis for the application of the preferential tax treaty rate on the income of the Applicant;
- B. Original of the apostilled/consularized TRC duly issued by the tax authority of the foreign country in which the Applicant is a resident; and
- C. Original and duly notarised Special Power of Attorney (“**SPA**”) issued by the Applicant to the Issuer, expressly stating the Issuer’s authority to sign the Application Form for Tax Treaty Relief Form prescribed under Revenue Purposes (BIR Form No. 0901-I) and to file a request for confirmation with the BIR on behalf of the Applicant.

Additional requirements for legal persons and arrangements, and individuals:

- A. Authenticated copy of the Bondholder’s Articles/Memorandum of Incorporation/ Association, Trust Agreement, or equivalent document confirming its establishment or incorporation, with an English translation thereof if in foreign language;
- B. For legal persons and arrangements – original Certificate of Non-Registration or certified true copy of Licence to Do Business in the Philippines duly issued by the Securities and Exchange Commission (“**SEC**”) to the Bondholder;
- C. For individuals – original Certificate of Business Registration/Presence duly issued by the Department of Trade and Industry (“**DTI**”) to the Bondholder;

Additional requirements for entities:

- A. Certified true copy of the law of the foreign country showing that tax is imposed on the Bondholder or the owners or beneficiaries of the Applicant;
- B. List of owners/beneficiaries of the Applicant;

- C. Proof of ownership of the Applicant; and
- D. TRC duly issued by the concerned foreign tax authority to the owners or beneficiaries of the Applicant.

All documents executed in a foreign country must either be authenticated by the Philippine Embassy stationed therein or apostilled if the said foreign country is a signatory to the Convention Abolishing the Requirement of Legalisation for Foreign Public Documents (HCCH 1961 Apostille Convention) in order to be acceptable to the Issuer.

In addition, for subsequent interests due and subject to the requirements of new or amendatory regulations, the Bondholder shall submit to the Issuer an updated Application Form, a new TRC (if the validity period of the previously submitted TRC has already lapsed), and other relevant documents no later than the last day of the first month of the year when such subsequent interest payment/s shall fall due.

- 2. A duly notarised declaration (in the prescribed form) warranting that the Applicant's tax-exemption certificate or ruling has not been revoked or cancelled and that there are no material changes in character, purpose, or method of operation of the Bondholder which are inconsistent with the basis of its income tax exemption, or warranting the Bondholder's entitlement to preferential treaty rates, and undertaking to immediately notify the Issuer, the Registrar, and the Paying Agent of any suspension or revocation of its tax exemption or treaty privileges and agreeing to indemnify and hold the Issuer, the Registrar, and the Paying Agent free and harmless against any claims, actions, suits, and liabilities arising from the non-withholding or reduced withholding of the required tax; and
- 3. Such other documentary requirements as may be reasonably required by the Issuer or the Registrar and Paying Agent, or as may be required under applicable regulations of the relevant taxing or other authorities.

Failure to submit any of the documents provided under 1., 2. and 3. above, as may be applicable, will result in the application of the normal income tax rate provided under the Tax Code.

All sums payable by the Issuer to tax-exempt entities shall be paid in full without deductions for Taxes, duties, assessments, or government charges, subject to the submission by the Bondholder claiming the benefit of any exemption of reasonable evidence of such exemption to the Issuer.

If the tax treaty rate was applied by the Issuer based on the representations and supporting documents provided by the Bondholder, the Bondholder (either directly or through its duly authorized representatives) will shall file, on behalf of the Issuer, with the ITAD a Request for Confirmation ("**RFC**") of the use of the tax treaty rate no later than the last day of the fourth month following the close of the relevant taxable year after the payment of the withholding tax with supporting documents specified in RMO No. 14-2021 and in relation to RMC Nos. 77-2021 and 20-2022 and its allied BIR issuances, as may be amended from time to time. In relation thereto, the Issuer requires that copies of the BIR-stamped "Received" RFC (with the complete accompanying documents) be provided by the Bondholder to the Issuer within sixty (60) days from the payment of the interest income to the Bondholder (either directly or through its duly authorized representatives), and without need of prior request or demand from the Issuer. The Bondholder shall submit to the Issuer the original of the Certificate of Entitlement to Treaty Benefit issued by the BIR within ten (10) days from the Bondholder's receipt of the Certificate of Entitlement to Treaty Benefit. The Bondholder shall ensure compliance with the requisites under the Certificate of Entitlement to Treaty Benefit for entitlement to the tax treaty benefits.

If the BIR determines that the withholding tax rate used is lower than the applicable tax rate that should have been applied, or that the non-resident taxpayer is not entitled to treaty benefits, the RFC will be denied and the BIR will require the Issuer to pay the deficiency taxes with penalties. In such case, the Bondholder, as the ultimate income earner, shall either advance to the Issuer or reimburse the Issuer, at the option of the Issuer, the total amount of deficiency taxes and penalties imposed by the BIR, as well as all other reasonable and necessary fees that may be incurred by the Issuer as a result of the denial of the BIR application.

In case the Issuer used the regular tax rate under the Tax Code, the non-resident foreign Bondholder

who intends to obtain a confirmation of entitlement to treaty benefits may file a Tax Treaty Relief Application (“**TTRA**”) with ITAD after it has received the interest income with supporting documents specified in RMO No. 14-2021 in relation to RMC No. 77-2021. If the BIR determines that the withholding tax rate applied is higher than the rate that should have been applied, the BIR will issue a certificate confirming the non-resident income recipient’s entitlement to treaty benefits, and the Bondholder may apply for a refund of excess withholding tax with the BIR within the two-year period provided in Section 229 of the Tax Code. The claim for refund of the Bondholder may be filed simultaneously with the tax treaty relief application.

For claims of tax exemption, RMC No. 8-2014 mandates withholding agents/income payors to require from individuals and entities claiming tax exemption a copy of a valid, current, and subsisting tax exemption certificate or ruling before payment of the related income. The tax exemption certificate or ruling must explicitly recognize the tax exemption, as well as the corresponding exemption from imposition of withholding tax. Failure on the part of the taxpayer to present the said tax exemption certificate or ruling shall subject him to the payment of the appropriate withholding taxes due on the transaction.

Transfers taking place in the Register of Bondholders after the Second Tranche Bonds are listed in PDEX may be allowed between taxable and tax-exempt entities without restriction provided the same are in accordance with the relevant rules, conventions and guidelines of PDEX and PDTC. A selling or purchasing Bondholder claiming tax-exempt status is required to submit the following documents to the Issuer, upon submission of account opening documents to the Registry: (i) a written notification of the sale or purchase, including the tax status of the selling or buying party, and (ii) an indemnity agreement wherein the new Bondholder undertakes to indemnify the Issuer for any tax that may later on be assessed on the Issuer on account of such transfer.

If the regular rate mentioned above is withheld by the Issuer, instead of the reduced rate, the Bondholder may file a claim for a refund from the BIR. However, because the refund process in the Philippines could be cumbersome, requiring the filing of an administrative claim and the possible filing of a judicial appeal, it may be impractical to pursue such refund.

**Value-Added Tax**

Gross receipts derived by dealers in securities from the sale of the Second Tranche Bonds in the Philippines, equivalent to the gross selling price less the acquisition cost of the Second Tranche Bonds sold, shall be subject to value-added tax of 12%.

“Dealer in securities” means a merchant of stock or securities, whether an individual partnership or corporation, with an established place of business, regularly engaged in the purchase of securities and their resale to customers, that is, one who as a merchant buys securities and sells them to customers with a view to the gains and profits that may be derived therefrom.

**Gross Receipts Tax**

Bank and non-bank financial intermediaries performing quasi-banking functions are subject to gross receipts tax on gross receipts derived from sources within the Philippines in accordance with the following schedule:

On interest, commissions and discounts from lending activities as well as income from financial leasing, on the basis of remaining maturities of instruments from which such receipts are derived:

|   |    |
|---|----|
| Maturity period is five years or less . . . . .   | 5% |
| Maturity period is more than five years . . . . . | 1% |

Non-bank financial intermediaries not performing quasi-banking functions doing business in the Philippines are likewise subject to gross receipts tax. Gross receipts of such entities derived from sources within the Philippines from interests, commissions and discounts from lending activities are taxed in accordance with the following schedule based on the remaining maturities of the instruments from which such receipts are derived:

|   |    |
|---|----|
| Maturity period is five years or less . . . . .   | 5% |
| Maturity period is more than five years . . . . . | 1% |

In case the maturity period is shortened through pre-termination, the maturity period is to be reckoned to end as of the date of pre-termination for purposes of classifying the transaction, and the correct rate of tax shall be applied accordingly.

If the net trading gains realised within the taxable year on the sale or disposition of the Second Tranche Bonds by banks and nonbank financial intermediaries performing quasi-banking functions are considered as gross receipts derived from sources within the Philippines, such gains shall be subject to gross receipts tax at the rate of 7%.

**Income Tax on Sale or Other Disposition of the Second Tranche Bonds**

Under Section 32(B)(7)(g) of the Tax Code, gains realised from the sale, exchange or retirement of bonds, debentures and other certificates of indebtedness with a maturity date of more than five years (as measured from the date of issuance of such bonds, debentures or other certificates of indebtedness) (*i.e.*, Long Term Bonds) are exempt from income tax.

If the Second Tranche Bonds are considered ordinary assets, gains from the sale or disposition of such Second Tranche Bonds will be included in the computation of taxable income, which, after being reduced by the applicable deductions, is subject to the following graduated tax rates for Philippine citizens (whether residents or non-residents), or resident foreign individuals or non-resident aliens engaged in trade or business in the Philippines (selling or disposing of such Second Tranche Bonds) effective 2 January 2023 and onwards:

|   |  |
|---|--|
| Not over ₱250,000                       | 0%   |
| Over ₱250,000 but not over ₱400,000     | 15% of the excess over ₱250,000                |
| Over ₱400,000 but not over ₱800,000     | ₱22,500 + 20% of the excess over ₱400,000      |
| Over ₱800,000 but not over ₱2,000,000   | ₱102,500 + 25% of the excess over ₱800,000     |
| Over ₱2,000,000 but not over ₱8,000,000 | ₱402,500 + 30% of the excess over ₱2,000,000   |
| Over ₱8,000,000                         | ₱2,202,500 + 35% of the excess over ₱8,000,000 |

For non-resident aliens not engaged in trade or business, the gain from the sale of Second Tranche Bonds within the Philippines shall be subject to the 25% final withholding tax.

If the Second Tranche Bonds are considered as capital assets of individual Bondholders, gains from the sale or disposition of such Second Tranche Bonds shall be subject to the same income tax rates as if the Second Tranche Bonds were held as ordinary assets, except that if the gain is realized by an individual who held the Second Tranche Bonds for a period of more than 12 months prior to the sale, only 50% of the gain will be recognized and included in the computation of taxable income, subject to the applicable deductions. On the other hand, if the Second Tranche Bonds were held by an individual for a period of 12 months or less, 100% of the gain will be included in the computation of the taxable income.

Gains derived on the sale or other disposition of the Second Tranche Bonds by domestic corporation, or by resident foreign corporations if such sale or disposition is made within the Philippines, are included in the computation of taxable income which is subject to a 25% regular corporate income tax, provided that domestic corporations with net taxable income not exceeding ₱5,000,000 and with total assets not exceeding ₱100,000,000 (excluding land on which the particular business entity’s office, plant, and equipment are situated during the taxable year for which the tax is imposed) (“**Micro, Small, and Medium Enterprises**”), shall be taxed at twenty percent (20%), or minimum corporate income tax (“**MCIT**”) at a rate of (i) 1% of gross income effective July 1, 2020 until June 30, 2023 and (ii) 2% thereafter. Gains derived by non-resident foreign corporations on the sale or other disposition of the Second Tranche Bonds shall form part of their gross income which is subject to a 25% final withholding tax unless such foreign corporation is entitled to preferential

tax treatment pursuant to a tax treaty, subject to such other documentary requirements as may be reasonably required under the applicable regulations of the relevant taxing or other authorities for purposes of claiming tax treaty relief.

Additionally, under the CREATE MORE Act, domestic corporations and resident foreign corporations that are registered business enterprises under the enhanced deductions scheme provided in the Philippine Tax Code shall be taxed at a corporate income rate equivalent to twenty percent (20%) of their taxable income derived from registered projects or activities during the taxable year.

### **Estate and Donor's Tax on Disposition of the Second Tranche Bonds**

Bonds transferred by a deceased Philippine resident holder to his heirs or, where the Bonds have a Philippine situs, by a deceased non-resident alien holder to his heirs shall form part of the gross estate of the deceased, which, after being reduced by the applicable deductions, is subject to estate tax at a fixed rate of 6% of the net taxable estate of the deceased.

Bonds gratuitously transferred by a Philippine resident or, where the Bonds have a Philippine situs, by a deceased non-resident alien holder shall form part of the gross gifts of the Bondholder for the calendar year, which is subject to donor's tax at a fixed rate of 6% of the of the total gifts in excess of ₱250,000.00 during the calendar year.

The estate or donor's taxes payable in the Philippines may be credited with the amount of any estate or donor's taxes imposed by the authority of a foreign country, subject to limitations on the amount to be credited, and the tax status of the donor. The estate tax and the donor's tax, in respect of the Bonds, shall not be collected in respect of intangible property, such as the Bonds, (1) if the deceased, at the time of death, or the donor, at the time of the donation, was a citizen and resident of a foreign country which, at the time of his death or donation, did not impose a transfer tax of any character in respect of intangible personal property of citizens of the Philippines not residing in that foreign country; or (2) if the laws of the foreign country of which the deceased or donor was a citizen and resident, at the time of his death or donation, allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in the foreign country.

In case the Second Tranche Bonds are transferred for less than adequate and full consideration in money or money's worth, except if transferred in the ordinary course of business (*i.e.*, a *bona fide* transaction, at arm's length, and free from any donative intent), the amount by which the fair market value of the Second Tranche Bonds exceeded the value of the consideration may be deemed a gift and donor's taxes may be imposed on the transferor of the Second Tranche Bonds.

## **INDEPENDENT AUDITORS AND COUNSEL**

### **LEGAL MATTERS**

Certain legal matters as to Philippine law will be passed upon by Romulo Mabanta Buenaventura Sayoc & de los Angeles (“**Romulo**”) for the Issuer, and [•] for the Joint Issue Managers, Joint Lead Underwriters, and Bookrunners. Certain matters relating to the legality of the Offer and tax matters were passed upon by [•] for the limited purpose of issuing an opinion required by the SEC.

None of the above-mentioned legal counsel own shares in the Company or have any rights, whether legally enforceable or not, to nominate persons or to subscribe for the Company’s securities. None of the above-mentioned legal counsel have any or will receive any direct or indirect interest in the Company or any securities thereof (including options, warrants, or rights thereto) pursuant to or arising from the Offer.

### **INDEPENDENT AUDITORS**

*Please refer to page 215 of the Prospectus.*

### **EXTERNAL AUDIT FEES AND SERVICES**

*Please refer to page 215 of the Prospectus.*

### **CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

The Company has not had any changes in or disagreements with its independent auditors on any matter relating to financial or accounting disclosures.

**ISSUER**

**DOUBLEDRAGON CORPORATION**  
10th Floor, Tower 1, DoubleDragon  
Plaza, DD Meridian Park, Macapagal Ave  
cor EDSA Ext, Bay Area, Pasay City,  
Metro Manila, Philippines

**JOINT ISSUE MANAGERS, JOINT LEAD UNDERWRITERS,  
AND BOOKRUNNERS**

[•]

[•]

**SELLING AGENT**

[•]

*To the Issuer*

**ROMULO MABANTA BUENAVENTURA  
SAYOC & DE LOS ANGELES**  
21st Floor, AIA Tower  
8767 Paseo de Roxas, Makati City  
Metro Manila 1226, Philippines

*To the Joint Issue Managers, Joint Lead  
Underwriters,  
and Bookrunners*

[•]

[•]

**INDEPENDENT AUDITOR**

**R.G. Manabat & Co.**  
(a member firm of KPMG International)  
The KPMG Center, 9/F  
6787 Ayala Avenue Makati City 1226, Philippines

## **FINANCIAL AND OTHER INFORMATION**

Annex A: Unaudited consolidated financial statements as at 30 September 2024 and for each of the nine-month periods ended 30 September 2024 and 2023

**Annex B: Audited Consolidated Financial Statements of the Company as of 31 December 2023, 2022 and 2021**