

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. As of November 16, 2023  
Date of Report (Report marked as Annex A)
2. SEC Identification Number CS201420992 3. BIR Tax Identification No. 008-893-096-000
4. DDMP REIT, Inc.  
Exact name of issuer as specified in its charter
5. Manila, Philippines  
Province, country or other jurisdiction of incorporation
6.  (SEC Use Only)  
Industry Classification Code:
7. DD Meridian Park Bay area Corner Macapagal Avenue EDSA Extension Boulevard Barangay 76  
Zone 10 San Rafael, Pasay City, Metro Manila, Philippines 1302  
Address of principal office Postal Code
8. (02) 8856-7111  
Issuer's telephone number, including area code
9. DD-Meridian Park Development Corp.  
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Shares	17,827,465,406

11. Indicate the item numbers reported herein: (Copy furnished)

**Annex "A"** - Definitive Information Statement

## 9. Other Events

Kindly take notice that the Annual Stockholders' Meeting of **DDMP REIT, Inc.** (the "**Company**") for the year 2023 will be held on December 13, 2023, 10:30 AM through remote communication via Zoom. The link will be provided at least three (3) days prior to the meeting. Registration for the said meeting will be from 9:00 AM November 21, 2023 to 6:00 PM of December 6, 2023.

The agenda of the meeting is set forth below:

- 1) Call to Order;
- 2) Certification by the Corporate Secretary of the Presence of Quorum;
- 3) Reading and Approval of the Minutes of the Previous Stockholders' Meeting;
- 4) Company Updates and Report;
- 5) Approval of the 2022 Audited Financial Statements and the 2022 Annual Report;
- 6) Ratification of the Actions of the Board of Directors and Officers;
- 7) Election of Directors;
- 8) Appointment of External Auditors;
- 9) Other Matters; and
- 10) Adjournment

### SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DDMP REIT, Inc.  
Issuer

November 16, 2023  
Date



---

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20  
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

- Preliminary Information Statement  
 Definitive Information Statement

2. Name of Registrant as specified in its charter: **DDMP REIT, INC.**

3. Country of Incorporation: **PHILIPPINES**

4. SEC Identification Number: **CS201420992**

5. BIR Tax Identification Code: **008-893-096-000**

6. Address of the principal office: **DoubleDragon Headquarters, 10<sup>th</sup> Floor,  
Tower 1, DoubleDragon Plaza, DD  
Meridian Park, Corner Macapagal Avenue  
and EDSA Extension, Bay Area, Pasay City,  
Metro Manila**

7. Registrant's telephone number,  
including area code: **(02) 88567111**

8. Date, time and place of the meeting of security  
holders: **December 13, 2023 10:30AM;  
DoubleDragon Headquarters Pasay City,  
Philippines; by Remote Communication  
Via Zoom. The Link will be provided at  
least three (3) days prior to the meeting.**

9. Approximate date on which the Information  
Statement is first to be sent or given to security  
holders: **November 17, 2023**

10. In case of proxy solicitation:

i. Name of Person filing the **FERDINAND J. SIA**  
statement/solicitor:

ii. Address and telephone No.: **DoubleDragon Headquarters, 10<sup>th</sup> Floor,  
Tower 1, DoubleDragon Plaza, DD  
Meridian Park, Corner Macapagal Avenue**

and EDSA Extension, Bay Area, Pasay City,  
Metro Manila / (02) 88567111

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

<u>Title of Each class</u>	<u>Number of Shares of Stock Outstanding or Amount of Debt Outstanding</u>
Common	17,827,465,406

Are any or all of registrant's securities listed in a  
Stock Exchange?

Yes [] No []

12. The 17,827,465,406 Common Shares are listed  
with the Philippine Stock Exchange ("PSE").



**NOTICE OF ANNUAL STOCKHOLDERS' MEETING**  
**Decemeber 13, 2023; 10:30 AM**  
**DoubleDragon Headquarters, Pasay City**  
**by Remote Communication Via Zoom.**

To All Stockholders:

Kindly take notice that the Annual Stockholders' Meeting of **DDMP REIT, INC.** (the "**Company**") for the year 2023 will be held on December 13, 2023, 10:30 AM through remote communication via Zoom. The link will be provided at least three (3) days prior to the meeting. Registration for the said meeting will be from 9:00 AM November 21, 2023 to 6:00 PM of December 6, 2023.

The agenda of the meeting is set forth below:

- 1) Call to Order;
- 2) Certification by the Corporate Secretary of the Presence of Quorum;
- 3) Reading and Approval of the Minutes of the Previous Stockholders' Meeting;
- 4) Company Updates and Report;
- 5) Approval of the 2022 Audited Financial Statements and the 2022 Annual Report;
- 6) Ratification of the Actions of the Board of Directors and Officers;
- 7) Election of Directors;
- 8) Appointment of External Auditors;
- 9) Other Matters; and
- 10) Adjournment

The Board of Directors fixed the end of trading hours of the Philippine Stock Exchange ("PSE") on **November 17, 2023** as the record date (the "**Record Date**") for the determination of the common stockholders who are entitled to notice and to vote at the meeting and any adjournment thereof.

To participate in the annual meeting, the stockholders must register from 9:00 AM November 21, 2023 to 6:00 PM of December 6, 2023. The procedure for participation in the annual meeting via remote communication and voting in absentia are contained in Annex "A" to this Information Statement.

In the event that you cannot personally join the meeting, you are hereby requested to accomplish the attached proxy form, which need not be notarized, and email the same at [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph) or return the same to the office of the Corporate Secretary at DoubleDragon Headquarters, 10<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro

Manila no later than 6:00 P.M. on December 6, 2023. Kindly refer to Annex "A" for the requirements for registration.

Thank you very much.

Pasay City, November 16, 2023.

BY THE ORDER OF THE BOARD OF DIRECTORS



---

Ferdinand J. Sia

President

**NOTE:**

*It is important that all stockholders be represented at the meeting. Common Stockholders who are unable to attend in person are requested to immediately sign, date, and email the accompanying proxy form. In the event a stockholder decides to personally participate in the meeting, he/she may, if he/she wishes, revoke the proxy and vote his/her shares in person.*

**ANNEX TO NOTICE OF ANNUAL STOCKHOLDERS' MEETING OF  
DDDMP REIT, INC.**

**DECEMBER 13, 2023**

**10:30 A.M.**

**DoubleDragon Headquarters  
Pasay City**

**By Remote Communication via Zoom**

**AGENDA**

**1) Call to Order**

The Chairman or, in his absence, a president to be chosen by the stockholders will formally open the 2023 Annual Stockholders' Meeting (the "**Meeting**"). The directors and officers of the Company will be introduced.

**2) Certification by the Corporate Secretary of the Presence of Quorum**

The Corporate Secretary will certify that the copies of the Notice and the Information Statement were duly sent to stockholders as of the Record Date.

**3) Reading and Approval of the Minutes of the Previous Stockholders' Meeting**

The stockholders may examine the minutes of the previous meeting. Said minutes will also be available on the Company's website on or before November 17, 2023. The resolution for adoption will be the approval of the minutes of the previous stockholders' meeting.

**4) Company Updates and Report**

The report of the Chairman of the Board of Directors highlighting the Company's achievements and milestones for the previous year will be presented to the stockholders.

**5) Approval of the 2022 Audited Financial Statements and the 2022 Annual Report**

The 2022 Audited Financial Statements (the "**AFS**") of the Company audited by KPMG R.G. Manabat & Co., the Company's independent external auditor, along with the 2022 Annual Report (the "**Report**") will be presented. The AFS and the Report will be incorporated in the Definitive Information Statement which will be distributed to the

stockholders. Copies of the Definitive Information Statement will also be made available on the Company's website. The resolution for adoption will be the approval of the AFS and the Report for the fiscal year ended December 31, 2022.

**6) Ratification of the Actions of the Board of Directors and Officers**

The Company's performance for the year 2022 as detailed in the Report, is attributed to the key policies and well-planned directions set by the members of the Board of Directors, and the management team's effective execution of and compliance with said policies and directions in conformity with excellent corporate governance and ethical best practices. The resolution for adoption will be the ratification of the actions of the Board of Directors and Officers from the previous shareholders meeting, December 13, 2022 up to this shareholders meeting.

**7) Election of Directors**

The same set of directors has been duly evaluated and recommended by the Nomination Committee for re-election. Their competence, expertise, and qualifications will aid in sustaining the Company's solid performance. The profiles of the directors are available in the Company's website and are attached herewith for reference. The election of the directors will be held at the Meeting. The resolution for adoption will be the reelection of the same set of directors to serve for the term of one year from 2022 to 2023 and until their successors are duly elected and qualified.

**8) Appointment of External Auditor**

The Board of Directors concurred with the recommendation of the Audit Committee to re-appoint KPMG R.G. Manabat & Co. as the Company's external auditor for 2023. The resolution for adoption will be the approval of the appointment of KPMG R.G. Manabat & Co. as the Company's external auditor to examine the financial statements of the Company for the year ended December 31, 2023.

**9) Other Matters**

Matters relevant to and appropriate for the Annual Stockholders' Meeting may be taken up.

**10) Adjournment**



## **PROFILES OF THE BOARD OF DIRECTORS**

**Edgar J. Sia II**, age 46, Filipino, is the Chairman and Chief Executive Officer of Injap Investments Inc. Mr. Sia II 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**, age 70, Filipino, is the Chairman of Honeystar Holdings Corporation, and the current Chairman of Jollibee Foods Corporation, since 1978. Mr. Tan Caktiong is also a Director of First Gen Corporation since 2005 and a member of the Board of Trustees of Jollibee Group Foundation, Temasek Foundation, and St. Luke's Medical Center. He graduated from the University of Santo Tomas in 1975 with a degree in Chemical Engineering. On February 15, 2018, the University of Santo Tomas conferred the honorary Degree Doctor of Business Administration to Mr. Tan Caktiong.

**Ferdinand J. Sia**, age 44, Filipino, is the President and Chief Operating Officer of Injap Investments Inc. He also served as a Director of Mang Inasal Philippines, Inc. from 2006-2016. He graduated from the University of the Philippines Visayas with a degree in Bachelor of Arts in Political Science and took up law in Arellano University School of Law.

**William Tan Untiong**, age 69, Filipino, has been a Director of Jollibee Foods Corporation 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 Corporation since 1989. He was appointed as Chief Real Estate Officer in 2015.

**Jesus Emmanuel M. Yujuico**, age 55, Filipino, is serving as a Director of the Company since 2015. He is also currently a Consultant and Adviser of Istana Development Corp., Istana Social Foundation and Vicarious, Inc. He has finished his Economics from Bowdoin College in 1990 and obtained Masters Degree from Dartmouth College, Tuck School.

**Jaime Rafael M. Yujuico**, age 43, Filipino, is serving as a Director of the Company since 2015. He is also currently the Chief Executive Officer of Point Blue. He finished his Bachelors Degree in Government - International Relations from Bowdoin in 2002.

**Antonio L. Go**, age 83, Filipino, is currently the Chairman of Equicom Savings Bank, Equicom Manila Holdings, Inc and Algo Leasing and Finance, Inc. He obtained his bachelors degree in business administration from Youngtown University in Ohio, USA and finished his

graduate studies on International Management Program from International Management Institute in Geneva, Switzerland.

**Edgardo G. Lacson**, age 80, Filipino, is also the Independent Director of the DDMPR Fund Managers, Inc.. He also serves as a Chairman and President of several institutions including MIS Maritime Corporation, Safe Seas Shipping Agency, Marine Industrial Supply Corporation, Metrostore Corporation.

**Rene D. Buenaventura** age, 68, Filipino. Mr. Rene D. Buenaventura is the Chairman and Independent Director of the Property Manager. He also serves as the President of several institutions including Gramercy Holdings Corporation, Canyon Crest Holdings Corporation, and Hengrave Holdings, Inc. Mr. Buenaventura holds a Bachelor of Science degree in Accounting, a Bachelor of Arts degree in Behavioral Science, and a Master of Business Administration degree all from De La Salle University Philippines.

### **ADVISERS TO THE BOARD**

The following persons are the Advisers to the Board:

1. John Michael Francis M. Yujuico
2. Benedicto V. Yujuico
3. Joseph Tanbuntiong
4. Ernesto Tanmantiong

**PART I**  
**INFORMATION REQUIRED IN THE INFORMATION STATEMENT**  
**Company/Registrant: DDMP REIT, INC**

**A. GENERAL INFORMATION**

**Item 1. Date, Time, and Place of Meeting of the Stockholders**

Date:	<b>December 13, 2023</b>
Time:	<b>10:30 AM</b>
Place	<b>DoubleDragon Headquarters, Pasay City Through remote communication, via Zoom. The link will be provided at least three (3) days prior to the meeting.</b>
Mailing Address:	<b>DoubleDragon Headquarters, 10<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila 1302</b>

Copies of this Information Statement will be sent on or around November 17, 2023 to all stockholders of record as of November 17, 2023. A copy of the Information Statement can be downloaded from the Company's website at <https://www.ddmpreit.com.ph>.

Stockholders who cannot join the Meeting may accomplish the attached Proxy Form and submit the same, through email at [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph), on or before 6:00PM of December 6, 2023. Voting procedures are contained in Annex A to this Information Statement. Cumulative voting is allowed. In that regard, kindly refer to Item 4 for an explanation on cumulative voting.

**Item 2. Dissenters' Right of Appraisal**

There is no corporate matter or action to be taken during the Meeting which will entitle a stockholder to a Right of Appraisal as provided under Section 80, Title X of the Revised Corporation Code of the Philippines ("Revised Corporation Code").

For the information of the stockholders, any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares only in the following instances, as provided for by the Revised Corporation Code:

- 1) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of the corporate existence;
- 2) In case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets;

- 3) In case of merger or consolidation; and
- 4) In case of investment of corporate fund for any purpose other than the primary purpose of the Company.

The dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the Company for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken: provided, that failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Company shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder's shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and the award shall be paid by the Company within thirty (30) days after such award is made: provided, that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment: provided, further, that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the Company.

### **Item 3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

None of the directors or officers of the Company, or any nominee to the Board of Directors, or any associate of the foregoing persons have substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Meeting. Likewise, there are no persons who have substantial interest, directly or indirectly, in any matter to be acted upon, other than elections to office.

No incumbent director has informed the Company in writing of an intention to oppose any action to be taken in the Meeting.

## **B. CONTROL AND COMPENSATION INFORMATION**

### **Item 4. Voting Securities and Principal Holders Thereof**

<i>As of September 30, 2023</i>			
<i>Issued Shares</i>	<b>Shares Allowed To Foreigners (40% equity)</b>	<b>Shares Owned By Foreigners (1.25%)</b>	<b>Shares Owned By Filipinos (98.75%)</b>
<i>17,827,465,406</i>	<b>7,130,986,162</b>	<b>222,308,338</b>	<b>17,605,157,068</b>

As of September 30, 2023, there were 17,827,456,406 outstanding common shares of stock of the Company which are entitled to vote. Each common share of stock of the Company is entitled to one (1) vote.

Only holders of the Company's common stock as of the close of business on Record Date on November 17, 2023 are entitled to notice and to vote at the Meeting to be held on December 13, 2023.

#### **RECORD DATE**

All common stockholders of record as of November 17, 2023 are entitled to notice of and to vote at the Meeting.

#### **MANNER OF VOTING AND ELECTION OF DIRECTORS (Cumulative Voting)**

Each common share of the Company owned by a stockholder as of the Record Date is entitled to one (1) vote (each, a "Voting Share") except in the election of directors where one share is entitled to as many votes as there are directors to be elected. The election of directors shall be by ballot and each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him, for as many persons as there are to be elected as directors, or he may cumulate or give to one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of the votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected. Thus, since there are nine (9) directors to be elected, each Voting Share is entitled to nine (9) votes.

The shareholder holding a Voting Share may vote in absentia or by proxy. If he chooses to vote through proxy, the Company's By-Laws requires the submission of a Proxy Form to the Corporate Secretary no later than 6:00 P.M. of December 6, 2023 through email at [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph)

Validation of proxies, chaired by the Corporate Secretary or by the Assistant Corporate Secretary, and attended by the Company's stock and transfer agent and the external auditors, shall be convened on December 7, 2023 at the DoubleDragon Headquarters, 10<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila. Any questions and issues relating to the validity and sufficiency, both as to form and substance, of proxies shall only be resolved by the Corporate Secretary or Assistant Corporate Secretary at that forum. The Corporate Secretary or Assistant Corporate Secretary's decision shall be final and binding on the stockholders, and those not settled at such forum shall be deemed waived and may no longer be raised during the Meeting.

Refer to Annex "A" of this Information Statement for a detailed procedures and requirements for participation and voting in the Meeting.

## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of September 30, 2023, the following are the owners of the Company's common stock in excess of 5% of the total outstanding shares:

<i>Title of Class</i>	<i>Name, Address of Record Owner and Relationship with the Issuer</i>	<i>Name of Beneficial Owner and Relationship with the Issuer</i>	<i>Citizenship</i>	<i>No. of Shares</i>	<i>Percentage</i>
<b>Common Share</b>	<b>DoubleDragon Corporation</b>  10 <sup>th</sup> Floor Tower 1, DoubleDragon Plaza, Macapagal corner EDSA Ext. Avenues Pasay City  <b>Stockholder</b>	<b>DoubleDragon Corporation</b>  <b>Stockholder</b>	<b>Filipino</b>	<b>7,903,519,158</b>	<b>44.33%</b>
<b>Common Shares</b>	<b>PCD Nominee Corporation (Filipino)</b>  Tower I, The Enterprise Center, 6766 Ayala Ave. corner Paseo de Roxas, Makati City  <b>Stockholder</b>	<b>PCD Nominee Corporation (Filipino)</b>  <b>Stockholder</b>	<b>Filipino</b>	<b>6,305,184,978</b>	<b>35.37%</b>
<b>Common Shares</b>	<b>Benedicto V. Yujuico</b>  North Greenhills San Juan Metro Manila  <b>Stockholder</b>	<b>Benedicto V. Yujuico</b>  <b>Stockholder</b>	<b>Filipino</b>	<b>1,720,739,589</b>	<b>9.65%</b>

<b>Common Shares</b>	<b>Teresita Yujuico</b>	<b>M. Teresita Yujuico</b>	<b>M. Filipino</b>	<b>1,666,469,340</b>	<b>9.35%</b>
	North Greenhills San Juan Metro Manila		<b>Stockholder</b>		
	<b>Stockholder</b>				

The natural person who will be the duly authorized representative to vote the common shares of DoubleDragon Corporation will be decided and voted upon by its Board of Directors in a separate meeting held for that purpose.

There are no other persons holding more than 5% of a class under a voting trust or any similar agreements as of balance sheet date.

**SECURITY OWNERSHIP OF MANAGEMENT**  
(As of September 30, 2023)

<i>Title of Class</i>	<i>Name of the Beneficial Owner</i>	<i>Amount and the Nature of the Beneficial Ownership</i>		<i>Citizenship</i>	<i>Percent of Class</i>
		<i>Direct</i>	<i>Indirect</i>		
<i>Common</i>	<b>Edgar J. Sia II</b>	<b>1</b>	<b>0</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Tony Tan Caktiong</b>	<b>1</b>	<b>0</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Ferdinand J. Sia</b>	<b>1</b>	<b>0</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Rizza Marie Joy S. Javelona</b>	<b>0</b>	<b>0</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>William Tan Untiong</b>	<b>1</b>	<b>888,000</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Jesus Emmanuel M. Yujuico</b>	<b>1</b>	<b>0</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Jaime Rafael M. Yujuico</b>	<b>1</b>	<b>0</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Antonio L. Go</b>	<b>1</b>	<b>0</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Edgardo G. Lacson</b>	<b>1</b>	<b>4,444,000</b>	<b>Filipino</b>	<b>0.02%</b>
<i>Common</i>	<b>Rene D. Buenaventura</b>	<b>1</b>	<b>0</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Yolyvic L. Onato</b>	<b>0</b>	<b>74,000</b>	<b>Filipino</b>	<b>0.00%</b>
<i>Common</i>	<b>Joselito L. Barrera, Jr</b>	<b>0</b>	<b>460,000</b>	<b>Filipino</b>	<b>0.00%</b>

The aggregate number of common shares for all directors and officers is 5,866,000.

As of September 30, 2023, the Top 20 Shareholders of the Company are as follows:

Name	Nationality	No of shares	Percentage
DOUBLEDRAGON			
1 CORPORATION	Filipino	7,903,519,158	44.33%
2 PCD NOMINEE Filipino	Filipino	6,305,184,978	35.37%
3 BENEDICTO V. YUJUICO	Filipino	1,720,739,589	9.65%
4 TERESITA M. YUJUICO	Filipino	1,666,469,340	9.35%
5 PCD Non Filipino	Non Filipino	222,308,338	1.25%
JOSE IVAN T. JUSTINIANO OR MA. JEMA V.			
6 JUSTINIANO	Filipino	6,000,000	0.03%
MARTINA MARIA			
7 ELIZABETH Y. GUTIERREZ.	Filipino	833,000	0.00%
MANUEL I. GUTIERREZ OR MARTINA MARIA			
8 ELIZABETH Y. GUTIERREZ	Filipino	655,000	0.00%
9 G.D. TAN & Co., INC.	Filipino	420,000	0.00%
LEOPOLDO FRANCISCO			
10 SULPICO JR.	Filipino	300,000	0.00%
11 MYRA P. VILLANUEVA	Filipino	220,000	0.00%
12 EMERIZA G. BORJA	Filipino	200,000	0.00%
13 MYRNA P. VILLANUEVA	Filipino	150,000	0.00%
14 ROWENA T. GAN	Filipino	100,000	0.00%
YEE MEN SIAO OR CHARLENE SARTE YEE OR			
15 DIXIE JILL SARTE YEE	Filipino	100,000	0.00%
LEOPOLDO FRANCISCO			
16 SULPICO JR.	Filipino	100,000	0.00%
17 ROGER LEE CASTRO	Filipino	50,000	0.00%
18 MARY EVE T. PAMINTUAN	Filipino	50,000	0.00%
19 CATHERINE P. SALAS	Filipino	50,000	0.00%
20 MILAGROS P. VILLANUEVA	Filipino	44,000	0.00%
21 NAPOLEOS S. MALIG	Filipino	30,000	0.00%
22 RHODORA TAN OLA	Filipino	20,000	0.00%
23 MARIETTA V. CABREZA	Filipino	10,000	0.00%
24 MYLENE C. ARNIGO	Filipino	10,000	0.00%
25 ANTONIO GO	Filipino	1	0.00%
26 EDGARDO LACSON	Filipino	1	0.00%
27 RENE BUENAVENTURA	Filipino	1	0.00%
		17,827,465,406	100.00%

There are around 41,420 holders of at least one board lot of 50 shares.



## CHANGES IN CONTROL

The Company is not aware of any change in control or arrangement that may result in a change in control of the Company since beginning of its last fiscal year.

There are no existing or planned stock warrant offerings. There are no arrangements that may result in a change in control of the Company.

Hence, no change in control has occurred since the beginning of its last fiscal year.

### **Item 5. Directors and Executive Officers**

The incumbent Directors and Executive Officers of the Company are as follows:

<u>Office</u>	<u>Name</u>	<u>Age</u>	<u>Citizenship</u>
Chairman	Edgar J. Sia II	46	Filipino
Co-Chairman	Tony Tan Caktiong	70	Filipino
Director and President	Ferdinand J. Sia	44	Filipino
Treasurer and CFO	Rizza Marie Joy S. Javelona	33	Filipino
Director and Corp.			
Secretary	William Tan Untiong	69	Filipino
Director	Jesus Emmanuel M. Yuijuico	55	Filipino
Director	Jaime Rafael M. Yujico	43	Filipino
Independent Director	Antonio L. Go	83	Filipino
Independent Director	Edgardo G. Lacson	80	Filipino
Independent Director	Rene D. Buenaventura	68	Filipino

## BOARD OF DIRECTORS

The Directors of the Company are elected at the meeting to hold office until the succeeding annual stockholder's meeting and until their respective successors have been appointed or elected and qualified.

The following are the business experience/s of the Company's Directors for the last five (5) years (*or more*):

**Edgar J. Sia II**, age 46, Filipino, is the Chairman and Chief Executive Officer of Injap Investments Inc., MerryMart Consumer Corp. and MerryMart Grocery Centers Inc. Mr. Sia II 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**, age 70, Filipino, is the Chairman of Honeystar Holdings Corporation, and the current Chairman of Jollibee Foods Corporation, since 1978. Mr. Tan Caktiong is also a Director of First Gen Corporation since 2005 and a member of the Board of Trustees of Jollibee Group Foundation, Temasek Foundation, and St. Luke's Medical Center. He

graduated from the University of Santo Tomas in 1975 with a degree in Chemical Engineering. On February 15, 2018, the University of Santo Tomas conferred the honorary Degree Doctor of Business Administration to Mr. Tan Caktiong.

Other directorships and trusteeships are:

Director	Fresh N' Famous Foods, Inc.
Director	Mang Inasal Phils. Inc.
Director	BKTitans, Inc.
Director	PFN Holdings Corporation
Director	Perf Restaurants, Inc.
Director	Perf Trinoma, Inc.
Director	Perf MOA Pasay, Inc.
Director	RRB Holdings, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	Chanceux, Inc.
Director	Bee Good! Inc.
Director	SJBF LLC
Director	Honeybee Foods (Canada) Corporation
Director	Honeybee Foods Corp.
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	Southsea Binaries Limited
Director	Belmont Enterprises Ventures Ltd.
Director	Jollibee International (BVI) Ltd.
Director	WJ Investments Limited <sup>2</sup>
Director	Jollibee Worldwide Pte. Ltd.
Director	JSF Investments Pte. Ltd.
Director	Golden Cup Pte. Ltd.
Director	Golden Plate Pte. Ltd.
Director	Golden Beeworks Pte. Ltd.
Director	Happy Bee Foods Processing Pte. Ltd.

**Ferdinand J. Sia**, age 44, Filipino, is the President and Chief Operating Officer of Injap Investments Inc. and MerryMart Consumer Corp. He also served as a Director of Mang Inasal Philippines, Inc. from 2006-2016. He graduated from the University of the Philippines Visayas with a degree in Bachelor of Arts in Political Science and took up law in Arellano University School of Law.

**William Tan Untiong**, age 69, Filipino, has been a Director of Jollibee Foods Corporation 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 Corporation since 1989. He was appointed as Chief Real Estate Officer in 2015.

Other directorships and trusteeships are:

Director	Fresh N' Famous Foods Inc.
Director	Mang Inasal Phils. Inc.
Director	BKTitans Inc.
Director	Chanceux, Inc.

Director	RRB Holdings, Inc.
Director	Red Ribbon Bakeshop, Inc.
Director	Grandworth Resources Corporation
Director	Zenith Foods Corporation
Director	Belmont Enterprises Ventures Ltd. (BVI)
Director	Yong He Holdings Co. Ltd.
Director	Centenary Ventures Limited
Director	Honeybee Foods (Canada) Corporation
Director	Honeybee Foods Corporation
Director	Red Ribbon Bakeshop Inc. (USA)
Director	Chowking Food Corporation (USA)
Director	WJ Investments Limited <sup>9</sup>
Director	Golden Plate Pte. Ltd.
Director	Golden Cup Pte. Ltd.
Director	Entrek (B) SDN BHD
Director	Jollibee (China) Food & Beverage Management Co. Ltd.
Director	Hangzhou Yong He Food and Beverage Co. Ltd.
Director	Tianjin Yong He King Food & Beverage Co. Ltd.
Director	Beijing Yong He King Food and Beverage Co. Ltd.
Director	Shenzhen Yong He King Food and Beverage Co. Ltd.
Director	Wuhan Yong He King Food and Beverage Co. Ltd.
Director	Beijing Golden Coffee Cup Food & Beverage Management Co. Ltd.
Director	Adgraphix, Inc.
Director	JC Properties & Ventures Corporation <sup>10</sup>
Director	Centregold Corporation
Director	Winall Holding Corporation
Director	Iconnect Multimedia Network, Inc.
Director	Mainspring Resources Corporation
Director	Queenbee Resources Corporation
Director	Hyper Dynamic Corporation
Director	Kingsworth Corporation
Director	Honeysea Corporation
Trustee	Jollibee Group Foundation, Inc.

**Jesus Emmanuel M. Yujuico**, age 55, Filipino, is serving as a Director of the Company since 2015. He is also currently a Consultant and Adviser of Istana Development Corp., Istana Social Foundation and Vicarious, Inc. He has finished his Economics from Bowdoin College in 1990 and obtained Masters Degree from Dartmouth College, Tuck School.

**Jaime Rafael M. Yujuico**, age 43, Filipino, is serving as a Director of the Company since 2015. He is also currently the Chief Executive Officer of Point Blue. He finished his Bachelors Degree in Government - International Relations from Bowdoin in 2002.

**Antonio L. Go**, age 83, Filipino, is currently the Chairman of Equicom Savings Bank, Equicom Manila Holdings, Inc and Algo Leasing and Finance, Inc. He obtained his bachelors degree in business administration from Youngtown University in Ohio, USA and finished his graduate studies on International Management Program from International Management Institute in Geneva, Switzerland.

Other affiliations are as follows:

Member, Board of Directors	Equitable Development Corporation
Member, Board of Directors	Equitable Computer Services
Member, Board of Directors	Equity Development Corporation
Member, Board of Directors	K&L Holdings, Inc.
Member, Board of Directors	Klara Holdings, Inc.
Member, Board of Directors	Medilink Network, Inc.
Member, Board of Directors	Motan Corp.
Member, Board of Directors	Equicom Information Technology Inc.
Member, Board of Directors	Maxicare Health Corporation
Member, Board of Directors	Pin-An Holdings Corp.
Member, Board of Directors	Equicom Inc.
Member, Board of Directors	SteelAsia Manufacturing Corp.
Independent Director	Oriental Petroleum and Minerals Corp.*
Independent Director	Cebu Air, Inc.*
Independent Director	United Industrial Corp. Limited
Independent Director	Robinsons Retail Holdings, Inc.*
Independent Director	JG Summit Holdings, Inc.*
Non-Executive Director	Dito Telecommunity Corporation
Trustee	Equitable Foundation Inc.
Trustee	Go Kim Pah Foundation, Inc.
Trustee	Gokongwei Brothers Foundation, Inc.

**Edgardo G. Lacson**, age 80, Filipino, is also the Independent Director of the DDMPR Fund Managers, Inc.. He also serves as a Chairman and President of several institutions including MIS Maritime Corporation, Safe Seas Shipping Agency, Marine Industrial Supply Corporation, Metrostore Corporation. He also the Treasurer of MIL Export Philippines, Inc. and Director of Puregold Price Club, Inc. He is also an Independent Director of Global Ferronickel Holdings, Inc. (FNI) and a Non-Broker Director of the Philippine Stock Exchange. Mr. Lacson holds a Bachelor of Science in Commerce degree from the University of La Salle College.

**Rene D. Buenaventura** age 68, Filipino. Mr. Rene D. Buenaventura is the Chairman and Independent Director of the Property Manager. He also serves as the President of several institutions including Gramercy Holdings Corporation, Canyon Crest Holdings Corporation, and Hengrave Holdings, Inc. Mr. Buenaventura also acts as a Director of a list of other companies including Equitable Foundation Inc., Equicom Inc., Equicom Information Technology Inc., Cliveden Management Corp., Maxicare Health Corporation, Pin-An Holdings Corp., SteelAsia Manufacturing Corp., SteelAsia Development & Management Corporation, Candelaria Steel, and Consumer CreditStore Philippines Inc. In addition, he holds the post of Vice Chairman and Stockholder of Equicom Manila Holdings, Inc., Equicom Savings Bank, and ALGO Leasing and Finance, Inc. Mr. Buenaventura also serves as an Independent Director of UBS Investments Inc., AIG Insurance Philippines, Inc., Lorenzo Shipping Corporation, and GT Capital Holdings Inc. Given his notable corporate leadership portfolio, he also now serves as a Trustee of Go Kim Pah Foundation, Inc. In terms of educational attainment, Mr. Buenaventura holds a Bachelor of Science degree in Accounting, a Bachelor of Arts degree in Behavioral Science, and a Master of Business Administration degree all from De La Salle University Philippines.

## ADVISERS TO THE BOARD

The following persons are the Advisers to the Board:

1. John Michael Francis M. Yujuico
2. Benedicto V. Yujuico
3. Joseph Tanbuntiong
4. Ernesto Tanmantiong

\*Independent Director - the Company has complied with the Guidelines set forth by Securities Regulation Code (SRC) Rule 38 regarding the Nomination and Election of Independent Director. The Company's By-Laws, as amended on November 16, 2020 incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said rule.

(The Company amended its By-Laws on November 16, 2020 to incorporate the provisions of the SRC Rule 38.)

## PERIOD OF DIRECTORSHIP

<u>Name</u>	<u>Period Served</u>
<i>Edgar J. Sia II</i>	2014 to present
<i>Tomy Tan Caktiong</i>	2014 to present
<i>Ferdinand J. Sia</i>	2014 to present
<i>William Tan Untiong</i>	2014 to present
<i>Jesus Emmanuel M. Yujuico</i>	2015 to present
<i>Jaime Rafael M. Yujuico</i>	2015 to present
<i>Antonio L. Go</i>	2020 to present
<i>Edgardo G. Lacson</i>	2020 to present
<i>Rene D. Buenaventura</i>	2020 to present

The Directors of the Company are elected at the Meeting to hold office until the next succeeding annual stockholders' meeting and until their respective successors have been appointed or elected and qualified. The same set of directors are nominated and are subject to election in the coming annual stockholders' meeting. The Directors possess all the qualifications and none of the disqualifications provided for in the SRC and its Implementing Rules and Regulations.

Nomination of Independent Directors shall be conducted by the Nomination Committee prior to the Meeting. The Nomination Committee shall prepare a Final List of Candidates from those who have passed the Guidelines, Screening Policies and Parameters for nomination of independent directors and which list shall contain all the information about these nominees. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nomination shall be entertained or allowed on the floor during the actual Meeting. In case of resignation, disqualification or cessation of

independent directorship and only after notice has been made to the Nomination Committee within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee otherwise, said vacancies shall be filled by stockholders in a regular or special meeting called for that purpose. An Independent Director so elected to fill a vacancy shall serve only for the unexpired term of his or her predecessor in office.

The members of the Company's Nomination Committee are the following:

Chairman : Ferdinand J. Sia  
 Members : William Tan Untiong  
 Edgardo G. Lacson

Since the last annual stockholder's meeting, no director has resigned or has declined to stand re-election to the Board of Directors, and no director has had any disagreement with the Company on any matter relating to the Company's operations, policies, or practices. The Company has complied with the guidelines set forth by SRC Rule 38, as amended, regarding the Nomination and Election of Independent Director. The same provision has been incorporated in the Amended By-Laws of the Company last November 16, 2020.

#### ATTENDANCE IN MEETINGS

The attendance of the directors at the meetings of the Board of Directors and of Stockholders held during their term is as follows:

Director	No. of Board and Stockholders meetings held	No. of Board and Stockholders meetings attended	Percentage
Edgar J. Sia II	4	4	100%
Tony Tan Caktiong	4	3	75%
Ferdinand J. Sia	4	4	100%
William Tan Untiong	4	4	100%
Jesus Emmanuel M. Yujuico	4	3	75 %
Jaime Rafael Yujuico	4	3	75%
Edgardo G. Lacson	4	4	100%
Rene D. Buenaventura	4	4	100%
Antonio L. Go	4	4	100%

#### APPRAISAL AND PERFORMANCE REPORTS

The Board of Directors, Management and employees of the Company commit themselves to the principles and best practices of corporate governance as contained in its Manual on Corporate Governance, in compliance with SEC Memorandum Circular No. 19, series of 2016 (Code of Corporate Governance for Publicly-Listed Companies) and further acknowledge that the same may guide the attainment of the Company's values, mission and vision.

The Board of Directors, officers, employees and stockholders of the Company believe that corporate governance is a necessary component of sound strategic business management and will undertake every effort necessary to create awareness within the organization as soon as possible.

To ensure adherence to corporate principles and best practices of good corporate governance, the Compliance Officer monitors compliance with the provisions and requirements of the Manual on Corporate Governance.

In compliance with SEC Memorandum Circular No. 15, series of 2017, the Company submitted its Integrated Annual Corporate Governance Report (I-ACGR) for the year ended December 31, 2022 on May 30, 2023. The Company shall submit its I-ACGR for the year ended December 31, 2023 within the period required. Any deviation from the recommendations provided by the Manual on Corporate Governance are identified in the I-ACGR.

The Company is taking further steps to enhance adherence to principles and practices of good corporate governance.

To ensure board effectiveness and optimal performance, the Board shall conduct annual performance evaluations of the Board of Directors, its individual members and board committees. Through the self-assessment and evaluation process, directors identify areas for improvement, such as:

1. Board Composition and Diversity;
2. Frequency of Meetings;
3. The adequacy of of materials and information provided Directors;
4. Directors' access to Management;

The criteria for Board self-assessment are:

1. Collective Board Rating
  1. Composition
  2. Attendance and Participation
2. Individual Self-Assessment
  1. Individual Performance
  2. Attendance of Board and Committee Meetings
3. Board Committees Rating
  1. Executive Committee
  2. Corporate Governance Committee
  3. Audit Committee
  4. Compensation Committee
  5. Nomination Committee

## **SIGNIFICANT EMPLOYEES**

The Company has no significant employee who is not an Executive Officer but is expected by the Company to make significant contributions to the business.

## **FAMILY RELATIONSHIPS**

Mr. Edgar J. Sia II, Mr. Ferdinand J. Sia and Ms. Rizza Marie Joy S. Javelona are siblings. Mr. Tony Tan Caktiong, Mr. William Tan Untiong, Mr. Joseph Tanbuntiong and Mr. Ernesto Tanmantiong are also siblings. Likewise, Mr. Jesus Emmanuel M. Yujuico, and Jaime Rafael M. Yujuico are siblings to parents Benedicto V. Yujuico and Teresita M. Yujuico. There are no other family relationships known to the Company other than the ones disclosed herein.

## **INVOLVEMENT IN LEGAL PROCEEDINGS OUT OF THE ORDINARY COURSE OF BUSINESS**

Neither the Company nor any of its subsidiaries 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.

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.

As of September 30, 2023, there is no existing serious question relating to the ability or integrity of any of the Company's Directors and Corporate Officers to serve as such for the past five years.

As of December 31, 2022, there is no existing serious question relating to the ability or integrity of any of the Company's Directors and Corporate Officers to serve as such for the past five years, and none of them has been:

- a) Subject to any bankruptcy 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 two years prior to that time;
- b) Subject to any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c) Being subject to any order, judgment, 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 his involvement in any type of business, securities, commodities or banking activities; and
- d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

Contracts may be entered into by the Company with any of its directors, executive officers or



stockholders or with companies associated with the majority stockholders of the Company (the “Related Parties”), provided the terms thereof are at least favorable to the Company as would be obtainable in arm’s-length dealings with unrelated third persons. This policy is to prevent conflicts of interest between the Company and Related Parties, which may result in action taken by the Company that does not fully reflect the interests of all stockholders of the Company.

The Company, in the normal course of business, enters into transactions with related companies primarily consisting of lease of office and commercial spaces, advances for real estate transactions, management agreement and other business-related purposes. Rental for leased properties are within market rates while there are no interest on advances. Related parties are able to settle their obligations in connection with transactions with the Company and the Company does not foresee risks or contingencies arising from these transactions. Additional information on related party transactions is provided in the Notes to the Audited Financial Statements of the Company attached hereto and incorporated herein by reference.

The summary of the Company’s transactions with its related parties for the year ended December 31, 2022, 2021 and 2020 and the related outstanding balances as of December 31, 2022, 2021 and 2020 are as follows:

Category	Year	Ref	Amount of Transaction	Outstanding Balance			Receivables	Terms and Conditions
				Due from Related Parties	Due to Related Parties	Accounts Payable		
<b>Ultimate Parent Company</b>								
Rent	2022	a	P91,159,160	P -	P -	P -	P -	Demandable; non-interest bearing; unsecured; payable in cash
	2021	a	86,818,600	-	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2020	a	82,684,585	-	-	-	26,396,307	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	2019	b	95,061,375	95,061,375	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
<b>Entity under Common Control</b>								
Common usage and service	2022	c	<b>6,231,654</b>	-	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2021	c	3,462,116	-	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2020	c	50,931,810	-	400	-	-	Demandable; non-interest bearing; unsecured; payable in cash

Category	Year	Ref	Amount of Transaction	Outstanding Balance			Receivables	Terms and Conditions
				Due from Related Parties	Due to Related Parties	Accounts Payable		
Reimbursements	2022	d	P -	P -	P -	P -	P -	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	d	6,651,962	-	-	-	28,320,556	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2020	d	P59,376,586	-	-	-	180,588,928	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
Rent	2022	e	29,009,287	-	-	-	1,139,125,173	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	e	1,110,115,886	-	-	-	1,110,115,886	Demandable; non-interest bearing; unsecured; payable in cash no impairment
Reimbursements	2022	d	-	-	-	-	5,122,816	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	d	2,139,329	5,122,816	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash no impairment
Management fees	2022	f	21,452,636	-	-	31,993,763	-	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	f	16,085,845	-	-	7,113,234	-	Demandable; non-interest bearing; unsecured; payable in cash no impairment
<b>Other Related Parties</b>								
Rent	2022	e	50,662,453	-	-	-	69,107,485	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	e	29,585,696	-	-	-	6,452,923	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2020	e	19,099,774	-	-	-	2,651,039	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	<b>2022</b>			<b>P -</b>	<b>P -</b>	<b>P31,993,763</b>	<b>P1,213,355,474</b>	
	2021			P5,122,816	P -	P7,113,234	P1,144,889,365	
	2020			P -	P400	P -	P209,636,274	

a. *Lease of Corporate Office*

The Company entered into a lease agreement with DD for the lease of 10<sup>th</sup> and 11<sup>th</sup> floors of Tower 1 DoubleDragon Plaza, which serve as the headquarters of the Company. This lease provides for fixed monthly rent, subject to 5% escalation rate starting year two. The term of the lease is five years subject to renewal (Note 16).

b. *Reimbursements*

The amount pertains to reimbursement of operating expenses initially paid by the Company. This consists of expenses incurred on print and

multimedia and transportation expenses. These are generally trade-related, noninterest-bearing and settled within one year.

*c. Common Usage and Service*

These are payments to DDPMC received from tenants for the payment of their common usage area charges that are credited to the Company's accounts.

*d. Reimbursements*

The Company charges reimbursable costs, such as the monthly electricity and water charges and supply and installation of other utility equipment, to DDPMC (Note 6). *Rent Agreements*

The Company entered into contracts with various entities under Jollibee Foods Corporation (JFC) and other related parties, for lease of its Mall spaces. These leases generally provide for either fixed monthly rent, subject to escalation rates, or a certain percentage of gross sales. The terms of the leases are for periods ranging from 5 to 15 years. The fixed monthly rent shall escalate by an average rate of 5% each year. Tenants are also billed with other charges such as fixed share in advertisement and promotions and interest and penalties on default payments (Note 5).

On November 19, 2020, the Company entered into 99-year lease agreements, beginning January 1, 2021, with DDTI for the lease of DD Tower Property. Lease rate for DD Tower is P2,500,000 quarterly, subject to escalation, for 99 years for its land and P5,750,000 quarterly, subject to escalation, for 99 years for its building (Note 16).

*e. Management Fees*

On November 19, 2020, the Company entered into a fund management agreement with DRFMI starting 2021. The agreement is valid for five (5) years and shall automatically be renewed for successive 5-year term thereafter, until and unless earlier terminated. As fund manager, DRFMI is entitled to receive a fixed management fee of P3,600,000 annually plus other fees.

On the same date, the Company entered into a property management agreement with DRPMI. The agreement is valid for five (5) years and shall automatically be renewed for successive 5-year term thereafter, until and unless earlier terminated. As property manager, DRPMI is entitled to receive a fee equivalent to 6% of the quarterly CUSA fees

received from the tenants of the Properties but shall not exceed 1% of the net asset value of the properties managed.

The total amount of management fees charged to the Company, recorded in "Property maintenance" under "General and administrative expenses" account amounted to P3,600,000 and P2,700,000 for DRFMI for 2022 and 2021, respectively, and P17,852,636 and P13,385,845 for DRPFI for 2022 and 2021, respectively.

*f. Key Management Compensation*

There is no information with respect to compensation and benefits of key management officers and personnel to be disclosed in accordance with PAS 24, *Related Party Disclosures*, since the administrative and finance functions of the Company were administered by DD at no cost to the Company.

There have been no guarantees/collaterals provided or received for any related party receivables or payables. For the years ended December 31, 2022 and 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Except when indicated above, all outstanding related party balances are to be settled in cash.

The transactions with related parties for the year ended December 31, 2022 are discussed in Note 15 of the Company's 2022 Audited Consolidated Financial Statements attached as Annex "D" to this Information Statement. Please also refer to Schedule B (page D.3-63), Schedule C (page D.3-64) and Schedule F (D.3-67) of the Supplementary Schedules of Annex D.3

None of the Company's directors have entered into self-dealing and related party transactions with or involving the Company.

**Item 6. Compensation of Directors and Executive Officers**

For the years 2020, 2021 and 2022, the Company did not recognize expenses for key management compensation. The officers of the Company do not receive any compensation from the Company. The compensation of these officers is paid by DD.

<b>Name &amp; Position</b>	<b>Year</b>	<b>Salary, Bonus and Other Benefits</b>
Edgar J. Sia II Ferdinand J. Sia	FY 2022	₱3,533,346

Rizza Marie S. Javelona Investor Relations Officer and Compliance Officer <i>Aggregate compensation paid to all officers and directors as a group unnamed</i>	FY 2021	₱3,011,391
	FY 2020	₱2,879,922

### **Compensation of Directors**

Directors and advisors to the Board will receive a standard per diem for attendance in Board meetings effective January 1, 2021. For the years ended December 31, 2022, 2021 and 2020, the Directors received compensation amounting to ₱1.50 million, ₱1.84 million, and nil, respectively.

For the year ended December 31, 2020, there is no information with respect to director's fees since the administrative and finance functions of the Company were administered by DD at no cost to the Company. 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 in 2020.

### **Item 7. Independent Public Accountant**

The accounting firm of R.G. Manabat & Co. ("KPMG") was appointed as the Company's auditor to audit the Company's year end financial statements. Since their appointment, the Company has no disagreement with them on any matters relating to accounting principles and practices, financial statement disclosures or auditing scope or procedures. The same auditing firm has been endorsed for re-appointment by the Audit Committee to the Executive Committee.

The following are the External Audit Fees paid to KPMG for its services, particularly for the audit of the financial statements for the years 2021 and 2022 and nine months ending September 30, 2023, to the Company as well as to its subsidiaries.

	<u>2021</u>	<u>2022</u>	<u>Nine Months September 30, 2023</u>
Audit and Audit-Related Fees	1,265,000	1,100,000 (₱)	-
All Other Fees	2,900,000	300,000	-
Tax Fees	-	-	-
Total	<u>4,165,000</u>	<u>1,400,000</u>	<u>-</u>

#### **All Other Fees**

These are fees by the auditors arising from agreed-upon procedure engagements.

#### **Tax Fees**

The Company does not engage KPMG for professional services covering tax accounting or any other form of tax services.

The members of the Company's Audit Committee are the following:

Chairman	:	Rene D. Buenaventura
Members	:	Ferdinand J. Sia Jesus Emmanuel M. Yujuico

The partner-in-charge for the ensuing year is Mr. Darwin P. Virocel of KPMG R.G. Manabat & Co. SRC Rule 68, Part 3(b)(iv)(ix) provides that "the independent auditors or in the case of an audit firm, the signing partner, of the aforementioned regulated entities shall be rotated after every five (5) years of engagement. A two-year cooling-off period shall be observed in the engagement of the same signing partner or individual auditor". The Company is compliant with this rule.

The resolution for adoption will be the approval of the appointment of KPMG as the Company's independent external auditor.

Except for the preparation of the financial statements required for the Company's annual filing with the SEC and the submission of the required financial statements in relation to the registration of its securities, the aforementioned independent public accountants provide no other type of services.

In relation to the audit of the Company's annual financial statements, the Company's Audit Committee shall, among other activities, (i) evaluate significant issues reported by the external auditors in relation to the adequacy, efficiency and effectiveness of our policies, controls, processes and activities; (ii) ensure that other non-audit work provided by the external auditors, if any, are not in conflict with their functions as external auditors; and (iii) ensure our compliance with acceptable auditing and accounting standards and regulations.

Representatives from the KPMG are expected to present at the meeting and be expected to be available to respond to appropriate queries and make statements

#### **Item 8. Employee Compensation Plans**

There is no action to be taken at the annual stockholders' meeting with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed which will require stockholders' approval.

#### **Item 9. Authorization or Issuance of Securities Other Than for Exchange**

No action will be taken at the annual stockholders' meeting with respect to authorization or issuance of securities other than for exchange.

There is no sale of unregistered or exempt securities nor issuance of securities constituting an exempt transaction that took place since the last fiscal year.

#### **Item 10. Modification or Exchange of Securities**

No action will be presented for the stockholders' approval at the Meeting which involves the modification of any class of the Company's securities or the issuance of one class of securities in exchange for outstanding securities of another class.

#### **Item 11. Financial and Other Information**

##### **Market Information**

The Company's Common Shares are traded and listed with the Philippine Stock Exchange starting March 24, 2021.

#### **2022**

Prices (in PhP/share)

	High	Low	Close
First Quarter	1.82	1.52	1.58
Second Quarter	1.75	1.41	1.46
Third Quarter	1.58	1.22	1.24
Fourth Quarter	1.32	1.17	1.29

#### **2023**

Prices (in PhP/share)

	High	Low	Close
First Quarter	1.47	1.27	1.37
Second Quarter	1.38	1.26	1.27
Third Quarter	1.35	1.24	1.30

The price information as of the close of the latest practicable trading date October 27, 2023 is ₱1.27 per share with a total market capitalization of ₱22,640,881,065.62.

The Company's audited consolidated financial statements for the year ended December 31, 2022 and the audited separate financial statements are attached herein as **Annex D** and are incorporated by reference.

The resolution for adoption will be the approval of the audited consolidated financial statements for the year ended December 31, 2022.

## **Item 12. Mergers, Consolidations, Acquisitions, and Similar Matters**

No action will be presented for the stockholders' approval at the Meeting which involves:

- 1) The merger or consolidation of the Company into or with any other person, or of any other person into or with the Company.
- 2) Acquisition by the Company or of its shareholders of the securities of another person.
- 3) Acquisition by the Company of any other going business or of the assets thereof.
- 4) Sale or transfer of all or substantially all of the Company's assets.
- 5) Liquidation or the dissolution of the Company.

## **Item 13. Acquisition or Disposition of Property**

In the normal course of business, the Company and its subsidiaries leases out real estate properties for future business sites.

No action will be presented for the stockholders' approval at the Meeting which involves acquisition or disposition of the property of the Company.

## **Item 14. Restatement of Account**

No action will be presented for the stockholders' approval at the Meeting which involves the restatement of any of the Company's assets, capital, or surplus account.

## **Item 15. Action with Respect to Reports**

Action is to be taken on the reading and approval of the following:

### **1) Reading and Approval of the Previous Minutes.**

The minutes of the previous stockholders' meeting will be posted on the website of the Company, and is attached herein as Annex "C" and will be available for the inspection of the stockholders.

The resolution for adoption will be the approval of the minutes of the previous year's meeting.

**"RESOLVED**, that the minutes of the Annual Stockholders' Meeting held on December 13, 2022 was unanimously adopted and approved."

### **2) Management Reports**



The Company's Management Report will be submitted for approval by the stockholders. A copy of the Management Report is attached to this Information Statement as **Annex D**.

The resolution for adoption will be the approval of the Management Report for the year ended December 31, 2022.

**"RESOLVED**, that the stockholders of DDMP REIT, INC. hereby approve the Annual Report for the year 2022 and the Audited Financial Statements for the year ended December 31, 2022."

### 3) **General Ratification of the Acts of the Board of Directors and the Officers**

The acts of the Board of Directors and Officers of the Company are covered by resolutions of the Board of Directors duly-adopted in the normal course of trade or business. Said acts include, but are not limited to, the following:

1. Application for Permits, Licenses, Clearances, Accreditations, and Registrations for Properties;
2. Opening, Updating and Maintenance of Bank Accounts and other Bank Transactions;
3. Engagement of foreign underwriters and international counsels;
4. Appointment of Chairmen and Members of the Board Committees;
5. Approval of authority to enter into any contract necessary for the operation of the Company and the designation of signatories; and
6. Declaration of Quarterly Dividends.
7. Entry into multi-year lease contract with tenants
8. Adopting measures to counter/mitigate the effects of the pandemic.

The resolution for adoption will be the approval and ratification of the acts of the Board of Directors and the Officers of the Company.

**"RESOLVED**, that the stockholders of DDMP REIT, INC. confirm, ratify, and approve all acts done or caused to be done by the Board of Directors and Officers of the Corporation for the period from its last shareholders' meeting on December 13, 2022 up to this date."

### 4) **Appointment of External Auditor**

As nominated by the Audit Committee, The appointment of KPMG R.G. Manabat and Co. as the external auditor of the Company to examine the financial statements of the Company for the year ended December 31, 2022 will be presented for approval.

The resolution for adoption will be the approval of the appointment of KPMG as the Company's independent external auditor.

**"RESOLVED**, that the stockholders of DDMP REIT, INC. approve the appointment of the firm of KPMG R.G. Manabat & Co. as independent

external auditors of the Corporation, to examine the books of the Corporation for the year ended December 31, 2023.”

### **Dividend Policy**

The Company’s current dividend policy provides that at least 90% 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. There can be no guarantee that the Company will pay any dividends in the future. The declaration and payment of dividends is subject to compliance annually or as often as the Board of Directors may deem appropriate, in cash or in kind and/or in additional shares from its surplus profits. The ability of the Company to pay dividends will depend on its retained earnings level and financial condition. There is no assurance that the Company will pay dividends in the future.

The following dividends were declared/paid since the last shareholders’ meeting up to present:

Date of Dividend Declaration	Record Date	Dividends per share	Date of Payment
November 15, 2022	December 13, 2022	P0.0272730	January 9, 2023
April 17, 2023	May 5, 2023	P0.0226599	May 31, 2023
May 15, 2023	June 19, 2023	P0.0253889	July 13, 2023
September 29, 2023	November 6, 2023	P0.0254766	November 29, 2023

### **Item 16. Matters not Required to be Submitted**

There is no action to be taken at the annual stockholders’ meeting with respect to any matter which is not required to be submitted to a vote of the stockholders.

### **Item 17. Amendment of Charter, By-laws or Other Documents**

There is no action to be taken at the annual stockholders’ meeting with respect to any amendment of the Company’s Amended Articles of Incorporation or By-Laws.

### **Item 18. Other Proposed Action**

- (a) Approval of the minutes of the Previous Stockholder’s Meeting
- (b) Approval of the 2022 Audited Financial Statements and 2022 Annual Report

This proposal is for the purpose of informing the stockholders of the key results of the Company’s operations in 2022, in accordance with Section 74 of the Revised Corporation Code. The Company’s audited financial statements as of December 31, 2022 is integrated and made part of the Company’s 2023 Information Statement.

- (c) Ratification of Acts, Resolutions and Proceedings of the Board of Directors, Corporate Officers and Management from the date the last shareholders meeting.

The purpose of the proposal is to allow the stockholders to ratify the acts of the Board of Directors and Officers of the Company as a matter of procedure or policy. The resolutions approved by the Board in its regular and special meetings refer only to acts done by the Board, Corporate Officers and Management in the ordinary course of business.

(d) Election of the members of the Board of Directors, including the independent directors, for the ensuing year.

(e) Appointment of KPMG R.G. Manabat & Co. as Independent External Auditor.

The proposal is intended to appoint an auditing firm which can provide assurance to the directors and stockholders of the integrity of the Company's financial statements and adequacy of its internal controls.

### **Item 19. Voting Procedures**

Stockholders as of the November 17, 2023 Record Date may participate and vote in absentia. Registration of the stockholders and proxies attending the Meeting will be from 9:00 am November 21, 2023 to 6:00PM December 6, 2023. See **Annex A** of this Information Statement for the Procedures and Requirements for Voting and Participation in the 2023 Annual Stockholder's Meeting.

(a) *Vote required for approval.*

The approval of the minutes of the 2022 annual stockholders' meeting and the audited financial statements and annual report for the year ended 2022, the ratification of the actions of the Board of Directors and Officers, and the appointment of external auditors, shall be decided by the majority vote of the stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

In the election of directors, cumulative voting will be adopted. Cumulative voting is explained under Item 4 of this Information Statement. The candidates garnering the nine (9) highest number of votes shall be declared elected as directors of the Company to serve as such for the year 2022-2023.

(b) *Method by which votes will be counted.*

Stockholders shall be entitled to vote either in absentia or by proxy. The procedure for voting, validating and tabulating the Proxies and ballots are set forth under Item 4 of this Information Statement.

A stockholder may by vote by proxy by appointing the Company's President as proxy or electronically in absentia by registering and following the procedures annexed to this Information Statement. After validation, the stockholder will receive an email with instructions to access the ballot. The ballots submitted shall then be counted by the Corporate Secretary, with the assistance of representatives of the Company's stock transfer agent, PNB Trust and Stock Transfer Operations Department, which is an independent party. The results of the

voting will be validated by our external auditors, KPMG R.G. Manabat and Co. shall be announced during the meeting.

Approval of the resolutions or matters requiring the stockholder action as set forth in the Agenda and this Information Statement would require the affirmative vote of the stockholders owning at least a majority of the outstanding capital stock.

In the election of directors, cumulative voting may be adopted. Cumulative voting is explained under Item 4 of this Information Statement.

Stockholders shall be entitled to vote either in absentia or by proxy. The procedure for voting, validating and tabulating the Proxies and ballots are set forth under Item 4 of this Information Statement.

***UPON THE WRITTEN REQUEST OF A STOCKHOLDER, THE COMPANY UNDERTAKES TO FURNISH SAID STOCKHOLDER A COPY OF SEC FORM 17-A (ANNUAL REPORT) FREE OF CHARGE, EXCEPT FOR EXHIBITS ATTACHED THERETO WHICH SHALL BE CHARGED AT COST. ANY WRITTEN REQUEST FOR A COPY OF SEC FORM 17-A SHALL BE ADDRESSED AS FOLLOWS:***

**DDMP REIT, INC.**

DoubleDragon Headquarters, 10<sup>th</sup> Floor, Tower 1, DoubleDragon Plaza,  
DD Meridian Park, Corner Macapagal Avenue and EDSA Extension,  
Bay Area, Pasay City, Metro Manila 1302

Attention: Atty. Joselito L. Barrera, Jr.

**PART II**

**PLEASE FILL-UP AND SIGN THIS PROXY FORM AND EMAIL IT AT [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph)**

**PROXY FORM**

**STOCKHOLDER'S NAME:** \_\_\_\_\_ **NO. OF SHARES:** \_\_\_\_\_

The undersigned stockholder of **DDMP REIT, INC.** (the "**Company**") hereby appoints **Mr. Ferdinand J. Sia**, or in his absence, the Chairman of the Meeting, as attorney and proxy, with full powers of substitution, to represent and vote all shares registered in the name of the undersigned stockholder at the Annual Stockholders' Meeting of the Company to be held by remote communication via Zoom on December 13, 2023 at 10:30AM, and at any of the adjournments thereof for the purpose of acting on the following matters:

<b>(a) Approval of the minutes of the previous meeting:</b>  <p style="text-align: center;"><input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> ABSTAIN</p>	
<b>(b) Approval of the 2022 Audited Financial Statements and the 2022 Annual Report</b>  <p style="text-align: center;"><input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> ABSTAIN</p>	<b>(c) Ratification of the actions of the Board of Directors and Officers</b>  <p style="text-align: center;"><input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> ABSTAIN</p>
<b>(d) Election of Directors</b>  <p style="text-align: center;"><input type="checkbox"/> VOTE FOR ALL NOMINEES LISTED BELOW</p> <p style="text-align: center;">Edgar J. Sia II Tony Tan Caktiong Ferdinand J. Sia William Tan Untiong Jesus Emmanuel M. Yujuico Jaime Rafael M. Yujuico Antonio L. Go - Independent Director Edgardo G. Lacson- Independent Director Rene D. Buenaventura - Independent Director</p> <p style="text-align: center;"><input type="checkbox"/> WITHHOLD AUTHORITY FOR ALL NOMINEES LISTED ABOVE <input type="checkbox"/> WITHHOLD AUTHORITY TO VOTE FOR THE NOMINEES LISTED BELOW</p> <p style="text-align: center;">_____ _____ _____</p>	
<b>(e) Appointment of KPMG R.G. Manabat &amp; Co. as independent external auditors</b>  <p style="text-align: center;"><input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> ABSTAIN</p>	
At their discretion, the proxy named above is authorized to vote upon such matters as may properly come before the Meeting.	
_____ (SIGNATURE OVER PRINTED NAME OF STOCKHOLDER/ AUTHORIZED REPRESENTATIVE AND DATE)	

THIS PROXY FORM SHOULD BE SENT BY EMAIL TO [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph) ON OR BEFORE 6:00 PM OF December 6, 2023.

THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED "FOR" THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING, INCLUDING MATTERS WHICH THE SOLICITOR(S) DID NOT COME TO KNOW WITHIN A REASONABLE TIME PRIOR TO THE PRESENTMENT OF THIS SOLICITATION IN THE MEETING, IN

THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A PROXY SUBMITTED BY A CORPORATION SHOULD BE ACCOMPANIED BY A CORPORATE SECRETARY'S CERTIFICATE QUOTING THE BOARD RESOLUTION DESIGNATING A CORPORATE OFFICER TO EXECUTE THE PROXY. PROXIES EXECUTED BY BROKERS MUST BE ACCOMPANIED BY A CERTIFICATION UNDER OATH STATING THAT THE BROKER HAS OBTAINED THE WRITTEN CONSENT OF THE ACCOUNT HOLDER.

A STOCKHOLDER GIVING A PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSES HIS INTENTION TO VOTE IN PERSON. THE PROXY SHALL BE VALID FOR FIVE (5) YEARS FROM THE DATE HEREOF UNLESS OTHERWISE INDICATED IN THE BOX HEREIN PROVIDED.

NO DIRECTOR OR EXECUTIVE OFFICER, NOMINEE FOR ELECTION AS DIRECTOR, OR ASSOCIATE OF SUCH DIRECTOR, EXECUTIVE OFFICER OR NOMINEE, OF THE COMPANY AT ANY TIME SINCE THE BEGINNING OF THE LAST FISCAL YEAR, HAS ANY SUBSTANTIAL INTEREST, DIRECT OR INDIRECT, BY SECURITY HOLDINGS OR OTHERWISE IN ANY OF THE MATTERS TO BE ACTED UPON IN THE MEETING, OTHER THAN ELECTION TO OFFICE.

**WE ARE NOT SOLICITING THIS PROXY. NO SHAREHOLDER IS REQUIRED TO SUBMIT THIS PROXY.**

**PART III**  
**SIGNATURE PAGE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasay on November 16, 2023.

*Registrant*  
**DDMP REIT, INC.**

By:



---

**Ferdinand J. Sia**  
*President*

# **Annex A**

## **PROCEDURES AND REQUIREMENTS FOR PARTICIPATION AND VOTING IN THE 2023 ANNUAL STOCKHOLDERS' MEETING**





## PROCEDURES AND REQUIREMENTS FOR PARTICIPATION AND VOTING IN THE 2023 ANNUAL STOCKHOLDERS' MEETING

DDMP REIT, INC. (the "Corporation") will conduct the 2023 Annual Shareholders' Meeting ("ASM") scheduled on December 13, 2023, 10:30 AM by remote communication and will conduct voting in absentia or by proxy.

Only stockholders of record as of November 17, 2023 are entitled to participate and vote in the 2023 ASM.

The Corporation has adopted the following procedures and requirements to enable its stockholders to register, participate and vote in the 2023 ASM.

### I. ONLINE REGISTRATION STEPS AND REQUIREMENTS

A. Stockholders may register from 9:00 AM November 21, 2023 to 6:00 PM of December 6, 2023 to signify his/her/its intention to participate in the 2023 ASM by remote communication. The registration steps and requirements are available in the Company's website <https://www.ddmpreit.com.com.ph/ASM2023>

B. To register, stockholder shall submit the following requirements to the Office of the Corporate Secretary via email at [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph)

#### B.1 For Individual Stockholders -

- (i) Scanned copy of stock certificate issued in the name of the individual stockholder or
- (ii) Valid email address and active contact number; and
- (iii) Scanned copy of valid government-issued identification card.

#### B.2 For Stockholders with Joint Accounts -

- (i) Authorization letter signed by all stockholders indicating the name of the person authorized to cast the votes;
- (ii) Scanned copy of the stock certificate issued in the name of the joint stockholders;

- (iii) Valid email address and active contact number of the authorized stockholder; and
- (iv) Scanned copy of valid government-issued identification card of the authorized stockholder.

B.3 For stockholders under PCD Participant/Brokers Account or holding 'Scripless Share'-

- (i) Stockholders should coordinate with their broker and request for the full account name and reference number or account number they provided the Company;
- (ii) Broker's Certification on the stockholder's number of shareholdings;
- (iii) Valid email address and active contact number of the stockholder; and
- (iv) Scanned copy of valid government-issued identification card of stockholder.

B.4 For Corporate Stockholders -

- (i) Secretary's Certificate attesting to the authority of the representative to vote the shares on behalf of the corporate stockholders.
- (ii) Scanned copy of stock certificate issued in the name of the corporate stockholder;
- (iii) Valid email address and active contact number of authorized representative; and
- (iv) Valid government-issued identification card of authorized representative.

## **II. ELECTRONIC VOTING IN ABSENTIA**

- A. Duly registered stockholders have the option to vote for the matters contained in the agenda for the 2023 ASM through electronic voting in absentia. The deadline for registration is 6:00 PM of December 6, 2023. Beyond this date, stockholders may no longer avail of the option to vote in absentia.
- B. After verification, the Company shall send a ballot to the registered stockholder through his/her/its email address which shall contain all the agenda items for

approval as indicated in the Notice of Meeting and the registered stockholder may vote as follows:

- (1) For items other than Election of Directors, the registered stockholder has the option to vote: In Favor of, Against or Abstain. The vote is considered cast for all the registered stockholder's share.
  - (2) For the election of Directors, the registered stockholder may vote for all nominees, not for any of the nominees, or vote for some nominees only, in such number of shares as preferred by the stockholder, provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. The total number of votes the stockholder is allowed to cast shall be based on the number of shares he/she or it owns.
  - (3) Once voting on the agenda items is finished, the stockholder can proceed to submit the accomplished ballot via email to [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph).
  - (4) After the ballot has been submitted, the stockholder may no longer change his/her vote. The stockholder will receive a confirmation email that his/her vote has been recorded.
- C. The Office of the Corporate Secretary shall tabulate all valid and confirmed votes cast through electronic voting; together with the votes through proxies, subject to validation by representatives of the Company's external auditors.
- D. Registered stockholders shall have until 6:00 PM of December 7, 2023 to cast their votes in absentia.
- E. Stockholders will not be allowed to cast votes during the proceedings of the 2023 ASM.

### **III. VOTING BY PROXY**

- A. For individual stockholders holding certificated shares of the Company - Download the proxy form that is available at <https://www.ddmpreit.com.com.ph/ASM2023>.
- B. For stockholders holding 'scripless' shares or shares held under PCD Participant/Broker - Download the proxy form that is available at <https://www.ddmpreit.com.com.ph/ASM2023>. Stockholders are advised to coordinate with their brokers first for the execution of this type of proxy.
- C. For corporate stockholders - Download the proxy form that is available at <https://www.ddmpreit.com.com.ph/ASM2023>. A copy of the duly signed and notarized Secretary's Certificate must be submitted together with the proxy form.
- D. GENERAL INSTRUCTION ON VOTING BY PROXY:**

- (1) Download and fill up the appropriate proxy form. Follow the instructions on how to cumulate or allocate votes in the election of directors.
- (2) Send the scanned copy of the duly executed proxy form via email to [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph) or submit the original proxy form to the Office of the Corporate Secretary c/o Atty. Joselito L. Barrera, Jr. at DoubleDragon Headquarters 10<sup>th</sup> Floor Tower 1 DoubleDragon Plaza, Macapagal corner EDSA Ext Avenues Pasay City 1302.
- (3) Deadline for the submission of proxies is at 6:00 PM of December 7, 2023.
- (4) Validation of proxies will be on December 11, 2023.
- (5) If a stockholder avails the option to cast his/her vote in absentia and also issues proxy votes with differing instructions, the duly accomplished ballots sent through email shall replace the proxy votes issued by the stockholder.

#### **IV. PARTICIPATION BY REMOTE COMMUNICATION**

- A. Only duly registered stockholders will be included in determining the existence of a quorum.
- B. Duly registered stockholder may send their question and/or comments prior to the ASM through email at [asm2023@ddmpreit.com.ph](mailto:asm2023@ddmpreit.com.ph). The deadline for submitting questions shall be at 6:00 PM of December 7, 2023.
- C. The proceedings during the 2023 ASM will be recorded.

For any clarifications, please contact the Office of the Corporate Secretary via email at [corporatesecretary@ddmpreit.com.ph](mailto:corporatesecretary@ddmpreit.com.ph).

# **Annex B**

## **Minutes of the 2022 Annual Shareholders' Meeting**

**MINUTES OF THE VIRTUAL ANNUAL MEETING  
OF THE STOCKHOLDERS OF**

**DDMP REIT, INC.  
("Corporation")**

**On 13 December 2022; 10:30 AM**

<b>STOCKHOLDERS PRESENT:</b>	No. of Outstanding and Voting Shares <b>11,305,036,087</b>	Percentage <b>63.41%</b>
------------------------------	---	-----------------------------

**DIRECTORS PRESENT:**

EDGAR J. SIA II  
TONY TAN CAKTIONG  
FERDINAND J. SIA  
WILLIAM TAN UNTIONG  
JESUS EMMANUEL YUJUICO  
JAIME RAFAEL YUJUICO  
ANTONIO L. GO  
EDGARDO G. LACSON  
RENE D. BUENAVENTURA

**I. CALL TO ORDER**

The Chairman, Mr. Edgar J. Sia II, called the meeting to order and presided over the same.

The Corporate Secretary, Mr. William Tan Untiong, recorded the minutes of the meeting. Marriana H. Yulo-Luccini, Chief Investment Officer, was designated the host of the virtual meeting.

The Chairman announced the precautionary measures in the event of an internet connectivity issue be encountered by him and/or other Directors in charge of this virtual meeting.

**II. CERTIFICATION ON NOTICE AND DETERMINATION OF QUORUM**

The Corporate Secretary reported that the notice of the meeting, together with copies of the Information Statement and the Audited and Interim Financial Statements of the Company, were posted on the Company's website and disclosed through PSE EDGE. The notice of meeting was published in the business sections of the Manila Bulletin and The

Manila Times, on 19-20 November 2022 both online and in print, in accordance with the requirements of SEC Notice dated February 16, 2022.

The Corporate Secretary, with the assistance of the PNB Trust Banking Group, the Stock and Transfer Agent of the Company, certified that there being present at the virtual meeting, in person or by proxy, stockholders representing Eleven Billion Three Hundred Five Million Thirty Six Thousand Eighty Seven shares (11,305,036,087) or 63.41% shares, which constitute more than majority of the total issued an outstanding common shares, a quorum was present for the transaction of business.

### **III. APPROVAL OF THE MINUTES OF THE PREVIOUS STOCKHOLDERS' MEETING**

The Corporate Secretary certified that an electronic copy of the minutes of the previous Stockholders meeting was made available on the Company's website.

The minutes of the Annual Stockholders' Meeting held on December 13, 2021 were approved by at least a majority of the stockholders or total voting shares in a meeting based on the following tabulation of votes:

	For	Against	Abstain
No of shares voted	11,305,036,087	-	-
Percentage based on shares present at the meeting	100%	-	-

**"RESOLVED**, that the minutes of the Annual Stockholders' Meeting held on December 13, 2021 was unanimously adopted and approved."

### **IV. COMPANY UPDATES AND REPORT**

The Chairman called the Corporations' Chief Investment Officer to present the pre-recorded report on the highlights and achievements of DDMP REIT, Inc. for the year 2020-2021. Upon motion duly made and seconded, the Company's updates and report was duly noted.

### **V. APPROVAL OF THE 2021 AUDITED FINANCIAL STATEMENTS AND 2021 ANNUAL REPORT**

The Chairman sought the approval of the stockholders of the Audited Financial Statements for the year ended December 31, 2021 and the 2021 Annual Report. The 2021 Audited Financial Statements and the 2021 Annual Report were annexed to and made

part of the Definitive Information Statement, which was posted in the Company’s website and disclosed through PSE EDGE.

The 2021 Audited Financial Statements and 2021 Annual Report were approved by at least a majority of the stockholders or total voting shares in the meeting based on the following tabulation of votes:

	For	Against	Abstain
No of shares voted	11,305,036,087	-	-
Percentage based on shares present at the meeting	100%	-	-

“**RESOLVED**, that the stockholders of DDMP REIT, INC. hereby approve the Annual Report for the year 2021 and the Audited Financial Statements for the year ended December 31, 2021.”

#### VI. RATIFICATION OF THE ACTIONS OF THE BOARD OF DIRECTORS AND MANAGEMENT

The Chairman then sought the ratification by the stockholders of all the actions taken by the Board of Directors and Management of the Corporation for the period from its last shareholders’ meeting on December 13, 2021 up to this date.

A Summary of the actions to be ratified was included in the Definitive Information Statement.

The Actions of the Board of Directors and Management were approved by at least a majority of the stockholders or total voting shares in the meeting based on the following tabulation of votes:

	For	Against	Abstain
No of shares voted	11,305,036,087	-	-
Percentage based on shares present at the meeting	100%	-	-

“**RESOLVED**, that the stockholders of DDMP REIT, Inc. confirm, ratify, and approve all acts done or caused to be done by the Board of Directors and Officers of the Corporation for the period from its last shareholders’ meeting on December 13, 2021 up to this date.”

#### VII. ELECTION OF MEMBERS OF BOARD OF DIRECTORS

The meeting proceeded to the election of members of the Board of Directors for the ensuing year 2022-2023. The Chairman informed the body that pursuant to the pertinent



provisions of the By-Laws of the Corporation as well as the guidelines adopted by the Nomination Committee, the following nine (9) members of the Board of Directors were duly nominated for re-election:

Mr. Edgar J. Sia II  
 Mr. Ferdinand J. Sia  
 Mr. Tony Tan Caktiong  
 Mr. William Tan Untiong  
 Mr. Jesus Emmanuel M. Yujuico  
 Mr. Jaime Rafael M. Yujuico

Mr. Antonio L. Go, Mr. Rene D. Buenaventura and Mr. Edgardo G. Lacson were duly nominated as independent directors.

There being no other nominations, it was declared that the nine (9) stockholders who were nominated as directors for the ensuing year be declared elected for nine (9) board seats of the Corporation.

Name	For (No. of shares voted and percentage based on shares present at the meeting)	Against (No. of shares voted and percentage based on shares present at the meeting)	Abstain (No. of shares voted and percentage based on shares present at the meeting)
Mr. Edgar J. Sia II	11,305,036,087 (100%)	- (0.000%)	-
Mr. Tony Tan Caktiong	11,305,036,087 (100%)	- (0.000%)	-
Mr. Ferdinand J. Sia	11,305,036,087 (100%)	- (0.000%)	-
Mr. William Tan Untiong	11,305,036,087 (100%)	- (0.000%)	-
Jesus Emmanuel M. Yujuico	11,305,036,087 (100%)	- (0.000%)	-
Jaime Rafael M. Yujuico	11,305,036,087 (100%)	- (0.000%)	-
Antonio L. Go	11,305,036,087 (100%)	- (0.000%)	-
Rene D. Buenaventura	11,305,036,087 (100%)	- (0.000%)	-
Edgardo G. Lacson	11,305,036,087 (100%)	- (0.000%)	-

The following directors were thus elected to serve for the year 2022-2023 and until their successors have been duly elected and qualified:

A. DIRECTORS:  
 Mr. Edgar J. Sia II

Mr. Ferdinand J. Sia  
 Mr. Tony Tan Caktiong  
 Mr. William Tan Untiong  
 Mr. Jesus Emmanuel M. Yujuico  
 Mr. Jaime Rafael M. Yujuico

B. INDEPENDENT DIRECTORS:

Mr. Antonio L. Go  
 Mr. Rene D. Buenaventura  
 Mr. Edgardo G. Lacson

The organizational meeting of the newly elected directors shall be held immediately after this meeting.

**VIII. APPOINTMENT OF EXTERNAL AUDITORS**

The next item on the agenda was the appointment of the external auditor of the Corporation. R.G. Manabat & Co., the Philippine member firm of KPMG International, was endorsed by the Audit Committee as the independent external auditor of DDMP REIT, INC., to examine the books of the Corporation for the year ended December 31, 2022.

The appointment of R.G. Manabat and Co., the Philippine member firm of KPMG International was approved by at least a majority of the stockholders or total voting shares in the meeting based on the following tabulation of votes:

	For	Against	Abstain
No of shares voted	11,305,036,087	-	-
Percentage based on shares present	100.000%	-	-

**“RESOLVED**, that the stockholders of DDMP REIT, Inc. approve the appointment of the firm of KPMG R.G. Manabat & Co. as independent external auditors of the Corporation, to examine the books of the Corporation for the year ended December 31, 2022.”

**IX. ADJOURNMENT**

As provided for in the Procedures for Participating in the 2021 Stockholders Meeting annexed to the Information Statement and posted on the Company's website, Stockholders were given the opportunity to ask questions by sending their questions through email at [asm2022@ddmpreit.com.ph](mailto:asm2022@ddmpreit.com.ph) on or before 6:00 PM of December 9, 2022.

The Company did not receive any questions from the stockholders.

There being no further business to transact, the meeting was thereupon adjourned.

BY:

**William Tan Untiong**  
Assitant Corporate Secretary

# **Annex C**

## **CERTIFICATION OF INDEPENDENT DIRECTORS**

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ANTONIO L. GO**, Filipino, of legal age and a resident of 51 Cambridge Circle, North Forbes Park, Makati City, after having been duly sworn in accordance with law do hereby declare that:

1. I am an Independent Director of **DDMP REIT, INC.** and have been its Independent Director since November 17, 2020
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Equitable Development Corporation	Member, Board of Directors	1969 - present
Equitable Computer Services Inc.	Member, Board of Directors	1973 - present
Equity Development Corporation	Member, Board of Directors	1975 - present
K&L Holdings, Inc.	Member, Board of Directors	1978 - present
Klara Holdings, Inc.	Member, Board of Directors	1996 - present
Medilink Network, Inc.	Member, Board of Directors	1999 - present
Motan Corp.	Member, Board of Directors	2000 - present
Equitable Foundation Inc.	Trustee	2000 - present
Equicom Manila Holdings Inc.	Chairman, Board of Directors	2005 - present
Go Kim Pah Foundation, Inc.	Trustee	2006 - present
Equicom Property Holdings Corporation	Member, Board of Directors	2007 - present
Pin-An Holdings Corp.	Member, Board of Directors	2007 - present
Maxicare Health Corporation	Member, Board of Directors	2007 - present
ALGO Leasing and Finance, Inc.	Chairman, Board of Directors	2008 - present
Equicom Inc.	Member, Board of Directors	2008 - present
Equicom Savings Bank	Chairman, Board of Directors	2008 - present
Mioki Holdings Pte Ltd (Singapore)	Director	2008 - present
T32 Dental Centre (Singapore)	Director	2010 - present
Robinsons Retail Holdings, Inc.*	Independent Director	2013 - present
Dental Implant and Maxillofacial Centre Pte Ltd (Hong Kong)	Director	2014 - present
Gokongwei Brothers Foundation, Inc.	Trustee	2014 - present
SteelAsia Manufacturing Corp.	Member, Board of Directors	2014 - present
Algo Healthcare Holdings Pte Ltd (Singapore)	Director	2016 - present
Equicom Health Solutions Pte Ltd (Singapore)	Director	2017 - present

JG Summit Holdings, Inc.*	Independent Director	2018 - present
Dito Telecommunity Corporation	Non-Executive Director	2019 - present
MyHealth Ventures Holdings, Inc.	Chairman, Board of Directors	2019 - present
Lexington Healthcare Holdings, Inc.	Member, Board of Directors	2019 - present
Equicom Medical Inc.	Member, Board of Directors	2019 - present
Equicom Solutions, Inc.	Member, Board of Directors	2020 - present
Maxicare Health Services, Inc.	Member, Board of Directors	2021 - present
Maxicare Life Insurance Corporation	Vice Chairman, Board of Directors	2022 - present

\*Publicly-listed company

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **DDMP REIT, INC.**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of **DDMP REIT, INC.** and its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **DDMP REIT, INC.** of any changes in the abovementioned information within five days from its occurrence.

*[Signature page follows]*

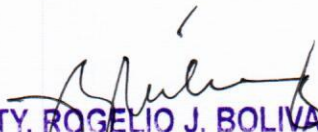
IN WITNESS WHEREOF, I have hereunto set my hand this NOV 06 2023 in  
QUEZON CITY Philippines.

  
**ANTONIO L. GO**  
Independent Director

**NOV 06 2023**

**SUBSCRIBED AND SWORN** to before me this day of \_\_\_\_\_, affiant  
exhibited to me his/her competent evidence of identity PP P3156204B valid until  
September 10, 2029.

Doc No.: 47;  
Page No.: 11;  
Book No.: 48;  
Series of 2023.

  
**ATTY. ROGELIO J. BOLIVAR**  
NOTARY PUBLIC IN QUEZON CITY  
Commission No. Adm. Matter No. NP 158 (2023-2024)  
IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024  
PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000  
MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 14, 2025  
Address: 31-F Harvard St. Cubao, Q.C.

CERTIFICATION OF  
INDEPENDENT DIRECTOR  
Antonio L. Go  
Page 3 of 3

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EDGARDO G. LACSON**, Filipino, of legal age and a resident of Molave Street, Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

- 1) I am an independent director of **DDMP REIT, INC.** and have been its Independent Director since November 17, 2020;
- 2) I am affiliated with the following companies or organizations;

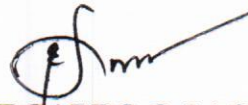
COMPANY/ ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
DDMP REIT FUND MANAGERS, INC	Independent Director	November 19, 2020
DDMP REIT, INC.	Independent Director	Since November 17,2020
MIS Maritime Corporation	Chairman, Board of Directors	1992 - present
Safe Seas Shipping Agency	Chairman, Board of Directors	1997 - present
Marine Industrial Corp.	Chairman, Board of Directors	1986 - present
Metrostores, Inc.	Chairman, Board of Directors	2002 - present
MIL Export Philippines, Inc.	Treasurer	2013 - present
Puregold Price Club, Inc.*	Member, Board of Directors	2011 - present
Global Ferronickel Holdings, Inc.*	Independent Director	2016 - present
The Philippine Stock Exchange	Non-breaker Director	2011 - 2021
Capital Markets Integrity Corporation	Independent Director	2023 - present
Securities Clearing Corporation of the Philippines	Independent Director	2022 - present
Greenergy Holdings Incorporated	Chairman	2023 - present
The Keepers Holdings, Inc.	Independent Director	2023 - present



- 3) I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of **DDMP REIT, INC.**, as provided for in Section 38 of the Securities Regulation Code and its implementing rules and regulations;
- 4) I am not related to any of the directors/officers/substantial shareholders of **DDMP REIT, INC.** and its subsidiaries and affiliates;
- 5) To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding;
- 6) I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances;
- 7) I shall inform the Corporate Secretary of **DDMP REIT, INC.** of any changes in the abovementioned information within five (5) days from its occurrence.

**QUEZON CITY**


IN WITNESS WHEREOF, I have hereunto affixed my signature at \_\_\_\_\_  
 on OCT 31 2023.



**EDGARDO G. LACSON**  
*Independent Director*

**QUEZON CITY** SUBSCRIBED AND SWORN TO BEFORE ME, this OCT 31 2023 at \_\_\_\_\_, affiant exhibiting to me his Passport No. P7460720A issued by DFA and expiring on 5 June 2028.

Doc. No. JK;  
 Page No. 6;  
 Book No. 48;  
 Series of 2023.



**ATTY. ROGELIO J. BOLIVAS**  
 NOTARY PUBLIC IN QUEZON CITY  
 Commission No. Adm. Matter No. NP 158 (2023-2024)  
 IBP O.R. No. 180815 2023 & IBP O.R. No. 180816 2024  
 PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 / TIN # 129-871-009-000  
 MCLE No. 786 FROM APRIL 15, 2023 UNTIL APRIL 14, 2026  
 Address: 31-F Harvard St. Cubao, Q.C.

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **RENE J. BUENAVENTURA**, Filipino, of legal age, with office address at of 45 Cabildo St., Urdaneta Village, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

- 1) I am an Independent Director of **DDMP REIT, INC.** and have been its independent director since November 17, 2020;
- 2) I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Equitable Foundation Inc.	Trustee	2002 - present
Gramercy Holdings Corporation	President	2006 - present
Canyon Crest Holdings, Inc.	President	2006 - present
Equicom Manila Holdings, Inc.	Vice-Chairman, Board of Directors	2006 - present
Go Kim Pah Foundation, Inc.	Trustee	2007 - present
Equicom Inc.	Member, Board of Directors	2008 - present
Equicom Property Holdings, Corp.	Member, Board of Directors	2007 - present
Cliveden Management Corp.	President	2007 - present
Maxicare Health Corporation	Member, Board of Directors	2007 - present
Pin-An Holdings Corporation	Member, Board of Directors	2007 - present
ALGO Leasing and Finance, Inc.	Vice-Chairman, Board of Directors	2007 - present
Equicom Savings Bank	Vice-Chairman, Board of Directors	2008 - present
UBS Investments Philippines, Inc.	Independent Director	2008 - present
Hengrave Holdings Corp.	President	2013 - present
SteelAsia Manufacturing Corporation	Member, Board of Directors	2016 - present
SteelAsia Development & Management Corporation	Member, Board of Directors	2016 - present
Candelaria Steel	Member, Board of Directors	2016 - present
Consumer CreditScore Philippines Inc.	Member, Board of Directors	2016 - present
Lorenzo Shipping Corporation*	Independent Director	2017 - present
GT Capital Holdings Inc.*	Independent Director	2018 - present
Maxicare Life Insurance Corporation	Adviser	2022 - present

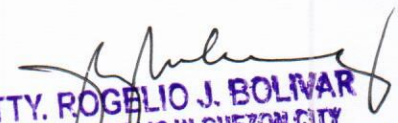
- 3) I possess all of the qualifications and none of the disqualifications to serve as an Independent Director of **DDMP REIT, INC.**, as provided for in Section 38 of the Securities Regulation Code and its implementing rules and regulations;
- 4) I am not related to any of the directors/officers/substantial shareholders of **DDMP REIT, INC.**, its subsidiaries and affiliates;
- 5) To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding;
- 6) I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code;
- 7) I shall inform the Corporate Secretary of **DDMP REIT, INC.** any changes in the abovementioned information within five (5) days from its occurrence.

IN WITNESS WHEREOF, I have hereunto affixed my signature at QUEZON CITY  
 on NOV 06 2023.

  
**RENE J. BUENAVENTURA**  
*Independent Director*

SUBSCRIBED AND SWORN TO BEFORE ME, this NOV 06 2023 at QUEZON CITY,  
 affiant exhibiting to me his Passport No. P9498752B valid until 04 April 2032.

Doc. No. 48  
 Page No. 11  
 Book No. 48  
 Series of 2023.

  
**ATTY. ROGELIO J. BOLIVAR**  
 NOTARY PUBLIC IN QUEZON CITY  
 Commission No. Adm. Matter No. NP 158 (2023-2024)  
 IEP O.R. No. 180815 2023 & IBP O.R. No. 180816 2023  
 PTR O.R. No. 3916669 D 01/03/2023 / Roll No. 33832 \* TIN# 120-871-006-000  
 MCLE No. 7&8 FROM APRIL 15, 2023 UNTIL APRIL 30, 2024  
 Address: 31-F Harvard St. Cubao, Q.C.

# **Annex D**

Management Report and Financial Statements

## Annex D - Management Report and Financial Statements

<b>D1</b>	<p>Business Description of the Company</p> <p>Management Discussion and Analysis of Results of Operations and Financial Condition for the year ended December 31, 2022, 2021 and 2020</p> <p>Management Discussion and Analysis of Results of Operations and Financial Condition for the nine months ended September 30, 2023</p>
<b>D2</b>	<p>Market Price and Dividend of the Registrants Common Equity</p>
<b>D3</b>	<p>Audited Financial Statements 2022 and Supplementary Schedules</p>
<b>D4</b>	<p>Unaudited Interim Financial Statements as of September 30, 2023 and for the Nine Months Ending September 30, 2023</p>

## **PART I BUSINESS AND GENERAL INFORMATION**

### **ITEM 1. BUSINESS**

#### **BACKGROUND**

**DDMP REIT, INC.** (formerly DD-Meridian Park Development Corp.) is a real estate company established in the Philippines (“DDMPR” or the “Company”) and incorporated on October 27, 2014. On March 24, 2021, the Company successfully listed as a Real Estate Investment Trust (REIT) in the Philippine Stock Exchange (“PSE”).

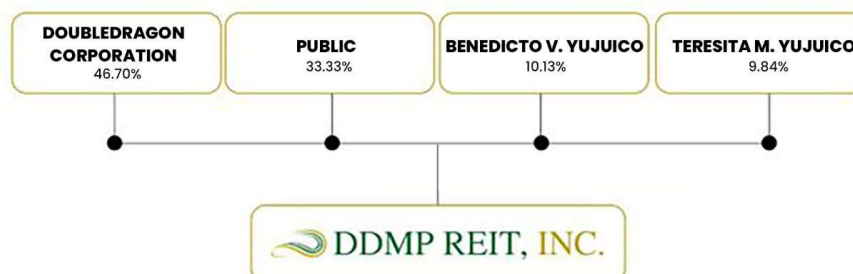
The Company is a real estate investment trust formed primarily to own and invest in an income-producing commercial portfolio of office, retail, industrial and hotel properties in the Philippines that meets our Company’s investment criteria. Primarily, DDMP REIT will be the commercial REIT platform of DD. As a commercial REIT, DDMP REIT will focus on expanding its office, mall, industrial and hotel properties. However, if the opportunity arises, DDMPR may also explore other types of real estate properties available in the market. DDMPR will offer Shareholders an investment opportunity with a stable yield, appreciating underlying asset values, high-quality properties with strong tenant demand, strong Sponsor support from DD, proven capabilities of management to execute as planned and focused on growing dividend yield hand in hand with long-term appreciation of underlying asset values. The Company intends to provide a Competitive Investment Return to investors through execution of a careful investment strategy focused on producing a secure and growing income. The Company’s principal investment strategy is to invest in income-generating real estate properties that meet a select set of criteria.

The Company is a subsidiary of DoubleDragon Corporation. (“DD”), a domestic corporation primarily engaged in the business of real estate development and real estate investment. DD became a publicly-listed company on April 7, 2014.

On November 11, 2020, the BOD and shareholders approved to amend the DDMPR’s Articles of Incorporation (AOI). The SEC approved the amendment of the DDMPR’s AOI on November 26, 2020, amendments include the change in the Company’s name to DDMP REIT, INC. from DD-Meridian Park Development Corp.

## Corporate Structure

The ownership structure of the DDMPR as of September 30, 2023 is illustrated below:



DDMP REIT INC. is a domestic corporation, established to invest in income-generating real estate. The Company is supported and managed by a number of parties.

The Company's biggest shareholder, DD, is a corporation organized under the laws of the Philippines. DD is an investment holding company in the Philippines, principally engaged in the ownership and operation of a portfolio of leasable properties through its four principal business segments: retail leasing, office leasing, hospitality and industrial leasing, with the aim of becoming one of the leading property players in the Philippines with the highest percentage of recurring revenue. As such, the Company benefits from DD's well-established reputation, relationships with key players in the Philippine real estate industry, understanding of the Philippine real estate market, and deep experience in developing and managing properties such as the Company's Properties.

## BUSINESS

As of September 30, 2023, DDMPR's property portfolio consists of 3 operational office buildings with retail components in DD Meridian Park. DD Meridian Park is being developed as an office-led mixed-use development. The land on which these respective buildings are built form part of the Company's asset portfolio and is owned by the Company

The properties enjoy high occupancy levels and lease renewals and new leases are managed diligently in order to minimize void periods arising due to either lease expiries or early terminations.

The Company also owns the land where DoubleDragon Tower and Ascott-DD Meridian Park are currently being constructed, and has leased these properties (including the land where such properties are being constructed), to DD TOWER, INC. and DDMP SERVICED RESIDENCES, INC., respectively, on a long-term lease basis.

## **COMPETITION**

The real estate industry in the Philippines, particularly in Metro Manila, is a competitive market. The principal competitive factors include rental rates, quality and location of properties, and supply of comparable retail space.

The Properties are Grade A office buildings located in the Bay Area, Pasay City, and the Company believes that it competes with other commercial property operators, such as Federal Land, SM Prime Holdings Inc., and D.M. Wenceslao. The Company believes the location of DD Meridian Park offers it a competitive advantage as to those of its competitors because it is at the entrance of the Bay Area and closer to the transportation hub being at the corners of Roxas Boulevard, EDSA Extension and Macapagal Avenue.

As of September 30, 2023, the direct competitors of the Company are those other registered and listed as REITs in the country.

The Company believes it is able to compete by maintaining a flexible approach to negotiation of commercial terms with its tenants. The Company is open to tenant negotiations on the length of the rent-free period or fit out period as well as rent escalation rates. The Company also believes that the rental rates it offers at its Properties are on par with competing properties.

Despite the high level of competition, the Company believes that the significant accumulated experience of the management teams of both the Fund Manager and the Property Manager in real estate development, leasing, and management, as well as the DD Group's understanding of local market preferences and conditions will enable the Company to compete effectively. The Company believes the location of DD Meridian Park offers it a competitive advantage as to those of its competitors because it is at the entrance of the Bay Area and closer to the transportation hub being at the corners of Roxas Boulevard, EDSA Extension and Macapagal Avenue.

## **SUPPLIERS**

The major suppliers of the Properties are primarily third-party companies in charge of particular building functions. These include manpower services, such as janitorial, sanitation, housekeeping, landscaping maintenance, technical maintenance, other related maintenance services, and security. The Company has a wide range of suppliers and is not dependent on one or a limited number of suppliers.

## **TENANTS**

The major tenants of the Properties include major corporations, government agencies, BPOs, POGO and Pagcor-accredited BPOs, with lease terms ranging from three to 10 years. The Company is not dependent upon a single tenant or any one industry sub-sector.

## **TRANSACTIONS WITH RELATED PARTIES**

Please refer to Item 12 of this report ("Certain Relationships and Related Transactions).



## **EMPLOYEES**

DDMPR engages DDMPR REIT FUND MANAGERS, INC. and DDMP REIT PROPERTY MANAGERS, INC. as the Fund Manager and Property Manager, respectively.

DDMP REIT FUND MANAGERS, INC. (“the Fund Manager”), has general power of management over the assets of the Company, pursuant to a fund management agreement dated November 19, 2020 between the Company and the Fund Manager (the “Fund Management Agreement”). The Fund Manager’s main responsibilities are to implement the Company’s investment strategies and manage the Company’s assets and liabilities for the benefit of the Company’s Shareholders. The Fund Manager will manage the assets of the Company with a focus on generating steady Rental Income and, if appropriate, increasing the Company’s assets over time so as to enhance the returns from the investments of the Company and, ultimately, the distributions to the Company’s Shareholders.

DDMP REIT PROPERTY MANAGERS, INC. (“the Property Manager”), will perform the day-to-day property management functions of the Properties pursuant to a property management agreement dated November 19, 2020 between the Company and the Property Manager (the “Property Management Agreement”), in accordance with this REIT Plan, and the Company’s investment strategies. See the section entitled “Certain Agreements Relating to the Company and the Properties – Property Management Agreement” in this REIT Plan. These functions include managing the execution of new leases and renewing or replacing expiring leases as well as the marketing and promotion of the Properties. In addition, the Property Manager will oversee the overall management of, maintenance and repair of the structure of the Properties; formulation and implementation of policies and programs in respect of building management; maintenance and improvement; secure and administer routine management services, including security control, fire precautions, communication systems and emergency management; and oversee building management operations.

DDMPR does not have and will not be directly hiring its own employees. In addition, DD will provide certain services to the Company, including IT services as well as operational and administrative functions incurred in the normal operations of a business.

The Company believes that the Company, the Property Manager, and the Fund Manager are in compliance with all minimum compensation and benefit standards, as well as applicable labor and employment regulations.

## INTELLECTUAL PROPERTY

As of September, 2023, the Company has obtained the following trademarks:

Design mark/ logo	Registration No.	Trademark/ Intellectual Property	Status	Date of application	Expiration Date
	4/2017/00012001	DoubleDragon Plaza	Registered April 12, 2018	July 28, 2017	April 12, 2028
	4/2018/00007359	Islas Pinas A Food And Heritage Village	Registered January 10, 2019	May 3, 2018	January 10, 2029
	4/2018/00002590	DD Meridian Park	Registered September 2, 2018	February 12, 2018	September 2, 2028
	4/2018/00004890	DoubleDragon Plaza – DD Meridian Park	Registered October 7, 2018	March 16, 2018	October 7, 2028
	4/2020/00520332	DDMP REIT, INC.	Registered May 23, 2021	December 16, 2020	May 23, 2031

The Company is also the owner of one domain name: <https://www.ddmeridianpark.com> & <https://www.ddmpreit.com>

## HEALTH, SAFETY AND ENVIRONMENT

The Company regards occupational health and safety as one of its most important corporate and social responsibilities and it is the Company’s corporate policy to comply with existing environmental laws and regulations. The Company maintains various environmental protection systems and conducts regular trainings on environment, health and safety. The Company spends significant time and resources on being a leader in sustainable development.

## INSURANCE

The Company obtains and maintains appropriate insurance coverage on its properties, assets and operations in such amounts and covering such risks as the Company believes are usually carried by companies engaged in similar businesses and using similar properties in the same geographical areas as those in which the Company operates. The Company maintains insurance policies covering the following risks: business interruption, comprehensive general liability, personal accident insurance for directors and officers, fire and lightning, bush fire and spontaneous combustion; windstorm, storm, typhoon, flood, tidal wave and tsunami; water damage caused by overflowing or bursting of water tanks, pipes or other apparatus, sprinkler and related firefighting apparatus leakage; explosion, falling aircraft and article therefrom, impact by road vehicles and smoke; earthquake shock and earthquake fire; volcanic eruption; subsidence, collapse and landslide; riot and strike, civil commotion and malicious acts; electrical injury; sparkler and related firefighting apparatus leakage; robbery and burglary; mechanical or electrical derangement failure or breakdown or boiler explosion; extra expense / standard charges; and third-party bodily injury and property damage.

## **RISKS**

The Company is affected by the following risks:

- All of the Company's business activities are conducted in the Philippines and all 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.
- The Philippine real estate industry is subject to extensive regulation from the Government, including local governmental authorities and changes in laws and regulations that apply to the Philippine real estate industry
- The Philippines has, from time to time, experienced political, economic and military instability, including acts of political violence.
- Increase in construction material and labor costs, power rates and other costs affecting the business of the Company.
- The Company's business is largely affected by the general level of activity and growth in the Bay Area, Pasay City.
- The Company may face increased competition from other commercial properties.
- The Company is exposed to risks inherent in the Philippine property market.
- The Company's business may be materially and adversely affected by the COVID-19 outbreak and other adverse public health developments.
- There may be potential conflicts of interest between the Company, the Fund Manager, the Property Manager and the Sponsors which may cause damage or loss to the Company and Shareholders.
- The Company is exposed to risks relating to the leasing business.
- 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.
- The Company may fail to fulfill the terms and conditions of licenses, permits and other authorizations, or fail to renew them on expiration

To mitigate the above-mentioned risks, the Company continues to adopt appropriate risk management policies and flexible investment strategy, as well as financial and operational controls and policies to manage the these various risks.

## ITEM 2. PROPERTIES

DDMPR's property portfolio consists of the following three commercial properties comprising six office towers with retail components in DD Meridian Park that meet the Company's investment criteria. DD Meridian Park is located along the corners of the main roads of Macapagal Avenue, EDSA Extension and Roxas Boulevard in the Bay Area of Metro Manila. DD Meridian Park is being developed as an office-led mixed-use development. The land on which these respective buildings are built form part of the Company's asset portfolio and is owned by the Company.

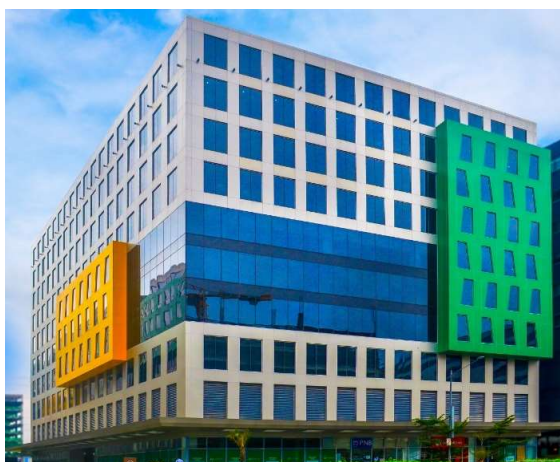
- **DoubleDragon Plaza** is a commercial property in DD Meridian Park consisting of four 11-storey towers (including a basement) with a retail area on the ground floor, parking on the basement, 2nd to 3rd levels, and BPO offices from the 5th to the 11th levels. DoubleDragon Plaza has approximately 139,240 sq.m. of Gross Leasable Area. DoubleDragon Plaza has four office towers, with seven office floors per tower, which in total account for 127,863 sq.m of Gross Leasable Area, and a commercial retail area located on the ground floor, which accounts for 11,377 sq.m. of Gross Leasable Area. The retail area is dedicated to established food concepts, basic services, a supermarket and a themed food hall. In addition, DoubleDragon Plaza has 1,946 parking spaces (including lifts). DoubleDragon Plaza commenced operations in 2017;



- **DoubleDragon Center East** is a commercial property in DD Meridian Park consisting of an 11-storey tower (including a basement) with a retail area on the ground floor, parking on the basement and 2nd levels, and offices from the 3rd to the 11th levels. DoubleDragon Center East has approximately 16,197 sq.m. of Gross Leasable Area. DoubleDragon Center East's office tower consists of seven office floors and a total of 15,124 sq.m of Gross Leasable Area. The ground floor retail area consists of 1,073 sq.m. of Gross Leasable Area dedicated to established food concepts and banks. In addition, DoubleDragon Center East has 62 parking spaces (including lifts). DoubleDragon Center East commenced full operations in 2019; and



- **DoubleDragon Center West** is a commercial property in DD Meridian Park consisting of an 11-storey tower (including a basement) with a retail area on the ground floor, parking on the basement and 2nd levels, and offices from the 3rd to the 11th levels. DoubleDragon Center West has approximately 16,815 sq.m. of leasable space. The office tower of DoubleDragon Center West consists of seven office floors and a total of 15,689 sq.m of Gross Leasable Area. The ground floor retail area consists of 1,126 sq.m. of Gross Leasable Area dedicated to established food concepts, banks and a financial service company. In addition, DoubleDragon Center West has 74 parking spaces (including lifts). DoubleDragon Center West commenced full operations in 2019.



DoubleDragon Plaza, DoubleDragon Center East and DoubleDragon Center West have exhibited strong and stable cash flows from rental revenue and have experienced a consistently high occupancy rate with minimal payment delays and defaults. Furthermore, all three properties (1) are situated in DD Meridian Park, which is located along the corners of the main roads of Macapagal Avenue, EDSA Extension and Roxas Boulevard in the Bay Area of Metro Manila (2) have quality and diverse tenant bases of BPOs, government agencies and corporate locators, and (3) have long and substantial remaining useful lives of the buildings, which are not subject to re-development. The Company believes the properties are an attractive investment option for potential stakeholders, having exhibited a strong lease take up and potential for growth.

The tables below provide a summary of each of the Properties' technical specifications and building characteristics.

Building	DoubleDragon Plaza	DoubleDragon Center East	DoubleDragon Center West
Year of completion	2017	2019	2019
Building grade/description	Grade A/mixed-use	Grade A/mixed-use	Grade A/mixed-use
Number of storeys	4 towers of 11 storeys each (including a basement)	11 (including a basement)	11 (including a basement)
Office GLA	127,863 sq.m.	15,124 sq.m.	15,689 sq.m.
Retail GLA	11,377 sq.m.	1,073 sq.m.	1,126 sq.m.
Total GLA	139,240 sq.m.	16,197 sq.m.	16,815 sq.m.
Typical floor plate <sup>(1)</sup>	4,200 to 4,800 sq.m.	1,800 sq.m.	2,200 sq.m.
Parking lots	1,946	62	74
LEED Certification	Gold	Silver (pre-certified)	Silver (pre-certified)
Occupancy Rate as of September 30, 2023	67.68%	100.00%	94.76%
Aircon type	VRF <sup>(2)</sup>	VRF <sup>(2)</sup>	VRF <sup>(2)</sup>
Backup power	100%	100%	100%

Together, the Properties in the Company's portfolio comprised approximately 172,252 sq.m. of Gross Leasable Area as of September 30, 2023, and for nine months ended September 30, 2023 derived Gross Revenue (which excludes fair value gains, interest income and other income) of ₱1,440.4 million.

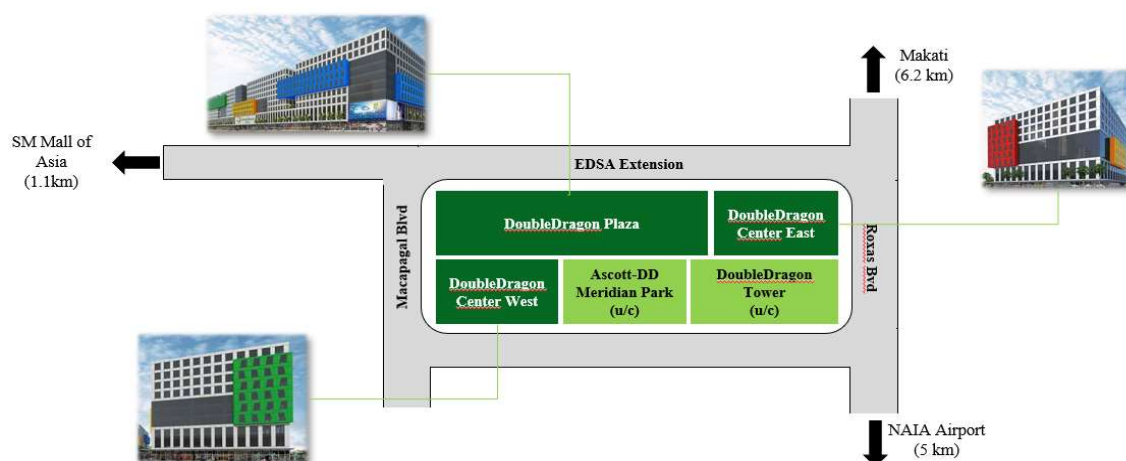
DoubleDragon Plaza, which has been operating since 2017, comprises approximately 80.8% of the Properties' total Gross Leasable Area as of September 30, 2023, and accounted for 69.7% of the Company's Gross Revenue for the nine months ended September 30, 2023. As of September 30, 2023, it had an occupancy level of approximately 67.68 %.

DoubleDragon Center East, which was completed in 2019, comprises approximately 9.4% of the Properties' total Gross Leasable Area as of September 30, 2023, and accounted for 15.4% of the Company's Gross Revenue for the nine months ended September 30, 2023. As of September 30, 2023, DoubleDragon Center East had an occupancy level of approximately 100.00%.

DoubleDragon Center West, which was completed in 2019, comprises approximately 9.8% of the Properties' total Gross Leasable Area as of September 30, 2023, and accounted for 14.9% of the Company's Gross Revenue for the nine months ended September 30, 2023. As of each of September 30, 2023, DoubleDragon Center West had an occupancy level of approximately 94.76%.

The Properties benefit from their location at DD Meridian Park. Strategically located at the entrance of the Bay Area in Pasay City, this prime office development can be found at the corner of Roxas Boulevard, EDSA Extension and Diosdado Macapagal Boulevard. Within close proximity of DD Meridian Park is a major transportation hub located at the entryway to the SM Mall of Asia Complex and PAGCOR Entertainment City. The property is also highly accessible to the Ninoy Aquino International Airport and Makati central business district. Only a short walk from the MRT/LRT stations, DD Meridian Park offers ease of traverse to the growing workforce that travel via public transportation. The Properties are Grade A buildings and feature amenities and technology for lessees, including advanced broadband infrastructure and an integrated building management system. The Properties have clean and uninterrupted power supply with backup generators providing 100% backup

power, and building monitoring and maintenance systems. The Grade A classification of the buildings was determined based on industry criteria and subject to comparison with other similar developments. Grade A buildings are often in high-demand due to their location, facilities, layout and finishing among other factors.



In addition to the above operational commercial properties, the Company owns the underlying land of DD Meridian Park on a Freehold Basis. DD Meridian Park is located on 47,474 sq.m. of prime commercial property.

DD Meridian Park also includes two development properties, DoubleDragon Tower and Ascott-DD Meridian Park, which have been leased out to DD TOWER, INC. and DDMP SERVICED RESIDENCES, INC. respectively on a long-term lease basis.

<b>Building (under Construction)</b>	<b>DoubleDragon Tower</b>	<b>Ascott-DD Meridian Park</b>
Status/Expected Completion	For tenant turnover	Under construction/ 2024
Building Type	Office	Serviced Apartment
Description of the Building	10 levels above the surface and additional 1 level parking	10 levels above the surface and additional 1 level parking
Lot Area	7,774.03 sqm	5,549.86 sqm
Expected size	GLA: 44,585.92 sq.m.	Number of keys: 349

The Properties' premier location makes the Properties highly competitive in the commercial leasing market in Metro Manila. The Company believes that the rental rates the Company offers at the Properties are on par with comparable competitors. See "Competition" in this section. Accordingly, the Properties meet the Company's investment criteria for Grade A, centrally located, stably occupied and income producing properties.

Asian Appraisal, the property valuer of the Company, valued the properties as of December 31, 2022, at approximately ₱49,133.0 million: DoubleDragon Plaza was valued at ₱35,629.5 million, DoubleDragon Center East was valued at ₱3,435.5 million, and DoubleDragon Center West was valued at ₱4,043.6 million. DoubleDragon Tower and Ascott DD Meridian Park land were valued at ₱6,024.4 million.

### **ITEM 3. LEGAL PROCEEDINGS**

As of September 30, 2023, to the best of the Company's knowledge and belief and after due inquiry, none of the Company, the Fund Manager, or the Property Manager is currently involved in any material litigation claims or arbitration, either as plaintiff or defendant, which could be expected to have a material and adverse effect on the Company's financial position. In addition, to the best of either the Company's or the Fund Manager's knowledge and belief and after due inquiry, none of the directors, or executive officers of the Company, the Fund Manager, or the Property Manager have in the past five years have been convicted by final judgment 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 offenses; nor have they been subject of any bankruptcy 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 two years prior to that time; nor have they been subjected to any order, judgment, 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 from acting as a director, officer, employee, consultant, or agent occupying any fiduciary position.

To the best of either the Company's or the Fund Manager's knowledge and belief and after due inquiry, none of the directors, nominees for election as director or executive officers of the Company, the Fund Manager, or the Property Manager have been convicted by final judgment of any violation of the REIT Act, the Corporation Code, the General Banking Law, the Insurance Code, the Securities Regulation Code, or any other related laws and any rules or regulations, domestic or foreign, or orders thereunder; nor have they been found insolvent or incapacitated to contract.

Similarly, to the best of either the Company's or the Fund Manager's knowledge and belief and after due inquiry, none of the Company's Properties are the subject of any pending material litigation, claims or arbitration, which could be expected to have a material and adverse effect on the Company's financial position.

### **MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS**

#### **Market Information**

The Company's Common Shares are traded and listed with the Philippine Stock Exchange starting March 24, 2021.

The tables below set forth the market prices of the Common Shares 2021 and 2022.



<i>Period</i>	<b>2021</b>		<b>2022</b>		<b>2023</b>	
	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>	<b>Low</b>
1 <sup>st</sup> Quarter	₱2.40	₱2.11	₱1.82	₱1.52	₱1.47	₱1.27
2 <sup>nd</sup> Quarter	₱2.30	₱1.90	₱1.75	₱1.41	₱1.38	₱1.26
3 <sup>rd</sup> Quarter	₱2.04	₱1.75	₱1.58	₱1.22	₱1.35	₱1.24
4 <sup>th</sup> Quarter	₱1.92	₱1.77	₱1.32	₱1.17		

As of September 30, 2023, the closing price of the Company's common shares was ₱1.30 per share with a total market capitalization of ₱23,175,705,028.

The price information as of the close of the latest practicable trading date October 27, 2023 is ₱1.27 per share with a total market capitalization of ₱22,640,881,065.62.

### Dividends and Dividends Policy

The Company has adopted a dividend policy in accordance with the provisions of the REIT Law, pursuant to which the Company's shareholders may be entitled to receive at least 90% of the Company's annual Distributable Income. The Company intends to declare and pay out dividends on a quarterly basis each year.

### ***Record Date***

Pursuant to existing Philippine SEC regulations, all cash dividends declared by listed companies must have a record date which shall not be less than 10 calendar days and not more than 30 calendar days from the date the cash dividends are declared. Under such rules, if no record date is specified, the record date will be deemed fixed at 15 calendar days from such declaration.

With respect to stock dividends, the record date shall be not less than 10 calendar days nor more than 30 calendar days from the date of shareholder approval. If no record date is set, under Philippine SEC rules, the record date will be deemed fixed at 15 calendar days from the date of the stock dividend declaration. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the corresponding record date shall be fixed by the Philippine SEC.

Under the Revised Disclosure Rules of the PSE, the disclosure by a listed company of the record date for dividend declarations must not be less than 10 trading days from said date. The rules of the PSE also provide that the payment date shall not be more than 18 trading days from the record date.

## Dividend History

The Company has declared the following regular dividends for holders of Common Shares:

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share
Cash dividend	November 15, 2022	December 13, 2022	January 09, 2023	₱0.0272730
Cash dividend	August 15, 2022	August 31, 2022	September 26, 2022	₱0.0272990
Cash dividend	May 16, 2022	June 08, 2022	June 30, 2022	₱0.027868
Cash dividend	May 04, 2022	May 19, 2022	May 31, 2022	₱0.0278140
Cash dividend	November 15, 2021	November 29, 2021	December 13, 2021	₱0.028000
Cash dividend	August 16, 2021	August 31, 2021	September 13, 2021	₱0.027778
Cash dividend	May 14, 2021	May 28, 2021	June 10, 2021	₱0.020136
Cash dividend	April 14, 2021	April 28, 2021	May 10, 2021	₱0.02047718
Cash dividend	November 11, 2020	September 30, 2020	November 11, 2020	₱0.01773
Cash dividend	June 30, 2020	June 30, 2020	August 15, 2020	₱0.01580
Cash dividend	March 31, 2020	March 31, 2020	June 5, 2020	₱0.02000
Cash dividend	December 28, 2019	December 28, 2019	December 28, 2019	₱0.0274
Cash dividend	September 30, 2019	September 30, 2019	November 18, 2019	₱0.0186
Cash dividend	June 28, 2019	June 28, 2019	August 15, 2019	₱0.0133
Cash dividend	March 15, 2019	May 15, 2019	May 15, 2019	₱0.0122

### 2023 Cash Dividends:

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share
Cash dividend	April 17, 2023	May 5, 2023	May 31, 2023	₱0.0226599
Cash dividend	May 15, 2023	Jun 19, 2023	Jul 13, 2023	₱0.0253889
Cash dividend	September 29, 2023	November 06, 2023	November 29, 2023	₱0.0254766

## Dividend Policy

The Company has adopted a dividend policy in accordance with the provisions of the REIT Law, pursuant to which the Company's shareholders are entitled to receive at least 90% of annual Distributable Income for the current year.

For nine months ending September 30, 2023, the Company declared total dividends amounting to P906.80 million representing 90% of the Distributable Income for the year 2023.

The computation of distributable income of the DDMP REIT, INC. as at September 30, 2023 is shown below:

Nine Months ended September 30, 2023		Amount
Distributable Income		
Net income of the Company		P1,547,515,758
Fair value adjustments of investment Property resulting to gain (after tax)		-
Adjustment in deferred tax due to change in rate		-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS"		(14,185,156)
<b>2023 Distributable Income</b>		<b>P1,533,330,602</b>

<b>Total dividends for 2023</b>	<b>Amount</b>
Declared from Q1 2023 Distributable income	452,619,736.45
Declared from Q2 2023 Distributable income	454,183,205.16
2023 Dividends	906,802,941.61

*\*As per Section 10 of Revenue Regulation NO. 13-2011, as amended, dividends distributed by a REIT from its distributable income at any time after the close of but not later than the last day of the fifth (5th) month from the close of the taxable year, shall be considered as paid on the last day of such taxable year.*

## Principal Shareholders

The following table sets forth the 20 largest shareholders of the Company's Common Shares as of September 30, 2023.

<b>Shareholder</b>	<b>Number of Shares Subscribed</b>	<b>% of Ownership</b>
DoubleDragon Corporation.	7,903,519,158	44.33%
PCD Nominee Corporation – Filipino	6,305,156,116	35.37%
Benedicto V. Yujuico	1,720,739,589	9.65%
Teresita M. Yujuico	1,666,469,340	9.35%
PCD Nominee Corporation -Non-Filipino	222,308,338	1.25%
Jose Ivan T. Justiniano or Ma. Jema V. Justiniano	6,000,000	0.03%
Martina Maria Elizabeth Y. Gutierrez	833,000	0.00%
Manuel I. Gutierrez or Martina Maria Elizabeth Y. Gutierrez	655,000	0.00%
G.D. Tan & Co., Inc.	420,000	0.00%
Leopoldo Francisco Sulpico Jr.	300,000	0.00%
Myra P. Villanueva	220,000	0.00%
Emeriza G. Borja	200,000	0.00%
Myrna P. Villanueva	150,000	0.00%
Rowena T. Gan	100,000	0.00%
Yee Men Siao or Charlene Sarte Yee or Dixie Jill Sarte Yee	100,000	0.00%
Roger D. Castro	50,000	0.00%
Mary Eve T. Pamintuan	50,000	0.00%
Catherine P. Salas	50,000	0.00%
Milagros P. Villanueva	44,000	0.00%
Napoleon S. Malig	30,000	0.00%

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLAN OF OPERATION

### Calendar Year Ended December 31, 2022 and 2021

#### RESULTS OF OPERATION

#### DDMP REIT, INC.

#### Audited Consolidated Statements of Comprehensive Income

#### For the year ended December 31, 2022 & 2021

	2022	2021	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2022	2021
<b>INCOME</b>						
Unrealized gains from changes in fair values of investment property	2,337,301,233	5,130,611,601	(2,793,310,368)	-54.4%	49.5%	66.6%
Rent income	2,177,821,246	2,176,187,826	1,633,420	0.1%	46.1%	28.3%
Interest income	52,152,940	38,969,820	13,183,120	33.8%	1.1%	0.5%
Other income	156,602,843	353,451,051	(196,848,208)	-55.7%	3.3%	4.6%
	4,723,878,262	7,699,220,298	(2,975,342,036)	-38.6%	100.0%	100.0%
<b>COSTS AND EXPENSES</b>						
General and administrative expenses	456,810,284	354,050,327	102,759,957	29.0%	9.7%	4.6%
Interest expense	46,765,811	38,174,269	8,591,542	22.5%	1.0%	0.5%
Marketing expenses	27,745,266	29,519,855	(1,774,589)	-6.0%	0.6%	0.4%
Other Expenses	-	87,572,492	(87,572,492)	-100.0%	0.0%	1.1%
	531,321,361	509,316,943	22,004,418	4.3%	11.2%	6.6%
<b>INCOME BEFORE INCOME TAX</b>	4,192,556,901	7,189,903,355	(2,997,346,454)	-41.7%	88.8%	93.4%
<b>INCOME TAX BENEFIT (EXPENSE)</b>	7,911,924,227	(15,554,714)	7,927,478,941	-50965.1%	167.5%	-0.2%
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>12,104,481,128</b>	<b>7,174,348,641</b>	<b>4,930,132,487</b>	<b>68.7%</b>	<b>256.2%</b>	<b>93.2%</b>

\*The statement of comprehensive income for the year ended December 31, 2022 refers to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) while the statements of comprehensive income for the year ended December 31, 2021 and 2020 refer to the consolidated accounts of the Group.

#### Revenues

Total revenues decreased by ₱3.0 billion, or -38.6%, from ₱7.7 billion for the year ended December 31, 2021 to ₱4.7 billion for year ended December 31, 2022. The decrease in total revenues is due to decrease in unrealized gains from changes in fair values.

Rent income increased by ₱1.6 million, or 0.1%, to ₱2.2 billion for the year ended December 31, 2022 compared to ₱2.2 billion for the same period in 2021, increase is due to the increase in rental and CUSA in 2022. CUSA represents amount of CUSA billed to tenants.

The Company's interest income for the twelve months ended December 31, 2022 also increased by ₱13.2 million or, 33.8%, to ₱52.2 million, compared to ₱39.0 million for the twelve months ended December 31, 2021, primarily from the interest income from finance lease.

Other income decreased by ₱196.8 million, or -55.7% decrease, to ₱156.6 million for the year ended December 31, 2022 as compared to ₱353.5 million for the same period in 2021 primarily due to the decrease in interest for the period and recognized gain from finance lease in 2022.

#### Costs and expenses

The Company's costs and expenses increased by ₱22.0 million, or 4.3%, to ₱531.3 million for the twelve months ended December 31, 2022 compared to ₱509.3 million for the same period in 2021.

General and administrative expense of the Company increased by ₱102.8 million, or 29.0%, to ₱456.8 million for the year ended December 31, 2022 compared to ₱354.1 million for the same period in 2021 due to increase in property maintenance and direct operating expenses.

The Company's interest expense was ₱46.8 million for the year ended December 31, 2022, an increase of ₱8.6 million or 22.5% compared to ₱38.2 million for the same period in 2021 due to higher interest accretion of the security deposit received from tenants.

The Company's marketing expenses decreased by ₱1.8 million, or -6.0%, to ₱27.7 million for the twelve months ended December 31, 2022 compared to ₱29.5 million for the same period in 2021. The decrease is mainly due to the decrease in print and multimedia advertisements.

In 2022, the company reported other expenses as nil, wherein the 2021 other expenses of ₱87.6 million was related to the listing of the company's REIT shares.

#### *Income before income tax*

The Company's income before income tax for the twelve months ended December 31, 2022 was ₱4.2 billion, a decrease of ₱3.0 billion, or -41.7% decrease from its income before income tax of ₱7.2 billion recorded for the same period in 2021.

#### *Income tax expense*

The Company's income tax benefit for the twelve months ended December 31, 2022 was ₱7.9 billion, versus the income tax expense of ₱15.6 million recorded for the same in 2021. The recognition of income tax benefit in 2022 due to the reversal of deferred tax liability of the Company as a result of the REIT tax incentive.

#### *Net Income*

As a result of the foregoing, the Company's net income for the twelve months ended December 31, 2022 was ₱12.1 billion, an increase of ₱4.9 billion, or 68.7% increase from its net income of ₱7.2 billion recorded for the same period in 2021.

## FINANCIAL POSITION

### DDMP REIT, INC. Audited Consolidated Statements of Financial Position As at December 31, 2022 & 2021

	2022	2021	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2022	2021
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	506,203,658	207,694,318	298,509,340	143.7%	1.0%	0.4%
Receivables	1,798,787,341	1,971,863,304	(173,075,963)	-8.8%	3.4%	3.9%
Due from Parent Company	-	5,122,816	(5,122,816)	-100.0%	0.0%	0.0%
Prepaid expenses and other current assets	72,574,248	449,598,186	(377,023,938)	-83.9%	0.1%	0.9%
<b>Total Current Assets</b>	<b>2,377,565,247</b>	<b>2,634,278,624</b>	<b>(256,713,377)</b>	<b>-9.7%</b>	<b>4.5%</b>	<b>5.2%</b>
<b>Noncurrent Assets</b>						
Receivables - net of current portion	128,659,625	301,329,219	(172,669,594)	-57.3%	0.2%	0.01
Property and equipment - net	7,315,535	12,650,656	(5,335,121)	-42.2%	0.0%	0.0%
Investment property	49,132,989,226	45,695,260,832	3,437,728,394	7.5%	92.3%	91.1%
Finance lease receivable	1,139,125,173	1,110,115,886	29,009,287	2.6%	2.1%	0.02
Other noncurrent assets	423,284,185	431,235,925	(7,951,740)	-1.8%	0.8%	0.9%
<b>Total Noncurrent Assets</b>	<b>50,831,373,744</b>	<b>47,550,592,518</b>	<b>3,280,781,226</b>	<b>6.9%</b>	<b>95.5%</b>	<b>94.8%</b>
<b>Total Assets</b>	<b>53,208,938,991</b>	<b>50,184,871,142</b>	<b>3,024,067,849</b>	<b>6.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	1,241,397,698	938,100,080	303,297,618	32.3%	2.3%	1.9%
Dividends payable	486,208,464	-	486,208,464	0.0%	0.9%	0.0%
<b>Total Current Liabilities</b>	<b>1,727,606,162</b>	<b>938,100,080</b>	<b>789,506,082</b>	<b>84.2%</b>	<b>3.2%</b>	<b>1.9%</b>
<b>Noncurrent Liabilities</b>						
Deferred tax liability - net	-	7,911,924,227	(7,911,924,227)	-100.0%	0.0%	15.8%
Other noncurrent liabilities	369,711,767	362,157,530	7,554,237	2.1%	0.7%	0.7%
<b>Total Noncurrent liabilities</b>	<b>369,711,767</b>	<b>8,274,081,757</b>	<b>(7,904,369,990)</b>	<b>-95.5%</b>	<b>0.7%</b>	<b>16.5%</b>
<b>Total Liabilities</b>	<b>2,097,317,929</b>	<b>9,212,181,837</b>	<b>(7,114,863,908)</b>	<b>-77.2%</b>	<b>3.9%</b>	<b>18.4%</b>
<b>Equity</b>						
Capital stock	17,827,465,406	17,827,465,406	-	-	33.5%	35.5%
Retained earnings	33,284,155,656	23,145,223,899	10,138,931,757	43.8%	62.6%	46.1%
<b>Total Equity</b>	<b>51,111,621,062</b>	<b>40,972,689,305</b>	<b>10,138,931,757</b>	<b>24.7%</b>	<b>96.1%</b>	<b>81.6%</b>
<b>Total Liabilities and Equity</b>	<b>53,208,938,991</b>	<b>50,184,871,142</b>	<b>3,024,067,849</b>	<b>6.0%</b>	<b>100.0%</b>	<b>100.0%</b>

The statements of financial position as at December 31, 2022 and 2021 refer to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) following the sale of its investments in subsidiaries on February 10, 2021.

Assets

The Company's assets were at ₱53.2 billion as of December 31, 2022, an increase of ₱3.0 billion, or 6.0%, from assets of ₱50.2 billion as of December 31, 2021.

#### *Cash and cash equivalents*

The Company's cash and cash equivalents were ₱506.2 million as of December 31, 2022, an increase of ₱298.5 million, or 143.7%, from cash and cash equivalents of ₱207.7 million as of December 31, 2021. The increase was due to cash used for additions of investment property and payment of dividends.

#### *Receivables*

The Company's net receivables – current portion were ₱1,798.8 million as of December 31, 2022, a ₱173.1 million, or -8.8% decrease from net receivables of ₱1,971.9 million as of December 31, 2021 due to the decrease in accrued rent receivable from the straight-line rent income and rental receivable from tenants.

#### *Due from Parent Company*

The Company's due from Parent Company was nil as of December 31, 2022, a 100% decrease from ₱5.1 million as of December 31, 2021 due to collection of advances made.

#### *Prepaid expenses and other current assets*

The Company's prepaid expenses and other current assets were ₱72.6 million as of December 31, 2022, a decrease of ₱377.0 million, or -83.9% decrease from prepaid expenses and other current assets of ₱449.6 million as of December 31, 2021. The decrease was mainly due to the decrease in input VAT and prepaid real property taxes.

#### *Receivables – net of current portion*

The Company reported receivables – net of current portion of ₱128.7 million as of December 31, 2022, a ₱172.7 million decrease, or 57.3% decrease from ₱301.3 million as of December 31, 2021. Decrease of non-current receivables in 2022 is due to reclassification to current portion.

#### *Property and equipment - net*

The Company's property and equipment (net) were ₱7.3 million as of December 31, 2022, a ₱5.3 million, or -42.2% decrease from property and equipment (net) of ₱12.7 million as of December 31, 2021. The decrease was due to depreciation for 2022.

#### *Investment property*

The Company's investment property amounted to ₱49.1 billion as of December 31, 2022, a ₱3.4 billion, or 7.5% increase from investment property of ₱45.7 billion as of December 31, 2021, due to the additions during the period and increase in the fair value amount of the Company's properties.

#### *Finance lease receivable*

The Company reported finance lease receivables of ₱1.1 billion as of December 31, 2022, a ₱29.0 million or 2.6% increase from ₱1.1 billion as of December 31, 2021 as result of the finance lease classification for the Company's lease of DoubleDragon Tower.

#### *Other noncurrent assets*

The Company's other noncurrent assets were ₱423.3 million as of December 31, 2022, an ₱8.0 million, or -1.8% decrease from other noncurrent assets of ₱431.2 million as of December 31, 2021. The decrease was due to the decrease in advances to contractors and suppliers.

#### Liabilities

The Company has no debt as of December 31, 2022.

The Company's liabilities were at ₱2.1 billion as of December 31, 2022, a decrease of ₱7.1 billion, or 77.2% decrease from liabilities of ₱9.2 billion as of December 31, 2021.

#### *Accounts payable and other current liabilities*

The Company's accounts payable and other current liabilities were ₱1.2 billion as of December 31, 2022, a ₱303.3 million, or 32.3% increase from accounts payable and other current liabilities of ₱938.1 million as of December 31, 2021. The increase was mainly due to the increase in trade payables and accrued project costs.

#### *Dividend Payable*

The Company's dividend payable reported ₱486.2 million as of December 31, 2022.

#### *Deferred tax liability - net*

The Company's deferred tax liability is nil as of December 31, 2022.

#### *Other noncurrent liabilities*



The Company's other noncurrent liabilities were ₱369.7 million as of December 31, 2022, a ₱7.6 million, or 2.1% increase from other noncurrent liabilities of ₱362.2 million as of December 31, 2021. The increase was mainly due to the increase in security deposits.

#### Equity

The Company's total equity was ₱51.1 billion as of December 31, 2022, a ₱10.1 billion, or 24.7% increase from ₱41.0 billion as of December 31, 2021.

#### **Summary of Real Estate Transactions for 2022**

Other than the usual lease contracts entered into with tenants, there are no other real estate transactions for year the of 2022.

#### **PROPERTY PERFORMANCE**

	<b>DoubleDragon Plaza</b>	<b>DoubleDragon Center East</b>	<b>DoubleDragon Center West</b>
Location	DD Meridian Park	DD Meridian Park	DD Meridian Park
Valuation	P35,629.5 million	P3,435.5 million	P4,043.6 million
Occupancy rates	91.48%	100.00%	94.25%
WALE (years)	2.24	1.55	1.20
Rental income	1,643.74 million	289.31 million	268.18 million
Revenue Contribution in Year 2022	74%	13%	12%

#### **PROPERTY UNDER DEVELOPMENT**

	<b>DoubleDragon Tower</b>	<b>Ascott-DD Meridian Park</b>
Location	DD Meridian Park	DD Meridian Park
Land Valuation	3,515.0 million	P2,509.4 million
Lessee	DD Tower, Inc.	DDMP Serviced Residences, Inc.
Remaining Lease Term	99 years	99 years

## Calendar Year Ended December 31, 2021 and 2020

### RESULTS OF OPERATION

#### DDMP REIT, INC.

#### Audited Consolidated Statements of Comprehensive Income For the year ended December 31, 2021 & 2020

	2021	2020	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2021	2020
<b>INCOME</b>						
Unrealized gains from changes in fair values of investment property	5,130,611,601	5,383,709,548	(253,097,947)	-4.7%	66.6%	73.2%
Rent income and CUSA	2,176,187,826	1,912,618,974	263,568,852	13.8%	28.3%	26.0%
Interest income	38,969,820	20,708,383	18,261,437	88.2%	0.5%	0.3%
Other income	353,451,051	40,697,838	312,753,213	768.5%	4.6%	0.6%
	7,699,220,298	7,357,734,743	341,485,555	4.6%	100.0%	100.0%
<b>COSTS AND EXPENSES</b>						
General and administrative expenses	354,050,327	234,849,773	119,200,554	50.8%	4.6%	3.2%
Interest expense	38,174,269	35,635,069	2,539,200	7.1%	0.5%	0.5%
Marketing expenses	29,519,855	26,477,931	3,041,924	11.5%	0.4%	0.4%
Other Expenses	87,572,492	-	87,572,492	-	1.1%	0.0%
	509,316,943	296,962,773	212,354,170	71.5%	6.6%	4.0%
<b>INCOME BEFORE INCOME TAX</b>	7,189,903,355	7,060,771,970	129,131,385	1.8%	93.4%	96.0%
<b>INCOME TAX BENEFIT (EXPENSE)</b>	(15,554,714)	(1,974,100,543)	1,958,545,829	-99.2%	-0.2%	-26.8%
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>7,174,348,641</b>	<b>5,086,671,427</b>	<b>2,087,677,214</b>	<b>41.0%</b>	<b>93.2%</b>	<b>69.1%</b>

*The statement of comprehensive income for the year ended December 31, 2021 & 2020 refer to the consolidated accounts of the Group while the statements of comprehensive income for the years ended December 31, 2019 and 2018 refers to the accounts of DDMP REIT, Inc. (formerly DD-Meridian Park Development Corp.)*

#### Revenues

Total revenues increased by ₱341.5 million, or 4.6%, from ₱7.4 billion for the year ended December 31, 2020 to ₱7.7 billion for year ended December 31, 2021. The increase in total revenues is due to increase in rental and other income.

Rent income increased by ₱263.6 million, or 13.8%, to ₱2.2 billion for the year ended December 31, 2021 compared to ₱1.9 billion for the same period in 2020, increase is due to the increase in rental and CUSA in 2021. CUSA represents amount of CUSA billed to tenants.

The Company's interest income for the twelve months ended December 31, 2021 also increased by ₱18.3 million or, 88.2%, to ₱39.0 million, compared to ₱20.7 million for the twelve months ended December 31, 2020, primarily from the interest income from finance lease.

Other income increased by ₱312.8 million, or 768.5% increase, to ₱353.5 million for the year ended December 31, 2021 as compared to ₱40.7 million for the same period in 2020 primarily due to the increase in interest for the period and recognized gain from finance lease in 2021.

### *Costs and expenses*

The Company's costs and expenses increased by ₱212.4 million, or 71.5%, to ₱509.3 million for the twelve months ended December 31, 2021 compared to ₱297.0 million for the same period in 2020.

General and administrative expense of the Company increased by ₱119.2 million, or 50.8%, to ₱354.1 million for the year ended December 31, 2021 compared to ₱234.8 million for the same period in 2020 due to increase in property maintenance and direct operating expenses.

The Company's interest expense was ₱38.2 million for the year ended December 31, 2021, an increase of ₱2.5 million or 7.1% compared to ₱35.6 million for the same period in 2020 due to higher interest accretion of the security deposit received from tenants.

The Company's marketing expenses increased by ₱3.0 million, or increased by 11.5%, to ₱29.5 million for the twelve months ended December 31, 2021 compared to ₱26.5 million for the same period in 2020. The increase is mainly due to the increase in print and multimedia advertisements.

In 2021, the Company recorded other expenses of ₱87.6 million for the expenses related to the listing of the company's REIT shares.

### *Income before income tax*

The Company's income before income tax for the twelve months ended December 31, 2021 was ₱7.2 billion, an increase of ₱129.1 million, or 1.8%, increase from its income before income tax of ₱7.1 billion recorded for the same period in 2020.

### *Income tax expense*

The Company's income tax expense for the twelve months ended December 31, 2021 was ₱15.6 million, a decrease of ₱1,958.5 million, or 99.2%, decrease from its income tax expense of ₱1,974.1 million recorded for the same in 2020. The decrease is due to the lower taxable income and lower income tax rate in 2021 and a one-time recognition of a net tax benefit as a result of the downward adjustment in the deferred tax liability balance as of December 31, 2020 to reflect the decrease in the corporate income tax rate from 30% to 25%. The Company started to avail of its tax incentive as REIT after its listing in March 2021.

### *Net Income*

As a result of the foregoing, the Company's net income for the twelve months ended December 31, 2021 was ₱7.2 billion, an increase of ₱2.1 billion, or 41.0% increase from its net income of ₱5.1 billion recorded for the same period in 2020.

## FINANCIAL POSITION

### DDMP REIT, INC.

#### Audited Consolidated Statements of Financial Position

As at December 31, 2021 & 2020

	2021	2020	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2021	2020
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	207,694,318	1,088,817,817	(881,123,499)	-80.9%	0.4%	2.4%
Receivables	1,971,863,304	1,553,569,222	418,294,082	26.9%	3.9%	3.4%
Due from Parent Company	5,122,816	2,356,247	2,766,569	117.4%	0.0%	0.0%
Prepaid expenses and other current assets	449,598,186	724,467,731	(274,869,545)	-37.9%	0.9%	1.6%
<b>Total Current Assets</b>	<b>2,634,278,624</b>	<b>3,369,211,017</b>	<b>(734,932,393)</b>	<b>-21.8%</b>	<b>5.2%</b>	<b>7.4%</b>
<b>Noncurrent Assets</b>						
Receivables - net of current portion	301,329,219.00	-	301,329,219	-	0.6%	-
Property and equipment - net	12,650,656	18,069,828	(5,419,172)	-30.0%	0.0%	0.0%
Investment property	45,695,260,832	41,477,970,085	4,217,290,747	10.2%	91.1%	91.5%
Finance lease receivable	1,110,115,886	-	1,110,115,886	-	2.2%	-
Deferred tax Asset	-	188,172	(188,172)	-100.0%	-	0.0%
Other noncurrent assets	431,235,925	488,225,160	(56,989,235)	-11.7%	0.9%	1.1%
<b>Total Noncurrent Assets</b>	<b>47,550,592,518</b>	<b>41,984,453,245</b>	<b>5,566,139,273</b>	<b>13.3%</b>	<b>94.8%</b>	<b>92.6%</b>
<b>Total Assets</b>	<b>50,184,871,142</b>	<b>45,353,664,262</b>	<b>4,831,206,880</b>	<b>10.7%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	938,100,080	984,303,820	(46,203,740)	-4.7%	1.9%	2.2%
Due to Related Party	-	400	(400)	-100.0%	-	0.0%
Income Tax Payable	-	44,923,595	(44,923,595)	-100.0%	-	0.1%
<b>Total Current Liabilities</b>	<b>938,100,080</b>	<b>1,029,227,815</b>	<b>(91,127,735)</b>	<b>-8.9%</b>	<b>1.9%</b>	<b>2.3%</b>
<b>Noncurrent Liabilities</b>						
Deferred tax liability - net	7,911,924,227	7,876,959,548	34,964,679	0.4%	15.8%	17.4%
Other noncurrent liabilities	362,157,530	931,164,876	(569,007,346)	-61.1%	0.7%	2.1%
<b>Total Noncurrent liabilities</b>	<b>8,274,081,757</b>	<b>8,808,124,424</b>	<b>(534,042,667)</b>	<b>-6.1%</b>	<b>16.5%</b>	<b>19.4%</b>
<b>Total Liabilities</b>	<b>9,212,181,837</b>	<b>9,837,352,239</b>	<b>(625,170,402)</b>	<b>-6.4%</b>	<b>18.4%</b>	<b>21.7%</b>
<b>Equity</b>						
Capital stock	17,827,465,406	17,827,465,406	-	-	35.5%	39.3%
Retained earnings	23,145,223,899	17,688,846,617	5,456,377,282	30.8%	46.1%	39.0%
<b>Total Equity</b>	<b>40,972,689,305</b>	<b>35,516,312,023</b>	<b>5,456,377,282</b>	<b>15.4%</b>	<b>81.6%</b>	<b>78.3%</b>
<b>Total Liabilities and Equity</b>	<b>50,184,871,142</b>	<b>45,353,664,262</b>	<b>4,831,206,880</b>	<b>10.7%</b>	<b>100.0%</b>	<b>100.0%</b>

The statement of financial position as at December 31, 2021 & 2020 refer to the consolidated accounts of the Group while the statement of financial position as at December 31, 2019 refers to the accounts of DDMP REIT, Inc. (formerly DD-Meridian Park Development Corp.)

## Assets

The Company's assets were at ₱50.2 billion as of December 31, 2021, an increase of ₱4.8 billion, or 10.7%, from assets of ₱45.4 billion as of December 31, 2020.

### *Cash and cash equivalents*

The Company's cash and cash equivalents were ₱207.7 million as of December 31, 2021, a decrease of ₱881.1 million, or 80.9%, from cash and cash equivalents of ₱1.1 billion as of December 31, 2020. The decrease was due to cash used for additions of investment property and payment of dividends.

### *Receivables*

The Company's net receivables – current portion were ₱1,971.9 million as of December 31, 2021, a ₱418.3 million, or 26.9% increase from net receivables of ₱1,553.6 million as of December 31, 2020 due to the increase in accrued rent receivable from the straight-line rent income and rental receivable from tenants.

### *Due from Parent Company*

The Company's due from Parent Company was ₱5.1 million as of December 31, 2021, a ₱2.8 million, or 117.4% increase from ₱2.4 million as of December 31, 2020 due to collection of advances made.

### *Prepaid expenses and other current assets*

The Company's prepaid expenses and other current assets were ₱449.6 million as of December 31, 2021, a ₱274.9 million, or 37.9% decrease from prepaid expenses and other current assets of ₱724.5 million as of December 31, 2020. The decrease was mainly due to the decrease in input VAT and prepaid real property taxes.

### *Receivables – net of current portion*

The Company reported receivables – net of current portion of ₱301.3 million as of December 31, 2021. Non-current receivables in 2021 is the result installment payment arrangements granted to tenants during the pandemic.

### *Property and equipment - net*

The Company's property and equipment (net) were ₱12.7 million as of December 31, 2021, a ₱5.4 million, or 30.0% decrease from property and equipment (net) of ₱18.1 million as of December 31, 2020. The decrease was due to depreciation for 2021.

#### *Investment property*

The Company's investment property amounted to ₱45.7 billion as of December 31, 2021, a ₱4.2 billion, or 10.2% increase from investment property of ₱41.5 billion as of December 31, 2020, due to the additions during the period and increase in the fair value amount of the Company's properties.

#### *Finance lease receivable*

The Company reported finance lease receivables of ₱1.1 billion as of December 31, 2021, as result of the finance lease classification for the Company's lease of DoubleDragon Tower.

#### *Deferred tax Asset*

The Company's deferred tax asset was nil as of December 31, 2021.

#### *Other noncurrent assets*

The Company's other noncurrent assets were ₱431.2 million as of December 31, 2021, a ₱57.0 million, or 11.7% decrease from other noncurrent assets of ₱488.2 million as of December 31, 2020. The decrease was due to the decrease in advances to contractors and suppliers.

#### Liabilities

The Company has no debt as of December 31, 2021.

The Company's liabilities were at ₱9.2 billion as of December 31, 2021, a decrease of ₱625.2 million, or 6.4% decrease from liabilities of ₱9.8 billion as of December 31, 2020.

#### *Accounts payable and other current liabilities*

The Company's accounts payable and other current liabilities were ₱938.1 million as of December 30, 2021, a ₱46.2 million, or 4.4% decrease from accounts payable and other current liabilities of ₱984.3 million as of December 31, 2020. The decrease was mainly due to the decrease in trade payables and accrued project costs.

#### *Due to Related Party*

The Company's due to related party was nil as of December 31, 2021.

#### *Income tax payable*

The Company's income tax payable was nil as of December 31, 2021, a ₱44.9 million, or 100.0% decrease compared to ₱44.9 million as of December 31, 2020, due to the impact of 0% effective income tax rate as a result of the tax incentive as REIT company.

#### *Deferred tax liability - net*

The Company's deferred tax liability were ₱7,911.9 million as of December 31, 2021, a ₱35.0 million, or 0.4% increase from deferred tax liability of ₱7,877.0 million as of December 31, 2020. The increase was mainly due to the unrealized gain from changes in fair value of investment properties during the period.

#### *Other noncurrent liabilities*

The Company's other noncurrent liabilities were ₱362.2 million as of December 31, 2021, a ₱569.0 million, or 61.1% decrease from other noncurrent liabilities of ₱931.2 million as of December 31, 2020. The decrease was mainly due to the decrease in unearned rental income and security deposits.

#### Equity

The Company's total equity was ₱41.0 billion as of December 31, 2021, a ₱5.5 billion, or 15.4% increase from ₱35.5 billion as of December 31, 2020.

### **Calendar Year Ended December 31, 2020 and 2019**

#### **RESULTS OF OPERATION**

#### **DDMP REIT, INC.**

#### **Audited Consolidated Statements of Comprehensive Income**

#### **For the year ended December 31, 2020 & 2019**

	2020	2019	Horizontal Analysis Increase (Decrease)	Vertical Analysis 2020	2019
<b>INCOME</b>					
Unrealized gains from changes in fair values of investment property	5,383,709,548	7,781,063,778	(2,397,354,230)	-30.8%	73.2%
Rent income	1,912,618,974	1,777,329,973	135,289,001	7.6%	26.0%
Interest income	20,708,383	5,994,001	14,714,382	245.5%	0.3%
Other income	40,697,838	111,481,926	(70,784,088)	-63.5%	0.6%
	<b>7,357,734,743</b>	<b>9,675,869,678</b>	<b>(2,318,134,935)</b>	<b>-24.0%</b>	<b>100.0%</b>
<b>COSTS AND EXPENSES</b>					
General and administrative expenses	234,849,773	201,780,385	33,069,388	16.4%	3.2%
Interest expense	35,635,069	31,525,024	4,110,045	13.0%	0.5%
Marketing expenses	26,477,931	34,053,060	(7,575,129)	-22.2%	0.4%
	<b>296,962,773</b>	<b>267,358,469</b>	<b>29,604,304</b>	<b>11.1%</b>	<b>4.0%</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>7,060,771,970</b>	<b>9,408,511,209</b>	<b>(2,347,739,239)</b>	<b>-25.0%</b>	<b>96.0%</b>
<b>INCOME TAX EXPENSE</b>	<b>1,974,100,543</b>	<b>2,717,080,772</b>	<b>(742,980,229)</b>	<b>-27.3%</b>	<b>26.8%</b>
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>5,086,671,427</b>	<b>6,691,430,437</b>	<b>(1,604,759,010)</b>	<b>-24.0%</b>	<b>69.1%</b>
				<b>69.2%</b>	

*The statement of comprehensive income for the year ended December 31, 2020 refer to the consolidated accounts of the Group while the statements of comprehensive income for the years ended December 31, 2019 and 2018 refers to the accounts of DDMP REIT, Inc. (formerly DD-Meridian Park Development Corp.)*

#### *Revenues*

Total revenues decreased by ₱2.3 billion, or 24.0%, from ₱9.7 billion for the year ended December 31, 2019 to ₱7.4 billion for year ended December 31, 2020. The decrease in total revenues mainly due to decrease in unrealized gains from changes in fair values of investment property (-30.8%) as a result of the completion of DoubleDragon Center East and DoubleDragon Center West in 2019.

Rent income increased by ₱135.3 million, to ₱1.912.6 million or 7.6%, for the year ended December 31, 2020 compared to ₱1.777.3 million for the same period in 2019, driven by full year rental from DoubleDragon Center East and DoubleDragon Center West, which commenced operations in the second half of 2019.

The Company's interest income for the twelve months ended December 31, 2020 also increased by ₱14.7 million or, 245.5%, to ₱20.7 million, compared to ₱6.0 million for the twelve months ended December 31, 2019, primarily as a result of the increase in the Company's deposit placements with financial institutions.

Other income decreased by ₱70.8 million, or 63.5% decrease, to ₱40.7 million for the year ended December 31, 2020 compared to ₱111.5 million for the same period in 2019 primarily due to the decrease in other service charges collected from tenants, restaurant sales and interest and penalties.

#### *Costs and expenses*

The Company's costs and expenses increased by ₱29.6 million, or 11.1%, to ₱297.0 million for the twelve months ended December 31, 2020 compared to ₱267.4 million for the same period in 2019.

The Company's general and administrative expenses increased by ₱33.1 million, or 16.4% to ₱234.8 million for the twelve months ended December 31, 2020 compared to ₱201.8 million for the same period in 2019 due to increase in taxes and licenses and impairment loss on receivables.

The Company's interest expense was ₱35.6 million for the year ended December 31, 2020, an increase of ₱4.1 million or 13.0% compared to ₱31.5 million for the same period in 2019 due to higher interest accretion of the security deposit received from tenants.

The Company's marketing expenses decreased by ₱7.6 million, or decreased by -22.2%, to ₱26.5 million for the twelve months ended December 31, 2020 compared to ₱34.1 million for the same period in 2019.

#### *Income before income tax*

The Company's income before income tax for the twelve months ended December 31, 2020 was ₱7.1 billion, a decrease of ₱2.347.7 million or, 25.0% decrease from its income before income tax of ₱9.4 billion recorded for the same period last year.

#### *Income tax expense*

The Company's income tax expense for the twelve months ended December 31, 2020 was ₱2.0 billion, a decrease of ₱743.0 million, or 27.3% decrease from its income tax expense of ₱2.7 billion recorded for the same period last year, due to lower unrealized gain from changes in fair value recognized for the twelve months ended December 31, 2020.

#### *Net Income*

As a result of the foregoing, the Company's net income for the twelve months ended December 31, 2020 was ₱5.1 billion, a decrease of ₱1.6 billion, or 24.0% decrease from its net income of ₱6.7 billion recorded for the same period in 2019.



## FINANCIAL POSITION

### DDMP REIT, INC. Audited Consolidated Statements of Financial Position As at December 31, 2020 & 2019

	2020	2019	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2020	2019
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	1,088,817,817	2,211,941,451	(1,123,123,634)	-50.8%	2.4%	5.2%
Receivables	1,553,569,222	1,024,755,198	528,814,024	51.6%	3.4%	2.4%
Due from Parent Company	2,356,247	95,061,375	(92,705,128)	-97.5%	0.0%	0.2%
Prepaid expenses and other current assets	724,467,731	791,890,266	(67,422,535)	-8.5%	1.6%	1.9%
<b>Total Current Assets</b>	<b>3,369,211,017</b>	<b>4,123,648,290</b>	<b>(754,437,273)</b>	<b>-18.3%</b>	<b>7.4%</b>	<b>9.8%</b>
<b>Noncurrent Assets</b>						
Property and equipment - net	18,069,828	23,873,223	(5,803,395)	-24.3%	0.0%	0.1%
Investment property	41,477,970,085	37,481,401,968	3,996,568,117	10.7%	91.5%	88.7%
Deferred tax Asset	188,172	-	188,172	-	0.0%	0.0%
Other noncurrent assets	488,225,160	641,615,314	(153,390,154)	-23.9%	1.1%	1.5%
<b>Total Noncurrent Assets</b>	<b>41,984,453,245</b>	<b>38,146,890,505</b>	<b>3,837,562,740</b>	<b>10.1%</b>	<b>92.6%</b>	<b>90.2%</b>
<b>Total Assets</b>	<b>45,353,664,262</b>	<b>42,270,538,795</b>	<b>3,083,125,467</b>	<b>7.3%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	984,303,820	2,926,053,965	(1,941,750,145)	-66.4%	2.2%	6.9%
Dividend Payable	-	473,818,417	(473,818,417)	-100.0%	0.0%	1.1%
Due to Related Party	400	129,635,483	(129,635,083)	-100.0%	0.0%	0.3%
Income Tax Payable	44,923,595	32,127,285	12,796,310	39.8%	0.1%	0.1%
<b>Total Current Liabilities</b>	<b>1,029,227,815</b>	<b>3,561,635,150</b>	<b>(2,532,407,335)</b>	<b>-71.1%</b>	<b>2.3%</b>	<b>8.4%</b>
<b>Noncurrent Liabilities</b>						
Deferred tax liability - net	7,876,959,548	6,147,702,122	1,729,257,426	28.1%	17.4%	14.5%
Other noncurrent liabilities	931,164,876	1,207,093,836	(275,928,960)	-22.9%	2.1%	2.9%
<b>Total Noncurrent liabilities</b>	<b>8,808,124,424</b>	<b>7,354,795,958</b>	<b>1,453,328,466</b>	<b>19.8%</b>	<b>19.4%</b>	<b>17.4%</b>
<b>Total Liabilities</b>	<b>9,837,352,239</b>	<b>10,916,431,108</b>	<b>(1,079,078,869)</b>	<b>-9.9%</b>	<b>21.7%</b>	<b>25.8%</b>
<b>Equity</b>						
Capital stock	17,827,465,406	17,827,465,406	-	0.0%	39.3%	42.2%
Retained earnings	17,688,846,617	13,526,642,281	4,162,204,336	30.8%	39.0%	32.0%
<b>Total Equity</b>	<b>35,516,312,023</b>	<b>31,354,107,687</b>	<b>4,162,204,336</b>	<b>13.3%</b>	<b>78.3%</b>	<b>74.2%</b>
<b>Total Liabilities and Equity</b>	<b>45,353,664,262</b>	<b>42,270,538,795</b>	<b>3,083,125,467</b>	<b>7.3%</b>	<b>100.0%</b>	<b>100.0%</b>

The statement of financial position as at December 31, 2020 refer to the consolidated accounts of the Group while the statement of financial position as at December 31, 2019 refers to the accounts of DDMP REIT, Inc. (formerly DD-Meridian Park Development Corp.)

#### Assets

The Company's assets were at ₱45.4 billion as of December 31, 2020, an increase of ₱3.1 billion, or 7.3%, from assets of ₱42.3 billion as of December 31, 2019.

#### *Cash and cash equivalents*

The Company's cash and cash equivalents were ₱1.1 billion as of December 31, 2020, a decrease of ₱1.1 billion, or 50.8%, from cash and cash equivalents of ₱2.2 billion as of December 31, 2019. The decrease was due to cash used for additions of investment property and payment of dividends.

#### *Receivables – net*

The Company's net receivables were ₱1.6 billion as of December 31, 2020, a ₱528.8 million, or 51.6% increase from net receivables of ₱1.0 billion as of December 31, 2019 due to the increase in accrued rent receivable from the straight-line rent income and additional rent receivable from DoubleDragon Center East and DoubleDragon Center West's new tenants. Accrued rent receivables amounting to ₱747.4 million are from the excess of rent income over rental collections made by lessees in accordance with straight-line rental recognition as mandated by PFRS 16.

#### *Due from Parent Company*

The Company's due from Parent Company was ₱2.4 million as of December 31, 2020, a ₱92.7 million, or 97.5% decrease from ₱95.1 million as of December 31, 2019 due to receipt of advances made.

#### *Prepaid expenses and other current assets*

The Company's prepaid expenses and other current assets were ₱724.5 million as of December 31, 2020, a ₱67.4 million, or 8.5% decrease from prepaid expenses and other current assets of ₱791.9 million as of December 31, 2019. The decrease was mainly due to the decrease in input VAT.

#### *Property and equipment - net*

The Company's property and equipment (net) were ₱18.1 million as of December 31, 2020, a ₱5.8 million, or 24.3% decrease from property and equipment (net) of ₱23.9 million as of December 31, 2019. The decrease was due to depreciation for 2020.

#### *Investment property*

The Company's investment property amounted to ₱41.5 billion as of December 31, 2020, a ₱4.0 billion, or 10.7% increase from investment property of ₱37.5 billion as of December 31, 2019, due to the additions during the period and increase in the fair value amount of the Company's properties.

#### *Deferred tax Asset*

The Company's Deferred tax Asset was ₱0.2 million as of December 31, 2020. The increase is due to the deferred tax asset recognized for the Company's subsidiaries.

#### *Other noncurrent assets*

The Company's other noncurrent assets were ₱488.2 million as of December 31, 2020, a ₱153.4 million, or 23.9% decrease from other noncurrent assets of ₱641.6 million as of December 31, 2019. The decrease was due to the decrease in advances to contractors and suppliers.

#### Liabilities

The Company has no debt as of December 31, 2020.

The Company's liabilities were at ₱9.8 billion as of December 31, 2020, a decrease of ₱1.1 billion, or 9.9% decrease from liabilities of ₱10.9 billion as of December 31, 2019.

#### *Accounts payable and other current liabilities*

The Company's accounts payable and other current liabilities were ₱984.3 million as of December 31, 2020, a ₱1.9 billion, or 66.4% decrease from accounts payable and other current liabilities of ₱2.9 billion as of December 31, 2019. The decrease was mainly due to the decrease in accrued project costs.

#### *Dividend payable*

The Company's dividend payables decreased by 100% from December 31, 2019 to December 31, 2020. Dividends declared in 2020 were all paid in 2020.

#### *Due to Related Party*

The Company's due to related party was ₱400.00 as of December 31, 2020, a ₱129.6 million, or 100.0% decrease from due to related party of ₱129.6 million as of December 31, 2019. The significant decrease in due to related party is due to the payment of advances made by related parties.

*Income tax payable*

The Company's income tax payable was ₱44.9 million as of December 31, 2020, a ₱12.8 million, or 39.8% increase compared to ₱32.1 million as of December 31, 2019, due to the increase in current income tax expense for year ended December 31, 2020 compared to the same period in 2019.

*Deferred tax liability*

The Company's deferred tax liability was ₱7.9 billion as of December 31, 2020, a ₱1.7 billion, or 28.1% increase from deferred tax liability of ₱6.1 billion as of December 31, 2019. The increase was mainly due to the unrealized gain from changes in fair value of investment properties during the period.

*Other noncurrent liabilities*

The Company's other noncurrent liabilities were ₱931.2 million as of December 31, 2020, a ₱275.9 million, or 22.9% decrease from other noncurrent liabilities of ₱1,207.1 million as of December 31, 2019. The increase was mainly due to the decrease in non-current retention payable and unearned rental income.

*Retained Earnings*

The Company's retained earnings was ₱17.7 billion as of December 31, 2020, a ₱4.2 billion, or 30.8% increase ₱13.5 billion as of December 31, 2019. The increase was mainly due to the net income for the period less dividends declared.

## KEY PERFORMANCE INDICATORS

The following are the major financial ratios of the Company for the years ended December 31, 2022, 2021 and 2020

Key Financial Ratios	2022	2021	2020
Recurring Income (in ₱ millions)	2,177.8	2,176.2	1,912.6
Recurring Income Contribution(1)	46.1%	28.3%	26.0%
Current Ratio(2)	1.38	2.81	3.27
Return on Assets(3)	22.7%	14.3%	11.2%
Return on Equity(4)	26.3%	18.8%	15.2%
Asset to Equity(5)	1.04	1.22	1.28
Solvency Ratio(6)	5.77	0.78	0.52
Earnings per share(7)	0.68	0.40	0.29
Book Value per share(8)	2.87	2.30	1.99
Debt to Equity Ratio (9)	-	-	-
Interest Rate Coverage Ratio (10)	-	-	-

Notes:

- (1) Recurring income is composed of rental income. Recurring income contribution measures the stability of the Company's income source.
- (2) Current ratio is derived by dividing current assets by current liabilities at the end of a given period. Current ratio measures the Company's ability to pay short-term obligations.
- (3) Return on assets is derived by dividing the Company's net income by total assets.
- (4) Return on equity is derived by dividing net income by average shareholders' equity.
- (5) Asset to equity ratio is derived by dividing total assets by shareholders' equity. Asset to equity ratio measures the Company's financial leverage and long-term solvency.
- (6) Solvency Ratio is derived by the total of net income, amortization, and depreciation by total liabilities.
- (7) Earnings per share is derived by dividing net profit attributable less dividends on preferred shares by weighted outstanding shares.
- (8) Book Value per Share is derived by dividing equity attributable to parent less preferred by outstanding shares.
- (9) Debt to Equity Ratio is derived by dividing total interest bearing debt by total stockholders equity
- (10) Interest Rate Coverage Ratio is derived by dividing earnings before interest and taxes by total interest paid.

## LIQUIDITY AND CAPITAL RESOURCES

The Company has mainly relied on the following sources of liquidity: (1) cash flow from operations, and (2) issuance of equity securities. The Company knows of no demands, commitments, events, or uncertainties that are reasonably likely to result in a material increase or decrease in liquidity.

The Company does not anticipate having any cash flow or liquidity problems over the next 12 months. The Company is not in breach or default on any loan or other form of indebtedness.

The Company expects to meet its operating assets and liabilities, capital expenditure, construction cost, dividend payment and investment requirements for the next 12 months primarily from its operating cash flows. It may also from time to time seek other sources of funding, which may include debt or equity financings, depending on its financing needs and market conditions.

## **INDEBTEDNESS**

As of December 31, 2022, the Company did not have any outstanding loan from any bank or financial institution.

## **CAPITAL EXPENDITURES**

Capital expenditures for the years ended December 31, 2022, 2021, and 2020 were related primarily to the construction and development of the Properties. Capital expenditures for the year ended December 31, 2022 are primarily related to the construction and development of Ascott-DD Meridian Park and equipment additions.

## **FINANCIAL RISK DISCLOSURE**

- The Company has no material off-balance sheet transactions, arrangements, obligations. The Company also has no unconsolidated subsidiaries.
- The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.
- The Company is not aware of any trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations.
- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.

## **SUMMARY OF REAL ESTATE TRANSACTIONS FOR 2022**

Other than the usual lease contracts entered into with tenants, there are no other real estate transactions for year the of 2022.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### RESULTS OF OPERATIONS

#### **DDMP REIT, INC.**

(formerly DD-Meridian Park Development Corp.)

(A Subsidiary of DoubleDragon Corporation)

#### **UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the nine months ended September 30, 2023 and September 30, 2022**

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	Horizontal Analysis Increase (Decrease)	Vertical Analysis 2023	Vertical Analysis 2022
<i>Amount in PHP</i>					
<b>INCOME</b>					
Rent income	1,440,436,397	1,668,138,197	(227,701,800)	-13.7%	77.0%
Interest income	39,995,998	39,014,167	981,831	2.5%	2.1%
Other income	391,256,609	110,572,861	280,683,748	253.8%	20.9%
	1,871,689,004	1,817,725,225	53,963,779	3.0%	100.0%
<b>COSTS AND EXPENSES</b>					
General and administrative expenses	305,146,526	227,517,694	77,628,832	34.1%	16.3%
Marketing expenses	12,159,961	21,155,988	(8,996,027)	-42.5%	0.6%
Interest expense	6,866,759	29,419,885	(22,553,126)	-76.7%	0.4%
	324,173,246	278,093,567	46,079,679	16.6%	17.3%
<b>INCOME BEFORE INCOME TAX</b>	1,547,515,758	1,539,631,658	7,884,100	0.5%	82.7%
<b>INCOME TAX EXPENSE</b>	-	-	-	0.0%	0.0%
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>1,547,515,758</b>	<b>1,539,631,658</b>	<b>7,884,100</b>	<b>0.5%</b>	<b>82.7%</b>

#### **Revenues**

Total revenues amounted to ₱1,871.7 million for the nine months ended September 30, 2023 compared to ₱1,817.7 million for the nine months ended September 30, 2022.

Rent income decreased by ₱227.7 million, or -13.7%, to ₱1,440.4 million for the nine months ended September 30, 2023 compared to ₱1,668.1 million for the same period in 2022, due to the decrease in occupancy.

The Company's interest income for the nine months ended September 30, 2023 increased by ₱1.0 million or, 2.5%, to ₱40.0 million, compared to ₱39.0 million for the nine months ended September 30, 2022.

Other income increased by ₱280.7 million, or 253.8% , to ₱391.3 million for the nine months ended September 30, 2023 compared to ₱110.6 million for the same period in 2022 due to the increase in admin fees and other charges, and interest charges to tenants.

#### **Costs and expenses**

The Company's costs and expenses increased by ₱46.1 million, or 16.6%, to ₱324.2 million for the nine months ended September 30, 2023 compared to ₱278.1 million for the same period in 2022 mainly due to increase in general and administrative expenses.

The Company's general and administrative expenses increased by ₱77.6 million, or 34.1%, to ₱305.1 million for the nine months ended September 30, 2023 compared to ₱227.5 million for the same period in 2022. The increase was mainly due to increase in utilities, taxes and licenses, and property management expenses.

The Company's marketing expenses decreased by ₱9.0 million, or -42.5%, to ₱12.2 million for the nine months ended September 30, 2023 compared to ₱21.2 million for the same period in 2022. The decrease was due to the decrease in print and multimedia advertisements.

Interest Expense decreased by ₱22.6 million or -76.7%, to ₱6.9 million for the nine months ended September 30, 2023 and compared to ₱29.4 million for the same period in 2022. The decrease was due to decrease in interest expense from discounting of security deposits.

#### **Income tax expense**

The Company recorded nil income tax expense for the nine months ended September 30, 2023 and 2022 due to the REIT tax incentive availed by the Company.

#### **Net Income**

As a result of the foregoing, the Company's net income for the nine months ended September 30, 2023 was ₱1,547.5 million compared to ₱1,539.6 million recorded for the same period in 2022.

## STATEMENTS OF FINANCIAL POSITION

### DDMP REIT, INC.

(formerly DD-Meridian Park Development Corp.)

(A Subsidiary of DoubleDragon Corporation)

### UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at September 30, 2023

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)	Horizontal Analysis Increase (Decrease)		Vertical Analysis 2023 2022	
	<i>Amount in PHP</i>					
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	340,462,704	506,203,658	(165,740,954)	-32.7%	0.6%	1.0%
Receivables	2,285,874,844	1,798,787,341	487,087,503	27.1%	4.3%	3.4%
Prepaid expenses and other current assets	76,480,441	72,574,248	3,906,193	5.4%	0.1%	0.1%
<b>Total Current Assets</b>	<b>2,702,817,989</b>	<b>2,377,565,247</b>	<b>325,252,742</b>	<b>13.7%</b>	<b>5.0%</b>	<b>4.5%</b>
<b>Noncurrent Assets</b>						
Receivables - net of current portion	123,777,340	128,659,625	(4,882,285)	-3.8%	0.2%	0.2%
Property and equipment - net	3,780,405	7,315,535	(3,535,130)	-48.3%	0.0%	0.0%
Investment property	49,160,694,443	49,132,989,226	27,705,217	0.1%	91.8%	92.3%
Finance lease receivable	1,161,777,475	1,139,125,173	22,652,302	2.0%	2.2%	2.1%
Other noncurrent assets	424,237,086	423,284,185	952,901	0.2%	0.8%	0.8%
<b>Total Noncurrent Assets</b>	<b>50,874,266,749</b>	<b>50,831,373,744</b>	<b>42,893,005</b>	<b>0.1%</b>	<b>95.0%</b>	<b>95.5%</b>
<b>Total Assets</b>	<b>53,577,084,738</b>	<b>53,208,938,991</b>	<b>368,145,747</b>	<b>0.7%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	1,322,984,129	1,241,397,698	81,586,431	6.6%	2.5%	2.3%
Dividend Payable	454,183,205	486,208,464	(32,025,259)	-6.6%	0.8%	0.9%
<b>Total Current Liabilities</b>	<b>1,777,167,334</b>	<b>1,727,606,162</b>	<b>49,561,172</b>	<b>2.9%</b>	<b>3.3%</b>	<b>3.2%</b>
<b>Noncurrent Liabilities</b>						
Other noncurrent liabilities	451,552,109	369,711,767	81,840,342	22.1%	0.8%	0.7%
<b>Total Noncurrent liabilities</b>	<b>451,552,109</b>	<b>369,711,767</b>	<b>81,840,342</b>	<b>22.1%</b>	<b>0.8%</b>	<b>0.7%</b>
<b>Total Liabilities</b>	<b>2,228,719,443</b>	<b>2,097,317,929</b>	<b>131,401,514</b>	<b>6.3%</b>	<b>4.2%</b>	<b>3.9%</b>
<b>Equity</b>						
Capital stock	17,827,465,406	17,827,465,406	-	0.0%	33.3%	33.5%
Retained earnings	33,520,899,889	33,284,155,656	236,744,233	0.7%	62.6%	62.6%
<b>Total Equity</b>	<b>51,348,365,295</b>	<b>51,111,621,062</b>	<b>236,744,233</b>	<b>0.5%</b>	<b>95.8%</b>	<b>96.1%</b>
<b>Total Liabilities and Equity</b>	<b>53,577,084,738</b>	<b>53,208,938,991</b>	<b>368,145,747</b>	<b>0.7%</b>	<b>100.0%</b>	<b>100.0%</b>



## **ASSETS**

The Company's assets were at ₱53.6 billion as of September 30, 2023, an increase of ₱368.1 million, or 0.7%, from assets of ₱53.2 billion as of December 31, 2022.

### Cash and cash equivalents

The Company's cash and cash equivalents were ₱340.5 million as of September 30, 2023, a decrease of ₱165.7 million, or -32.7%, from cash and cash equivalents of ₱506.2 million as of December 31, 2022. The decrease was mainly due to payment of dividends.

### Receivables – net

The Company's net receivables – current, were ₱2,285.9 million as of September 30, 2023, a ₱487.1 million, or 27.1% increase from net receivables of ₱1,798.8 million as of December 31, 2022. The increase is mainly due to the increase in rent receivables.

### Prepaid expenses and other current assets

The Company's prepaid expenses and other current assets were ₱76.5 million as of September 30, 2023, a ₱3.9 million, or 5.4% increase from prepaid expenses and other current assets of ₱72.6 million as of December 31, 2022. The increase was mainly due to the increase in prepaid real property taxes.

### Property and equipment - net

The Company's property and equipment (net) were ₱3.8 million as of September 30, 2023, a ₱3.5 million, or -48.3% decrease from property and equipment (net) of ₱7.3 million as of December 31, 2022 due to depreciation for the period.

### Investment property

The Company's investment property amounted to ₱49.2 billion as of September 30, 2023, a ₱27.7 million increase (+0.1%) compared to ₱49.1 billion in December 31, 2022.

### Finance lease receivable

The Company reported finance lease receivable of ₱1,161.8 million as of September 30, 2023, a ₱22.7 million, or 2.0% increase from finance lease receivable of ₱1,139.1 million as of December 31, 2022.

### Other noncurrent assets

The Company's other noncurrent assets were ₱424.2 million as of September 30, 2023, a ₱1.0 million, or 0.2% increase from other noncurrent assets of ₱423.3 million as of December 31, 2022.

## **LIABILITIES**

The Company's liabilities were at ₱2.2 billion as of September 30, 2023, an increase of ₱131.4 million, or 6.3% from liabilities of ₱2.1 billion as of December 31, 2022. The increase is mainly from the increase in accounts payable.

The Company has no bank and intercompany debts.

### Accounts payable and other current liabilities

The Company's accounts payable and other current liabilities were ₱1,323.0 million as of September 30, 2023, an increase of ₱81.6 million, or 6.6% from accounts payable and other current liabilities of ₱1,241.4 million as of December 31, 2022. The increase was mainly due to higher trade payables and increase in construction bond.

#### Dividends Payable

As of September 30, 2023, the Company reported ₱454.2 million dividends payable pertaining to the second quarter dividends of the Company.

#### Other noncurrent liabilities

The Company's other noncurrent liabilities were ₱451.6 million as of September 30, 2023, a ₱81.8 million, or 22.1% increase from other noncurrent liabilities of ₱369.7 million as of December 31, 2022. The increase is due to the increase in security deposits and unearned rent income.

### **EQUITY**

The Company's equity were at ₱51.3 billion as of September 30, 2023, an increase of ₱236.7 million, or 0.5% increase from equity of ₱51.1 billion as of December 31, 2022, as a result of the net income during the period less dividends declared.

### **Dividend Declaration**

The Company has declared the following regular dividends for holders of Common Shares for 2023:

<b>Type of Dividend</b>	<b>Date of Declaration</b>	<b>Date of Record</b>	<b>Date of Payment</b>	<b>Per Share</b>
Cash dividend	April 17, 2023	May 5, 2023	May 31, 2023	₱0.0226599
Cash dividend	May 15, 2023	June 19, 2023	July 13, 2023	₱0.0253889
Cash dividend	September 29, 2023	November 6, 2023	November 29, 2023	₱0.0254766

### **Distributable Income**

The computation of distributable income of the Parent Company for the nine months ending September 30, 2023 is shown below:

	September 30, 2023
Net income of the Company	P1,547,515,758
Fair value adjustments of investment Property resulting to gain (after tax)	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	(14,185,156)
	<u>P1,533,330,602</u>

Out of the 2023 distributable income, P906.80 million was already declared as of September 30, 2023.

### **KEY PERFORMANCE INDICATORS OF THE COMPANY**

	<b>Unaudited SEPTEMBER 30, 2023</b>	<b>Audited DECEMBER 31, 2022</b>
Current Ratio	1.52	1.38
Asset to Equity	1.04	1.04

Debt to Equity Ratios	N/A (no debt)	N/A (no debt)
On Gross Basis	-	-
On Net Basis	-	-
Acid Test Ratio	1.48	1.33

	<b>Unaudited FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023</b>	<b>Unaudited FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022</b>
Return on Equity	3.02%	3.75%
Net Income to Revenue	82.68 %	84.70%
EBITDA	PHP 1,558.59 million	PHP 1,574.14 million
Solvency Ratio	0.70	0.17
Interest Coverage Ratio	N/A (no debt)	N/A (no debt)

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 (Gross Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$
4. Debt to Equity Ratio (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	$\frac{\text{Cash + Accounts Receivable + Marketable Securities}}{\text{Current Liabilities}}$
6. Return on Equity	$\frac{\text{Net Income}}{\text{Average Equity}}$
7. Net Income to Revenue	$\frac{\text{Net Income}}{\text{Total Revenue}}$
8. EBITDA	Net Income + Depreciation and Amortization + Interest Expense
9. Solvency Ratio	$\frac{\text{Net Income + Depreciation and Amortization}}{\text{Total Liabilities}}$
10. Interest Coverage Ratio	$\frac{\text{Earnings Before Interest and Taxes}}{\text{Interest Paid}}$

### **OTHER DISCLOSURES**

- The Company has no material commitment for capital expenditures other than those performed in the ordinary course of trade or business.
- The Company has no material off-balance sheet transactions, arrangements, obligations. The Company also has no unconsolidated subsidiaries.
- The Company is not aware of any event that will trigger direct or contingent financial obligation that is material to the Company, including default or acceleration of any obligation.
- The Company is not aware of any trends, events, or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations.

- There have not been any seasonal aspects that had a material effect on the financial condition or results of the Company's operations.

## PART II--OTHER INFORMATION

### ITEM 3. SUMMARY OF REAL ESTATE TRANSACTIONS FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2023

Other than the usual lease contracts entered into with tenants, there are no other real estate transactions for the nine months ending September 30 2023.

### ITEM 4. PROPERTY PERFORMANCE

	<b>DoubleDragon Plaza</b>	<b>DoubleDragon Center East</b>	<b>DoubleDragon Center West</b>
Valuation*	₱35,629.5 million	₱3,435.5 million	₱4,043.6 million
WALE (years)	2.79	3.79	1.37
Total Gross Leasable Area (GLA) in sqm	139,239.41	16,197.20	16,815.02
Occupancy Rate	67.68%	100.0%	94.76%
Rental Income for the nine months ended September 30, 2023	₱1,003.61 million	₱221.82 million	₱207.43 million
Rental Contribution for the nine months ended September 30 2023	69.67%	15.40%	14.40%

\*As of December 31, 2022 Valuation Date

DoubleDragon Plaza, DoubleDragon Center East and DoubleDragon Center West are all located in DD Meridian Park, Pasay City, with a blended occupancy rate of 73.36% as of September 30, 2023.

#### Property under development

	<b>DoubleDragon Tower</b>	<b>Ascott-DD Meridian Park</b>
Lessee	DD Tower, Inc.	DDMP Serviced Residences, Inc.
Rental from building and land	₱24.75 million*	-
Remaining Lease Term	98 years	98 years

\*includes lease for DoubleDragon Tower building which was accounted for under finance lease.

#### **Material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period**

None.

#### **STATUS OF THE IMPLEMENTATION OF THE REINVESTMENT PLAN**

The Company's Sponsors have already fully disbursed the total net proceeds from the Initial Public Offering (IPO) of DDMP REIT, Inc. ("DDMPR") pursuant to the Reinvestment Plan of the Sponsors.

## ANNEX D2

### MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY

#### 1. Market Information

The Company's Common Shares are traded and listed with the Philippine Stock Exchange starting March 24, 2021.

The tables below set forth the market prices of the Common Shares in 2021, 2022 and 2023.

#### 2021

Prices (in PhP/share)

	High	Low	Close
First Quarter	2.40	2.11	2.15
Second Quarter	2.30	1.90	1.99
Third Quarter	2.04	1.75	1.80
Fourth Quarter	1.92	1.77	1.79

#### 2022

Prices (in PhP/share)

	High	Low	Close
First Quarter	1.82	1.52	1.58
Second Quarter	1.75	1.41	1.46
Third Quarter	1.58	1.22	1.24
Fourth Quarter	1.32	1.17	1.29

#### 2023

Prices (in PhP/share)

	High	Low	Close
First Quarter	1.47	1.27	1.37
Second Quarter	1.38	1.26	1.27
Third Quarter	1.35	1.24	1.30

As of September 30, 2023, the closing price of the Company's common shares was ₱1.30 per share with a total market capitalization of ₱23,175,705,028.

The price information as of the close of the latest practicable trading date October 27, 2023 is ₱1.27 per share with a total market capitalization of ₱22,640,881,065.62.

## 2. Holders

As of September 30, 2023, the Top 20 Shareholders of the Company are as follows:

Rank	Name	No. of Shares	Percentage
1	DOUBLEDRAGON PROPERTIES CORP.	7,903,519,158	44.33%
2	PCD NOMINEE CORPORATION - FILIPINO	6,305,184,978	35.37%
3	BENEDICTO V. YUJUICO	1,720,739,589	9.65%
4	TERESITA M. YUJUICO	1,666,469,340	9.35%
5	PCD NOMINEE CORPORATION - NON FILIPINO	222,308,338	1.25%
6	JOSE IVAN T. JUSTINIANO OR MA. JEMA V. JUSTINIANO	6,000,000	0.03%
7	MARTINA MARIA ELIZABETH Y. GUTIERREZ	833,000	0.00%
8	MANUEL I. GUTIERREZ OR MARTINA MARIA ELIZABETH Y. GUTIERREZ	655,000	0.00%
9	G.D. TAN & CO., INC.	420,000	0.00%
10	LEOPOLDO FRANCISCO SULPICO JR.	300,000	0.00%
11	MYRA P. VILLANUEVA	220,000	0.00%
12	EMERIZA G. BORJA	200,000	0.00%
13	MYRNA P. VILLANUEVA	150,000	0.00%
14	ROWENA T. GAN	100,000	0.00%
15	YEE MEN SIAO OR CHARLENE SARTE YEE OR DIXIE JILL SARTE YEE	100,000	0.00%
16	ROGER LEE CASTRO	50,000	0.00%
17	MARY EVE T. PAMINTUAN	50,000	0.00%
18	CATHERINE P. SALAS	50,000	0.00%
19	MILAGROS P. VILLANUEVA	44,000	0.00%
20	NAPOLEON S. MALIG	30,000	0.00%
		<b>17,827,423,403</b>	<b>100.00%</b>

There are around 41,420 holders of at least one board lot of 50 shares.

### 3. Dividends

#### Dividend Policy

The Company's current dividend policy provides that at least 90% 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. There can be no guarantee that the Company will pay any dividends in the future. The declaration and payment of dividends is subject to compliance annually or as often as the Board of Directors may deem appropriate, in cash or in kind and/or in additional shares from its surplus profits. The ability of the Company to pay dividends will depend on its retained earnings level and financial condition. There is no assurance that the Company will pay dividends in the future.

The following dividends were declared/paid since the last shareholders' meeting up to present:

Date of Dividend Declaration	Record Date	Dividends per share	Date of Payment
November 15, 2022	December 13, 2022	P0.0272730	January 9, 2023
April 17, 2023	May 5, 2023	P0.0226599	May 31, 2023
May 15, 2023	June 19, 2023	P0.0253889	July 13, 2023
September 29, 2023	November 6, 2023	P0.0254766	November 29, 2023

#### 4. Recent Sale of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction.

There is no sale of unregistered or exempt securities nor issuance of securities constituting an exempt transaction that took place since the last fiscal year.

**ANNEX D3**

**2022 Audited Consolidated Financial Statements and  
Supplementary Schedules**



# DDMP REIT, INC. AND SUBSIDIARIES

(Formerly DD-MERIDIAN PARK DEVELOPMENT CORP.)  
(A Subsidiary of DoubleDragon Corp.)

**CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2022, 2021 and 2020**

With Independent Auditors' Report



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet www.home.kpmg/ph  
Email ph-inquiry@kpmg.com

## REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders

**DDMP REIT, Inc.**

DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza  
DD Meridian Park Corner Macapagal Avenue & EDSA Extension  
Bay Area, Pasay City, Metro Manila

### *Opinion*

We have audited the consolidated financial statements of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) and its Subsidiaries (the “Group”), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRS).

### *Basis for Opinion*

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until November 21, 2023

SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



### *Key Audit Matter*

Key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

#### *Valuation of Investment Property (P49.1 billion)*

Refer to Note 9 to the consolidated financial statements.

#### *The risk*

The valuation of investment property requires significant judgments and estimates by management and the independent valuation expert engaged by the Group. Any input inaccuracies or unreasonable bases used in these judgments and estimates could result in a material misstatement of the net income and investment property.

#### *Our response*

We performed the following audit procedures around the valuation of investment property:

- We evaluated the Group's controls over the data and assumptions used in the valuation of the investment property portfolio and management's review of the valuations;
- We evaluated the competence, capabilities and objectivity of the independent valuation expert;
- We discussed with the valuation expert to obtain understanding of the methodology and assumptions used in the valuation;
- We conducted comparison of assumptions and/or detailed analytical procedures by reference to external market data to evaluate the appropriateness of the valuation and investigated further the valuation of those properties which were not in line with our expectations; and
- We evaluated the adequacy of the financial statements disclosures.

### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2022 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.



### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Darwin P. Virocel.

**R.G. MANABAT & CO.**

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for five (5) years  
covering the audit of 2019 to 2023 financial statements

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 9563853

Issued January 3, 2023 at Makati City

April 17, 2023

Makati City, Metro Manila



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet [www.home.kpmg/ph](http://www.home.kpmg/ph)  
Email [ph-inquiry@kpmg.com](mailto:ph-inquiry@kpmg.com)

## **REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Board of Directors and Stockholders

**DDMP REIT, Inc.**

DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza  
DD Meridian Park Corner Macapagal Avenue & EDSA Extension  
Bay Area, Pasay City, Metro Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of DDMP REIT, Inc., formerly DD-Meridian Park Development Corp., and its subsidiaries (the “Group”) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 17, 2023.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group’s management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until November 21, 2023

SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

**R.G. MANABAT & CO.**

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for five (5) years  
covering the audit of 2019 to 2023 financial statements

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 9563853

Issued January 3, 2023 at Makati City

April 17, 2023

Makati City, Metro Manila



R.G. Manabat & Co.  
The KPMG Center, 6/F  
6787 Ayala Avenue, Makati City  
Philippines 1209  
Telephone +63 (2) 8885 7000  
Fax +63 (2) 8894 1985  
Internet www.home.kpmg/ph  
Email ph-inquiry@kpmg.com

**REPORT OF INDEPENDENT AUDITORS  
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING  
WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders

**DDMP REIT, Inc.**

DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza  
DD Meridian Park Corner Macapagal Avenue & EDSA Extension  
Bay Area, Pasay City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the financial statements of DDMP REIT, Inc., formerly DD-Meridian Park Development Corp., and its subsidiaries (the “Group”) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated April 17, 2023.

Our audits were made for the purpose of forming an opinion on the consolidated financial statements of the Group taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Group’s management. Such additional components include:

- Map of the Conglomerate
- Supplementary Schedules of Annex 68-J
- Reconciliation of Retained Earnings Available for Dividend Declaration

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until November 21, 2023

SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024 financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)





These supplementary information are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements. Such information have been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as a whole.

**R.G. MANABAT & CO.**

A handwritten signature in black ink, appearing to read 'D. Virocel', written over a horizontal line.

DARWIN P. VIROCEL

Partner

CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, valid for five (5) years  
covering the audit of 2019 to 2023 financial statements

Tax Identification No. 912-535-864

BIR Accreditation No. 08-001987-031-2022

Issued June 27, 2022; valid until June 27, 2025

PTR No. MKT 9563853

Issued January 3, 2023 at Makati City

April 17, 2023

Makati City, Metro Manila

**DDMP REIT, INC.**  
**(Formerly DD-Meridian Park Development Corp.)**  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION\***

		December 31	
	Note	2022	2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	5	P506,203,658	P207,694,318
Receivables	6, 15	1,798,787,341	1,971,863,304
Due from related parties	15	-	5,122,816
Prepaid expenses and other current assets	7	72,574,248	449,598,186
<b>Total Current Assets</b>		<b>2,377,565,247</b>	2,634,278,624
<b>Noncurrent Assets</b>			
Receivables - net of current portion	6	128,659,625	301,329,219
Property and equipment - net	8	7,315,535	12,650,656
Investment property	9	49,132,989,226	45,695,260,832
Finance lease receivable	15, 16	1,139,125,173	1,110,115,886
Other noncurrent assets	10	423,284,185	431,235,925
<b>Total Noncurrent Assets</b>		<b>50,831,373,744</b>	47,550,592,518
		<b>P53,208,938,991</b>	P50,184,871,142
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and other current liabilities	11	P1,241,397,698	P938,100,080
Dividends payable	18	486,208,464	-
<b>Total Current Liabilities</b>		<b>1,727,606,162</b>	938,100,080
<b>Noncurrent Liabilities</b>			
Deferred tax liabilities - net	17	-	7,911,924,227
Other noncurrent liabilities	12	369,711,767	362,157,530
<b>Total Noncurrent Liabilities</b>		<b>369,711,767</b>	8,274,081,757
<b>Total Liabilities</b>		<b>2,097,317,929</b>	9,212,181,837
<b>Equity</b>			
Capital stock	18	17,827,465,406	17,827,465,406
Retained earnings		33,284,155,656	23,145,223,899
<b>Total Equity</b>		<b>51,111,621,062</b>	40,972,689,305
		<b>P53,208,938,991</b>	P50,184,871,142

\*The statements of financial position as at December 31, 2022 and 2021 refer to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) following the sale of its investments in subsidiaries on February 10, 2021. (Note 2).

See Notes to the Consolidated Financial Statements.

**DDMP REIT, INC.**  
**(Formerly DD-Meridian Park Development Corp.)**  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME\***

		Years Ended December 31		
Note	2022	2021	2020	
<b>INCOME</b>				
Unrealized gains from changes in fair values of investment property	9	<b>P2,337,301,233</b>	P5,130,611,601	P5,383,709,548
Rent income	15, 16	<b>2,177,821,246</b>	2,176,187,826	1,912,618,974
Interest income	5, 16	<b>52,152,940</b>	38,969,820	20,708,383
Other income	6, 15, 16	<b>156,602,843</b>	353,451,051	40,697,838
		<b>4,723,878,262</b>	7,699,220,298	7,357,734,743
<b>COST AND EXPENSES</b>				
General and administrative expenses	14	<b>456,810,284</b>	354,050,327	234,849,773
Marketing expenses	13	<b>27,745,266</b>	29,519,855	26,477,931
Interest expense	12	<b>46,765,811</b>	38,174,269	35,635,069
Other expenses	18	-	87,572,492	-
		<b>531,321,361</b>	509,316,943	296,962,773
<b>INCOME BEFORE INCOME TAX</b>		<b>4,192,556,901</b>	7,189,903,355	7,060,771,970
<b>INCOME TAX BENEFIT (EXPENSE)</b>	17	<b>7,911,924,227</b>	(15,554,714)	(1,974,100,543)
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>		<b>P12,104,481,128</b>	P7,174,348,641	P5,086,671,427
<b>BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY</b>	18	<b>P0.68</b>	P0.40	P0.29

\*The statement of comprehensive income for the year ended December 31, 2022 refers to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) while the statements of comprehensive income for the year ended December 31, 2021 and 2020 refer to the consolidated accounts of the Group. (Note 1).

See Notes to the Consolidated Financial Statements.

**DDMP REIT, INC.**  
**(Formerly DD-Meridian Park Development Corp.)**  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY\***

	<i>Note</i>	<b>Years Ended December 31</b>		
		<b>2022</b>	2021	2020
<b>CAPITAL STOCK - P1 par value</b>				
	18			
<b>Issued and outstanding</b>				
Balance at beginning and end of year		<b>P17,827,465,406</b>	P17,827,465,406	P17,827,465,406
<b>RETAINED EARNINGS</b>				
Balance at beginning of year		<b>23,145,223,899</b>	17,688,846,617	13,526,642,281
Net income/total comprehensive income for the year		<b>12,104,481,128</b>	7,174,348,641	5,086,671,427
Dividends declared	18	<b>(1,965,549,371)</b>	(1,718,410,427)	(923,954,591)
Other movement	2	-	439,068	-
Stock issuance cost		-	-	(512,500)
Balance at end of year		<b>33,284,155,656</b>	23,145,223,899	17,688,846,617
		<b>P51,111,621,062</b>	P40,972,689,305	P35,516,312,023

\*The statement of comprehensive income for the year ended December 31, 2022 refer to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) while the statements of comprehensive income for the year ended December 31, 2021 and 2020 refer to the consolidated accounts of the Group (Note 1)

See Notes to the Consolidated Financial Statements.

**DDMP REIT, INC.**  
**(Formerly DD-Meridian Park Development Corp.)**  
**AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS\***

		Years Ended December 31		
	Note	2022	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax		<b>P4,192,556,901</b>	P7,189,903,355	P7,060,771,970
Adjustments for:				
Unrealized gains from changes in fair values of investment property	9	<b>(2,337,301,233)</b>	(5,130,611,601)	(5,383,709,548)
Interest expense	5, 16	<b>103,042,110</b>	38,174,269	35,635,069
Impairment loss on receivables	6	<b>77,073,187</b>	20,769,796	-
Interest income	12	<b>(52,152,940)</b>	(38,969,820)	(20,708,383)
Depreciation and amortization	8, 10, 14	<b>6,782,084</b>	6,779,342	6,707,693
Day 1 loss	6	-	24,216,438	-
Other income	9, 16	-	(6,181,505)	-
Operating income before working capital changes		<b>1,990,000,109</b>	2,104,080,274	1,698,696,801
Decrease (increase) in:				
Receivables	20	<b>(786,971,998)</b>	(1,362,852,535)	(528,814,024)
Due from related parties		<b>5,122,816</b>	(2,766,569)	92,705,128
Prepaid expenses and other current assets		<b>375,654,307</b>	274,869,545	67,422,535
Increase (decrease) in:				
Accounts payable and other current liabilities		<b>310,949,357</b>	(27,415,354)	50,732,563
Due to related parties		-	(400)	(129,635,083)
Other noncurrent liabilities	20	<b>(95,487,873)</b>	(9,058,803)	(311,564,029)
Cash generated from operations		<b>1,799,266,718</b>	976,856,158	939,543,891
Interest received	5, 16	<b>143,652</b>	23,944,612	20,708,383
Income tax paid		-	(25,325,458)	(232,234,979)
Net cash provided by operating activities		<b>1,799,410,370</b>	975,475,312	728,017,295
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Additions to investment property	9, 20	<b>(20,413,161)</b>	(137,140,027)	(450,046,010)
Acquisition of:				
Property and equipment	8	<b>(1,146,961)</b>	(1,060,170)	(604,298)
Proceeds from disposal of subsidiaries, net of cash given up	2	-	439,068	-
Increase in other noncurrent assets	20	-	(427,255)	(2,205,113)
Net cash used in investing activities		<b>(21,560,122)</b>	(138,188,384)	(452,855,421)

Forward

		<b>Years Ended December 31</b>		
	<b>Note</b>	<b>2022</b>	2021	2020
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	18	<b>(P1,479,340,908)</b>	(P1,718,410,427)	(P1,397,773,008)
Payment of stock issuance costs		-	-	(512,500)
Net cash used in financing activities		<b>(1,479,340,908)</b>	(1,718,410,427)	(1,398,285,508)
<b>NET INCREASE (DECREASE) IN CASH</b>		<b>298,509,340</b>	(881,123,499)	(1,123,123,634)
<b>CASH AT BEGINNING OF YEAR</b>		<b>207,694,318</b>	1,088,817,817	2,211,941,451
<b>CASH AT END OF YEAR</b>	5	<b>P506,203,658</b>	P207,694,318	P1,088,817,817

\*The statement of cash flow for the year ended December 31, 2022 refers to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) while the statements of cash flows for the years December 31, 2021 and 2020 refer to the consolidated accounts of the Group (Note 1).

See *Notes to the Consolidated Financial Statements*.

**DDMP REIT, INC.**  
**(Formerly DD-Meridian Park Development Corp.)**  
**AND SUBSIDIARIES**

---

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

---

**1. Reporting Entity**

DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) (the “Parent Company” or “DDMP”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014 primarily to engage in the business of real estate development including but not limited to residential and condominium projects, to acquire by purchase or lease land and interest in land, to own, hold, impose, promote, develop, subdivide and manage any land owned, held or occupied by the Company, to construct, manage or administer buildings such as condominiums, apartments, hotels, restaurants, stores or other structures and to mortgage, sell, lease or otherwise dispose of land, interests in land and buildings or other structures at any time. The Parent Company is incorporated primarily to construct DD Meridian Park, a 4.75 hectare ongoing, mixed-use development real estate property situated in Pasay City (Note 9).

On November 11, 2020, the Board of Directors (BOD) and shareholders approved to offer, subject to compliance with existing laws, and the rules and regulations of the SEC, up to 5,942,488,469 secondary common shares, with an over-allotment option up to 594,248,847 secondary common shares through an initial public offering (IPO) at the price up to P2.25 per share. On November 23, 2020, the Parent Company filed its Registration Statement with the SEC covering its IPO.

On November 11, 2020, the BOD and shareholders approved to amend the Parent Company’s Articles of Incorporation (AOI). The SEC approved the amendment of the Parent Company’s AOI on November 26, 2020. Relevant amendments include:

- Change in the Parent Company’s name to DDMP REIT, INC.; and
- Amendment of the primary purpose of the Parent Company. The amended primary purpose of the Parent Company is now to engage in the business of a real estate investment trust (REIT), as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations (the “REIT Act”), and other applicable laws
- Change of corporate term to perpetual existence;
- Increase in the number of BOD to nine (9) and inclusion of independent directors;
- Compliance with the lock-up requirements under the Listing Rules of the Philippine Stock Exchange, Inc.;
- Removal of the contractual restrictions on the disposition of shares; and
- Inclusion of additional restriction on transfer of shares as provided under REIT Act.

On March 24, 2021, the Parent Company completed its initial public offering and was listed in the Philippine Stock Exchange (“PSE”) under the stock symbol “DDMPR”, as a REIT entity. DD remains as the ultimate parent company and controlling shareholder of DDMP.

On February 10, 2021 the Parent Company sold its investments in DDMP REIT Fund Managers, Inc. (DRFMI) and DDMP REIT Property Managers, Inc. (DRPMI) (collectively referred to as the “Subsidiaries”) to DD. The sale resulted in a loss of control and de-consolidation. Due to the disposal, the statement of financial position as at December 31, 2021 refers to the individual statement of financial position of the Parent Company. The statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2021 includes the financial performance of the Subsidiaries from January 1, 2021 to February 10, 2021 and the impact of the disposal.

The financial statements as at and for the years ended December 31, 2021 and 2020 refers to the consolidated financial statements of the Group, comprising the financial statements of the Parent Company and DDMP REIT Fund Managers, Inc. (DRFMI) and DDMP REIT Property Managers, Inc. (DRPMI) (collectively referred to as the “Subsidiaries”) (together with the Parent Company, collectively referred to as the “Group”), while the financial statements for the year ended December 31, 2022 refers to the individual financial statements of the Parent Company.

The Group’s office address is DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila.

---

## 2. Basis of Preparation

### Statement of Compliance

The accompanying consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). PFRS are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRS consist of PFRS, Philippine Accounting Standards (PAS), and Philippine Interpretations.

### Authorization for Issuance of the Consolidated Financial Statements

The consolidated financial statements were approved and authorized for issuance by the Board of Directors (BOD) on April 17, 2023.

### Basis of Measurement

The consolidated financial statements have been prepared using the historical cost basis of accounting, except for investment property which is measured at fair value.

### Functional and Presentation Currency

The consolidated financial statements are presented in Philippine peso, which is the Parent Company’s functional currency. All financial information expressed in Philippine peso has been rounded off to the nearest peso, unless otherwise stated.

### Basis of Consolidation

The consolidated financial statements in 2020 include the accounts of the Parent Company and the Subsidiaries. The equity interests of the Parent Company in the Subsidiaries as at December 31, 2020 are as follows:

Subsidiaries	Percentage of Ownership
DRFMI <sup>(a)</sup>	2020
DRPMI <sup>(a)</sup>	100
	100

*(a) Incorporated on November 19, 2020 and sold on February 10, 2021*



#### *DRFMI*

DRFMI was incorporated and registered with the SEC on November 19, 2020 primarily to engage in the business of providing fund management services to real estate investment trust (REIT) companies, as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009) and its implementing rules and regulations.

#### *DRPMI*

DRPMI was incorporated and registered with the SEC on November 19, 2020 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 programs in respect of building management, maintenance and improvement; and initiate refurbishments and monitoring of such activities.

On February 10, 2021, the Parent Company sold its investments in subsidiaries to DD for total consideration of P51,250,000 (Note 1). Related gain, as a result of deconsolidation, amounting to P439,068, was charged directly to Retained Earnings.

A subsidiary is an entity controlled by the Group. The Group controls an entity if, and only if, the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements and the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date when the Group obtains control, and continue to be consolidated until the date when such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using uniform accounting policies for like transactions and other events in similar circumstances. Intergroup balances and transactions, including intergroup unrealized profits and losses, are eliminated in preparing the consolidated financial statements.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, the Group: (i) derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any non-controlling interests and the cumulative transaction differences recorded in equity; (ii) recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss; and, (iii) reclassify the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Subsidiaries in 2020 are all domiciled in the Philippines.

---

### 3. Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all the periods presented in these consolidated financial statements, except for the changes in accounting policies as explained below.

#### Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The Financial and Sustainability Reporting Standards Council (FSRSC) approved the adoption of a number of amended standards as part of PFRS.

The Group has adopted the following new standards, amendments to standards and interpretations starting January 1, 2022 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Group's consolidated financial statements.

- *COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to PFRS 16 Leases)*. The amendment extends the practical expedient introduced in the 2020 amendment which simplified how a lessee accounts for rent concessions that are a direct consequence of COVID-19, permitting lessees to apply the practical expedient to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

The amendment is effective for annual reporting periods beginning on or after April 1, 2021. Earlier application is permitted. A lessee applies the amendments retrospectively, recognizing the cumulative effect of the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate. The adoption is mandatory for lessees that chose to apply the practical expedient introduced by the 2020 amendments and may result in reversal of lease modifications that was ineligible for the practical expedient under the 2020 amendments, but becomes eligible as a result of the extension.

- *Property, Plant and Equipment - Proceeds before Intended Use (Amendments to PAS 16 Property, Plant and Equipment)*. The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, *Inventories*.

The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of an entity's ordinary activities, the amendments require the entity to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the consolidated statements of comprehensive income.

The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

- *Onerous Contracts - Cost of Fulfilling a Contract (Amendment to PAS 37 Provisions, Contingent Liabilities and Contingent Assets)*. The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprise both incremental costs and an allocation of other direct costs.

The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated.

- *Annual Improvements to PFRS Standards 2018-2020*. This cycle of improvements contains amendments to four standards, of which the following is applicable to the Group:
  - *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to PFRS 9 Financial Instruments)*. The amendment clarifies that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. It applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

#### Standards Issued But Not yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2022. However, the Group has not early adopted the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's financial statements.

#### *Effective January 1, 2023*

- *Definition of Accounting Estimates (Amendments to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)*. To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remain unchanged. The amendments also provide examples on the application of the new definition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- *Definition Disclosure of Accounting Policies (Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements)*. The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a entity's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures.

The amendments are effective from January 1, 2023. Earlier application is permitted.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12 Income Taxes)*. The amendments clarify that that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

*Effective January 1, 2024*

- *Classification of Liabilities as Current or Noncurrent - 2020 amendments and Non-Current Liabilities with Covenants - 2022 amendments (Amendments to PAS 1, Presentation of Financial Statements)*. To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;

- clarified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
- provided additional disclosure requirements for non-current liabilities subject to conditions within twelve months after the reporting period to enable the assessment of the risk that the liability could become repayable within twelve months; and
- clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

The amendments will apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Entities that have early applied the 2020 amendments may retain application until the 2022 amendments are applied. Entities that will early apply the 2020 amendments after issue of the 2022 amendments must apply both amendments at the same time.

*Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 Consolidated Financial Statements and PAS 28 Investments in Associates and Joint Ventures).* The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FSRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Current versus Noncurrent Classification

The Group presents assets and liabilities in the consolidated statements of financial position based on current and noncurrent classification. An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in the normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within 12 months after the reporting period; or (d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is current when: (a) it is expected to be settled in the normal operating cycle; (b) it is held primarily for trading; (c) it is due to be settled within 12 months after the reporting period; or (d) there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

## Financial Instruments

### *Date of Recognition*

The Group recognizes a financial asset or financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting.

### *Initial Recognition of Financial Instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized initially at fair value. The initial measurement, except for those designated as fair value through profit or loss (FVPL), includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

### *Financial Assets*

The Group classifies its financial assets, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Group for managing the financial assets.

Subsequent to initial recognition, financial assets are not reclassified unless the Group changes the business model for managing financial assets. All affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

The business model refers to how the Group manages the financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. The Group considers the following information in assessing the objective of the business model in which a financial asset is held at a portfolio level, which reflects the way the business is managed information is provided to management.

- the stated policies and objectives for the portfolio and the operations of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how employees of the business are compensated; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

For the purposes of assessing the cash flow characteristics of financial assets, "Principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

The Group considers the contractual terms of the instrument in assessing whether the contractual cash flows are solely payments of principal and interest. The assessment includes whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

The Group considers the following in making the assessment:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets.

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for financial assets acquired at a discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

For purposes of subsequent measurement, financial assets are classified in the following categories: financial assets at amortized cost, financial assets at FVOCI (with or without recycling of cumulative gains and losses) and financial assets at FVPL.

The Group has no financial assets at FVOCI and FVPL as at December 31, 2021 and 2020.

*Financial Assets at Amortized Cost.* A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVPL:

- it is held within a business model with the objective of holding financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the financial asset is derecognized, modified or impaired.

The Group's cash, receivables, due from related parties, finance lease receivables and refundable deposits under "Other noncurrent assets" accounts are included in this category (Notes 5, 6, 10, 15 and 16).

### Financial Liabilities

The Group classifies its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. The Group determines the classification of its financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group has no financial liabilities at FVPL as at December 31, 2021 and 2020.

### Other Financial Liabilities

This category pertains to financial liabilities that are not designated or classified as at FVPL. After initial measurement, other financial liabilities are carried at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any premium or discount and any directly attributable transaction costs that are considered an integral part of the effective interest rate of the liability. The effective interest rate amortization is included in "Interest expense" account in the consolidated statements of comprehensive income. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

The Group's accounts payable and other current liabilities, dividends payable, due to related parties and other noncurrent liabilities (excluding payables to government agencies and unearned rent income) accounts are included in this category (Notes 11, 12, 15 and 19).

### Derecognition of Financial Assets and Financial Liabilities

#### Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained.

#### Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in profit or loss.



### Modification of Financial Assets

For a modification of the financial asset that does not result in derecognition, the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows, is recognized in profit or loss as a gain or loss from modification. Costs or fees in relation to the modification of the financial asset are recognized as part of the carrying amount of the asset and amortized over the remaining term of the instrument. A modification of the original financial asset that results in derecognition of the financial asset, requires the recognition of a new financial asset in line with the general requirements for the initial recognition (i.e. at fair value plus transaction costs).

### Impairment of Financial Assets

The Group recognizes allowance for ECL on financial assets at amortized cost. ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group recognizes lifetime ECLs for receivables that do not contain significant financing component. The Group uses provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Group assesses whether financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or

- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in profit or loss.

#### Classification of Financial Instruments between Debt and Equity

From the perspective of the issuer, a financial instrument is classified as debt instrument if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

#### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

#### Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### Prepaid Expenses and Other Current Assets

Prepaid expenses represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are recognized in profit or loss as they are consumed in operations or expire with the passage of time. These typically comprise prepayments for taxes.

Prepaid expenses are classified in the consolidated statements of financial position as current assets when the cost of goods or goods related to the prepaid expenses are expected to be incurred within one year. Otherwise, prepaid expenses are classified as noncurrent assets.

Other current assets represent resources that are expected to be used up within one year after the reporting date. These typically comprise advances to contractors and suppliers, input value-added tax (VAT), etc.

#### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Depreciation and amortization, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Useful Life in Years
Project showroom	5
Equipment	5 to 10
Furniture and fixtures	5

The remaining useful lives, residual values, and depreciation and amortization methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period of retirement and disposal.

#### Computer Software Licenses

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software are expensed as incurred. Capitalized costs are amortized on a straight-line basis over an estimated useful life of five years as the lives of computer software licenses are considered limited.

The carrying amount of computer software licenses is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Computer software licenses is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period of retirement and disposal.

#### Investment Property

Investment property consists of properties held to earn rentals and/or for capital appreciation. Initially, investment property is measured at cost including certain transaction costs. Subsequent to initial recognition, investment property, is stated at fair value, which reflects market conditions at the reporting date. The fair value of investment property is determined by independent real estate valuation experts based on recent real estate transactions and listings with similar characteristics and location to those of the Group's investment property. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise.

Investment property of the Group is mainly composed of land, building and construction-in-progress.

Investment property is derecognized either when it is disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement and disposal of investment property is recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or real estate inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

#### Impairment of Non-financial Assets

The carrying amounts of non-financial assets reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs of disposal and value in use. The fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

### Capital Stock

Capital stock is measured at par value for all shares issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as deduction from equity, net of any tax effects.

### Retained Earnings

Retained earnings represent the accumulated net income or losses, net of any dividend distributions and other capital adjustments.

### Operating Segments

The reporting format of the Group's operating segment is determined based on the Group's risks and rates of return which are affected predominantly by differences in the services rendered. The Group has one business segment, which is related to its leasing business.

### Basic and Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Group by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Group by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares.

### Revenue Recognition

The Group recognizes revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenues exclude value-added tax (VAT) and other fees collected on behalf of other parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall, retail and spaces, wherein it is acting as agent.

The following specific recognition criteria must also be met before revenue is recognized:

#### *Mall Fees*

Mall fees includes electricity and water, net of related cost, service fees and interest and penalty charges billed to tenants. Electricity and water charges are recognized when the corresponding expenses are incurred. Services fee, interest and penalty charges are recognized when earned and incurred in accordance with the terms of the agreements. Mall fees are presented as part of the "Other income" account in the consolidated statements of comprehensive income.

#### *Common Usage Service Area (CUSA)*

CUSA charges from various charges to tenants are recognized when earned and incurred in accordance with the terms and agreements. CUSA charges are shown as part of "Rent income" in the consolidated statements of comprehensive income.

#### Revenue from Other Sources

##### *Rent Income from Operating Leases*

Rent income from investment property is recognized on a straight-line basis over the lease term and terms of the lease, respectively or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

##### *Interest Income*

Interest income is recognized as it accrues using the effective interest method. Interest income from banks which is presented net of final tax is recognized when earned. Interest income from finance lease is recognized as it accrues taking into account the effective yield on finance lease asset.

##### *Other Income*

Other income consists of income other than those generated in the ordinary course of business. This is recognized on an accrual basis.

#### Expense Recognition

Expenses are recognized when they are incurred and are reported in the consolidated financial statements in the periods to which they relate.

Expenses are also recognized when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably has arisen. Expenses are recognized on the basis of a direct association between costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition as an asset.

#### Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use:

- the Group has the right to obtain substantially all the economic benefits from use of the identified asset; and
- the Group has the right to direct the use of the identified asset.

#### *The Group as Lessor*

The Group determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is classified as an operating lease. As part of the assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the recognition exemption, it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies PFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

#### *Group as Lessor - Operating Lease*

Leases where the Group does not transfer substantially all the risks and benefits of the ownership of the assets are classified as operating leases. Rent income arising from operating lease is accounted for on a straight-line basis over the lease terms and is included in revenue due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.



#### *Group as Lessor - Finance Lease*

A lease is classified as a finance lease if the Group transfers substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group shall recognize assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease, which comprises the present value of the lease payments and any unguaranteed residual value accruing to the Group. The Group shall use the interest rate implicit in the lease to measure the net investment in the lease. Initial direct costs are included in the measurement of the receivable. The Group derecognizes the underlying asset and recognizes the difference between its carrying amount and the finance lease receivable in profit or loss. Finance income is recognized over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease.

#### Taxes

##### *Current Tax*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting date, and any adjustment to tax payable in respect of previous years.

##### *Deferred Tax*

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and the carryforward tax benefits of the net operating loss carry-over (NOLCO) to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and the carryforward tax benefits of NOLCO can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or a liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize deferred tax asset in full, the future taxable profits, adjusted for reversals of existing temporary differences, are considered based on the business plan of the Group.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### VAT

Revenues, expenses and assets are recognized net of the amount of VAT. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Accounts payable and other current liabilities" account in the consolidated statements of financial position.

#### Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

#### Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable.

#### Distributable Income

Under the Revised Implementing Rules and Regulations of REIT Act of 2009, the income distributable by the REIT shall be adjusted by deducting the following unrealized or non-actual gains and losses:

- (i) Unrealized foreign exchange gains, except those attributable to cash;
- (ii) Fair value adjustment or the gains arising from marked-to-market valuation which are not yet realized;
- (iii) Fair value adjustment of investment property resulting to gain;
- (iv) The amount of recognized deferred tax asset that reduced the amount of income tax expense and increased the net income and retained earnings, until realized;
- (v) Adjustment due to a deviation from any of the prescribed accounting standard which results to gain; and
- (vi) Other unrealized gains or adjustments to the income as a result of certain transactions accounted for under the Philippine Financial Reporting Standards.

Non-actual expenses/losses that are allowed to be added back to distributable income shall be limited to the following items:

- (i) Depreciation on revaluation increment (after tax);
- (ii) Adjustment due to from any of the prescribed accounting standard which results to a loss; and
- (iii) Loss on fair value adjustment of investment property (after tax).

The Group is required to declare 90% of the distributable income.

#### Events After the Reporting Date

Post year-end events that provide evidence of conditions that existed at the end of the reporting date (adjusting events) are recognized in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

---

#### **4. Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the consolidated financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

#### Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effects on the amounts recognized in the financial statements:

#### *Determination of whether the Group is acting as a Principal or an Agent*

The Group is a principal if it controls the specified good or service before it is transferred to a customer. The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party and the Group does not control the good or service before it is transferred to the customer.

The Group assesses its revenue arrangements against the following indicators to help determine whether it is acting as a principal or an agent:

- Whether the Group has primary responsibility for providing the services;
- Whether the Group has inventory risk; and
- Whether the Group has discretion in establishing prices.

The contract for the mall retail spaces and office spaces leased out by the Group to its tenants includes the right to charge for the electricity usage, water usage and CUSA expenses.

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility company, and not the real estate developer, is primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For CUSA expenses such as security, maintenance and all other common area expenses, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of CUSA as it chooses the party responsible to provide the services to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA.

*Finance Lease - Group as Lessor.* DDMP entered into a building lease agreement with DD Tower, Inc. (DDTI), a related party under common control, for the lease of its building where the DD Tower Office is situated.

DDMP has determined that it transfers all the significant risks and rewards of ownership on the basis that the lease term is substantially equal to the economic life of the leased asset and therefore is accounted for as a finance lease (Note 16).

Finance lease receivable amounted to P1,139,125,173 and P1,110,115,886 as at December 31, 2022 and 2021, respectively (Note 16).

*Operating Lease - Group as Lessor.* The Group has various lease agreements for its corporate offices and commercial spaces included in its investment property under operating lease agreements. The Group assessed that the substance of the arrangement is dependent on the use of specific asset and conveys the right to use the asset to various tenants and has concluded to contain a leasing agreement. The Group assessed that it retains the risk and rewards of ownership and therefore is accounted for as an operating lease (Note 16). Total rent income is disclosed in Note 16.

#### *Impairment on Non-financial Assets*

PFRS require that an impairment review be performed on non-financial assets when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Determining the recoverable amount of assets requires estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of recoverable amounts reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the Group's financial performance.

There were no impairment indicators on the Group's property and equipment and computer software licenses as at December 31, 2022 and 2021 based on management's assessment.

The combined carrying amounts of property and equipment and computer software licenses amounted to P7,840,535 and P13,475,656 as at December 31, 2022 and 2021, respectively (Notes 8 and 10).

#### *Distinction between Investment Property and Property and Equipment*

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Property and equipment generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. The Group considers each property separately in making its judgment.

#### *Provisions and Contingencies*

The Group, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risk and uncertainties into account.

No provision for probable losses arising from legal contingencies was recognized in the Group's consolidated financial statements as at December 31, 2022 and 2021.

#### *Assessment of the Company being effectively a 'tax-free' entity*

In order to become an "income tax-free" Company, A REIT entity is required to distribute at least 90% of its annual income as a dividend to its investors. The dividend can be claimed as deduction for tax purposes making it effectively a "income tax-free" entity. For REIT entities, while not formally designated as 'tax-free' under the tax rules, are nevertheless "income tax-free" provided that they meet certain conditions (e.g. listing status, dividend payments, etc.).

In 2022, the Company, based on the current tax regime for REIT entities and its updated expectation that it will be able to continue to meet the requirements on dividend distribution and other provisions of the REIT law indefinitely in the long term, has determined that it is effectively a 'tax-free' entity. As a result, relevant deferred taxes are calculated based on the effective income tax rate of 0% (Note 17).

#### Estimates and Assumptions

The key estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the Group's consolidated financial statements. Actual results could differ from such estimates.

*Assessment for ECL on Receivables.* The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates over a two-year period for receivables, which composed of rent receivable, receivable from tenants, accrued interest and others. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group has assessed that the forward-looking default rate component of its ECL on rent receivable is not material because majority of receivables are normally collected within one to two months. Moreover, based on management's assessment, current conditions and forward-looking information does not indicate a significant increase in credit risk exposure of the Group from its trade and other receivables.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Receivables directly written-off in 2022, 2021 and 2020, amounted to nil, P52,508,535, and P33,362,360 respectively (Note 14). The allowance for impairment loss on receivables amounted to P97,842,983 and P20,769,795 as of December 31, 2022 and 2021. The carrying amounts of receivables amounted to P2,665,691,124 and P2,273,192,523 as of December 31, 2022 and 2021, respectively (Note 6).

*Assessment for ECL on Other Financial Assets at Amortized Cost.* The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets at day one to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because majority of the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized for the years ended December 31, 2022 and 2021.

The carrying amounts of other financial assets at amortized cost are as follows:

	<i>Note</i>	<b>2022</b>	2021
Finance lease receivable	16	<b>P1,139,125,173</b>	P1,110,115,886
Cash*	5	<b>506,193,658</b>	207,684,318
Due from related parties	15	-	5,122,816
Refundable deposits**	10	<b>15,335,239</b>	15,335,239
		<b>P1,660,654,070</b>	P1,338,258,259

\*Excluding cash on hand amounting to P10,000 and P12,000 as at December 31, 2021 and 2020, respectively.

\*\*This is presented as part of "Other noncurrent assets" account.

*Estimating Useful Lives of Property and Equipment and Computer Software Licenses*  
The Group estimates the useful lives of property and equipment and computer software licenses based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and computer software licenses are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of property and equipment and computer software licenses is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property and equipment and computer software licenses would increase recorded depreciation and amortization expenses and decrease noncurrent assets.

Property and equipment, net of accumulated depreciation, amounted to P7,315,535 and P12,650,656 as at December 31, 2022 and 2021, respectively. Accumulated depreciation of property and equipment amounted to P27,362,878 and P20,880,798 as at December 31, 2022 and 2021, respectively (Note 8).

Computer software licenses, net of accumulated amortization, amounted to P525,000 and P825,000 as at December 31, 2022 and 2021, respectively. Accumulated amortization of computer software licenses amounted to P975,000 and P675,000 as at December 31, 2022 and 2021, respectively (Note 10).

*Fair Value Measurement of Investment Property*

The Group carries its investment property at fair value, with changes in fair value being recognized in profit or loss. The Group engages independent valuation specialists to determine the fair value. For the investment property, the appraisers used a valuation technique based on comparable market data available for such property.

Investment property amounted to P49,132,989,226 and P45,695,260,832 as at December 31, 2022 and 2021, respectively. Unrealized gain from changes in fair values of investment property recognized in profit or loss amounted to P2,337,301,233 and P5,130,611,601 in 2022 and 2021, respectively (Note 9).

*Realizability of Deferred Taxes*

The Group reviews its deferred taxes at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred taxes to be utilized. The Group reviews its projected performance in assessing the sufficiency of future taxable income.

No deferred tax asset was recognized as at December 31, 2022 and 2021, respectively (Note 17).

## 5. Cash

This account consists of:

	<i>Note</i>	<b>2022</b>	2021
Cash in banks	19	<b>P506,193,658</b>	P207,684,318
Cash on hand		<b>10,000</b>	10,000
		<b>P506,203,658</b>	P207,694,318

Cash in banks earn annual interest at the respective bank deposit rates. Short-term placements are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn annual interest at the respective short-term placement rates. Interest income from cash in banks and short-term placements amounted to P143,652, P824,424, P20,708,383, in 2022, 2021 and 2020, respectively.

## 6. Receivables

This account consists of:

	<i>Note</i>	<b>2022</b>	2021
Rent receivable	15, 16	<b>P1,837,549,866</b>	P1,944,581,397
Non-trade receivable	15	<b>41,009,890</b>	29,117,971
Receivables from tenants		<b>17,318,062</b>	17,784,338
Others		<b>752,506</b>	1,149,394
		<b>1,896,630,324</b>	1,992,633,100
Less: Allowance for impairment loss		<b>97,842,983</b>	20,769,796
	19	<b>P1,798,787,341</b>	P1,971,863,304

Rent receivable pertains to receivables arising from the lease of office and commercial spaces relating to the Group's operations. These are generally collectible within thirty (30) days. This account consists mainly of accrued rentals arising from the excess of rent income over rental collections made by lessees in accordance with straight-line rental recognition as mandated by PFRS 16, Leases amounting to P603,587,494 and P729,330,709, as at December 31, 2022 and 2021, respectively, and receivable from related parties amounting to P40,464,681 and P84,213,261, as at December 31, 2022 and 2021, respectively (Note 15). Included also in the balance is the receivable from Philippine Offshore Gaming Operator (POGO) tenants, in which the payment terms were restructured in 2021. Based on restructuring agreement with certain POGO tenants, payment terms of overdue receivables were restructured as follows:

	<b>2022</b>	
	<b>Gross Amount</b>	<b>Present Value</b>
Within one year	<b>P177,205,926</b>	<b>P174,308,397</b>
After one year but not more than five years	<b>147,081,006</b>	<b>128,659,625</b>
Total gross payment	<b>324,286,932</b>	<b>302,968,022</b>
Less implicit interest	<b>21,318,910</b>	-
<b>Present value of payments</b>	<b>P302,968,022</b>	<b>P302,968,022</b>



	2021	
	Gross Amount	Present Value
Within one year	P177,205,926	P174,308,397
After one year but not more than five years	322,648,128	301,329,219
Total gross payment	499,854,054	475,637,616
Less implicit interest	24,216,438	-
Present value of payments	P475,637,616	P475,637,616

These receivables are collectible in equal installments starting January 31, 2022 until December 30, 2024 subject to 6.4% implicit interest. Day 1 loss from discounting of receivables amounted to P24,216,438 in 2021 and was netted under "Other income" account in the consolidated statements of comprehensive income.

Interest charged from overdue accounts amounted to P134,234,151, P356,003,734 and P5,234,755 in 2022, 2021 and 2020, respectively.

Receivables from tenants include utilities, common usage service area fees and other charges billed to tenants which are due within thirty (30) days upon billing.

Non-trade receivable represents mostly reimbursable costs chargeable to DoubleDragon Property Management Corp. (DDPMC) such as the monthly electricity and water charges and supply and installation of other utility equipment which amounted to P35,077,643 and P28,320,556 as at December 31, 2022 and 2021. These are generally collectible within (30) days upon billing (Note 15).

Provision for impairment loss on rent receivable in 2022 and 2021 amounted to P77,073,186 and P20,769,796 respectively.

Movement is allowance for impairment losses are as follows:

	2022	2021
Balance at beginning of year	<b>P20,769,796</b>	P -
Impairment losses	<b>77,073,187</b>	20,769,796
Balance at end of year	<b>P97,842,983</b>	P20,769,796

Receivables directly written-off in 2022, 2021 and 2020 amounted to nil, P52,508,535 and P33,362,360, respectively (Note14). These pertain to discounts, discontinued contracts, rental waivers granted to tenants due to COVID-19 pandemic.

## 7. Prepaid Expenses and Other Current Assets

This account consists of:

	2022	2021
Prepaid tax	<b>P68,789,953</b>	P95,502,507
Prepaid real property taxes	<b>3,189,633</b>	154,949,685
Input VAT - net	-	198,410,651
Other current asset	<b>594,662</b>	735,343
	<b>P72,574,248</b>	P449,598,186

Input VAT represents accumulated input taxes from purchases of goods and services which can be applied against future output VAT.

Prepaid real property taxes pertain to payments made as at December 31, 2022 and 2021 for real property taxes of building and machinery and equipment applicable to the subsequent periods.

## 8. Property and Equipment - net

The movements and balances of this account consists of:

	Project Showroom	Equipment	Furniture and Fixtures	Total
<b>Cost</b>				
January 1, 2021	P605,968	P21,131,695	P10,733,619	P32,471,282
Additions	-	1,043,207	16,963	1,060,170
December 31, 2021	605,968	22,174,902	10,750,582	33,531,452
Additions	-	1,146,961	-	1,146,961
<b>December 31, 2022</b>	<b>605,968</b>	<b>23,321,863</b>	<b>10,750,582</b>	<b>34,678,413</b>
<b>Accumulated Depreciation</b>				
January 1, 2021	415,780	9,769,886	4,215,788	14,401,454
Depreciation	121,194	4,211,425	2,146,723	6,479,342
December 31, 2021	536,974	13,981,311	6,362,511	20,880,796
Depreciation	67,547	4,264,419	2,150,116	6,482,082
<b>December 31, 2022</b>	<b>604,521</b>	<b>18,245,730</b>	<b>8,512,627</b>	<b>27,362,878</b>
<b>Carrying Amount</b>				
December 31, 2021	P68,994	P8,193,591	P4,388,071	P12,650,656
<b>December 31, 2022</b>	<b>P1,447</b>	<b>P5,076,133</b>	<b>P2,237,955</b>	<b>P7,315,535</b>

Depreciation recognized in profit and loss under "General and administrative expenses" account amounted to P6,482,082, P6,479,342 and P6,407,693 in 2022, 2021 and 2020, respectively (Note 14).

## 9. Investment Property

The movements and balances of this account consists of:

	Land	Construction in Progress	Buildings	Total
January 1, 2021	P11,768,624,224	P1,133,356,417	P28,575,989,444	P41,477,970,085
Additions	-	182,964,238	11,292,279	194,256,517
Transfer to finance lease	-	(1,088,788,985)	-	(1,088,788,985)
Adjustments	-	-	(18,788,386)	(18,788,386)
Unrealized gain from changes in fair values of investment property	517,696,667	-	4,612,914,934	5,130,611,601
December 31, 2021	12,286,320,891	227,531,670	33,181,408,271	45,695,260,832
Additions	-	40,015,727	1,081,840,136	1,121,855,863
Adjustments	-	-	(21,428,702)	(21,428,702)
Unrealized gain from changes in fair values of investment property	340,200,667	-	1,997,100,566	2,337,301,233
<b>December 31, 2022</b>	<b>P12,626,521,558</b>	<b>P267,547,397</b>	<b>P36,238,920,271</b>	<b>P49,132,989,226</b>

The Group's investment property is stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser.

The following table provides the fair value hierarchy of the Group's investment property as at December 31, 2022 and 2021:

	<b>Level 2</b>	
	<b>2022</b>	2021
Land	<b>P12,626,521,558</b>	P12,286,320,891
Buildings	<b>36,506,467,668</b>	33,408,939,941
	<b>P49,132,989,226</b>	P45,695,260,832

*Valuation Techniques and Significant Unobservable Inputs*

The fair values of the investment property were arrived at using the Market Data Approach for land and buildings.

The fair value of the land was arrived at using the Market Data Approach. This approach considers the sale of similar or substitute property, registered within the vicinity, and the related market data. The estimated value is established by process involving comparison. The property being valued is then compared with sales of similar property that have been transacted in the market. Listings and offerings may also be considered. The unobservable inputs to determine the market value of the property are the following: location characteristics, size and shape of the lot and bulk discount.

The fair value of the building was arrived at using the Market Approach. In this approach, the value of the building was based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the adjustment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This was done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties to be used as bases of comparison are situated within the immediate vicinity of the subject property. The comparison was premised on the factors of time, corner influence, road influence, unit area/size, unit location, unit improvements, building location, building features/amenities, bargaining allowance and others.

The fair values of land and building are sensitive to the changes in the sales price and listings of comparable property. A significant increase/decrease in the price per square meter of comparable land and buildings will result to a significant increase/decrease in profit or loss. A 10% increase/decrease in the sales price/listing price will result to increase/decrease in profit or loss amounting to P3,132,075,375 and P3,353,500,662 for the years ended December 31, 2022 and 2021, respectively.

The carrying amount of the construction in-progress approximates its fair value as at December 31, 2022 and 2021. The Company expects the fair value of the construction in-progress to be reliably measurable upon completion of the construction.

The Company recognized unrealized gains from changes in fair values of investment property amounting to P2,337,301,233, P5,130,611,601, P5,383,709,548 in 2022 2021 and 2020, respectively.

Cost of investment property was adjusted in 2022 and 2021 for amortization of letting fees and because of cost savings from finalization of actual cost from the contractors, respectively.

Rent income (including aircon and CUSA charges) amounted to P2,177,821,246, P2,176,187,826 and P1,912,618,974 in 2022, 2021 and 2020, respectively, which is shown as “Rent income” account in the statements of comprehensive income. The operating lease commitments of the Company as a lessor are fully disclosed in Note 16.

Related CUSA included under “Rent income” account, amounted to P296,716,211 and P223,097,413 and nil in 2022, 2021 and 2020, respectively.

The total direct operating expense recognized in profit or loss arising from the Company’s investment property that generated rent income amounted to P330,007,034, P241,105,306 and P166,341,026 in 2022, 2021 and 2020, respectively.

#### Concentration Risk

In 2022, 2021 and 2020, rent income from Philippine Offshore Gaming Operator (POGO) and Philippine Amusement and Gaming Corp (PAGCOR)-accredited Business Process Outsourcing (BPO) businesses represents about 61%, 48% and 48% of the total rent income, respectively. As at December 31, 2022 and 2021, receivables from POGO and PAGCOR-accredited BPOs businesses represents about 52% and 54% of the total rent receivables, respectively. As of January 1, 2023, management has discontinued two of the POGOs and PAGCOR-accredited BPOs lease and impairments were made December 31, 2022.

During the year, due to COVID-19 pandemic, the Company has seen a significant decline in its collection of its receivables from its POGO tenants. To manage this, the Company entered into restructuring agreements with certain POGO tenants (Note 6).

---

### 10. Other Noncurrent Assets

This account consists of:

	<i>Note</i>	<b>2022</b>	2021
Advances to contractors		<b>P407,423,946</b>	P415,075,686
Refundable deposits	19	<b>15,335,239</b>	15,335,239
Computer software licenses - net		<b>525,000</b>	825,000
		<b>P423,284,185</b>	P431,235,925

---

Advances to contractors represent amounts paid as down payments to contractors and suppliers for the construction of the Group’s investment property. These advances are nonfinancial in nature and are expected to be fulfilled by delivery of goods and services.

Refundable deposits pertain to non-interest bearing deposits paid to and held by the Company’s utility service providers which are refundable at the end of the contract.

The computer software licenses have been built, installed or supplied by the manufacturer ready to operate or require some customization based on the Company’s specific requirements.

The movements and balances of the “Computer software licenses - net” account consist of:

	<i>Note</i>	<b>2022</b>	2021
<b>Cost</b>			
Balance at beginning and end of year		<b>P1,500,000</b>	P1,500,000
<b>Accumulated Amortization</b>			
Balance at beginning of year		<b>675,000</b>	375,000
Amortization for the year	<i>14</i>	<b>300,000</b>	300,000
Balance at end of year		<b>975,000</b>	675,000
		<b>P525,000</b>	P825,000

## 11. Accounts Payable and Other Current Liabilities

This account consists of:

	<i>Note</i>	<b>2022</b>	2021
Trade payables		<b>P233,476,578</b>	P111,319,855
Accrued expenses:			
Project costs		<b>817,638,876</b>	684,000,850
Others		<b>66,917,595</b>	19,578,646
Retention payable - current portion		<b>68,481,630</b>	65,967,914
Construction bond		<b>38,382,521</b>	32,006,679
Withholding tax payable		<b>819,094</b>	25,226,136
Others		<b>15,681,404</b>	-
	<i>19</i>	<b>P1,241,397,698</b>	P938,100,080

Trade payables and accrued project costs are liabilities arising from services provided by the contractors and subcontractors. These are non-interest bearing and are normally settled within thirty (30) days.

Construction bond pertains to the cash deposit made by the tenants which function as security during fit-out period. Any damage caused to the leased property during the fit-out will be deducted from the construction bond and the balance will be refunded to the tenant.

Others include cash received by the Parent Company for payment of CUSA of tenants to DDMPC (Note 15).

## 12. Other Noncurrent Liabilities

This account consists of:

	<i>Note</i>	<b>2022</b>	2021
Unearned rent income		<b>P201,343,558</b>	P292,087,476
Security deposits	<i>19</i>	<b>168,368,209</b>	69,945,278
Deferred output VAT		<b>-</b>	124,776
		<b>P369,711,767</b>	P362,157,530

Retention payable pertains to amount retained by the Group from its payment for the contractors' progress billings which are released after the expiration of the project's warranty period. This serves as the Group's security to cover cost of contractors' noncompliance with the construction of the Group's project.

Security deposits account pertains to deposits collected from tenants for the lease of the Group's investment property. These deposits are non-interest bearing and refundable at the end of the lease term. Security deposits are discounted using the effective annual interest rates ranging from 5.21% to 5.78% that are specific to the tenor of the deposits. Interest expense for the amortization of discount on security deposits amounted to P103,042,110, P38,174,269, and P35,635,069 in 2022, 2021, and 2020 respectively.

The details of security deposits follow:

	<b>Note</b>	<b>2022</b>	2021
Security deposits		<b>P198,467,829</b>	P200,546,825
Less discount on security deposits		<b>30,099,620</b>	130,601,547
	19	<b>P168,368,209</b>	P69,945,278

The movement in the unamortized discount on security deposits follows:

	<b>2022</b>	2021
Balance at beginning of period	<b>P130,601,547</b>	P152,889,452
Additions - net	<b>2,540,183</b>	15,886,364
Accretion	<b>(103,042,110)</b>	(38,174,269)
Balance at end of period	<b>P30,099,620</b>	P130,601,547

Unearned rent income pertains to advance rentals which will be applied as payment of rent for more than twelve months after reporting date. The account also includes the difference between the discounted value and face values of security deposits as a result of discounting the security deposits. Rent income adjustments from the amortization on a straight-line basis over the lease term amounted to P35,541,069, P38,942,918 and P38,872,524 in 2022, 2021 and 2020, respectively.

### **13. Marketing Expenses**

This account consists of:

	<b>2022</b>	2021	2020
Commission	<b>P22,853,222</b>	P22,853,222	P22,853,222
Marketing	<b>4,892,044</b>	6,666,633	3,624,709
	<b>P27,745,266</b>	P29,519,855	P26,477,931

## 14. General and Administrative Expenses

This account consists of:

	Note	2022	2021	2020
Taxes and licenses		<b>P178,507,052</b>	P172,552,144	P180,631,619
Electricity and water		<b>73,450,923</b>	23,585,002	-
Outsourced services		<b>68,183,500</b>	40,709,934	-
Impairment loss on receivables	6	<b>59,939,262</b>	73,278,331	33,362,360
Property maintenance	15	<b>31,881,717</b>	17,729,916	676,454
Input VAT expense		<b>14,192,148</b>	-	-
Insurance		<b>9,379,590</b>	8,293,443	6,668,924
Depreciation and amortization	8, 10	<b>6,782,084</b>	6,779,342	6,707,693
Management fees	15	<b>6,300,000</b>	3,600,000	-
Subscription		<b>2,000,000</b>	-	-
Professional fees		<b>1,911,464</b>	1,917,849	1,993,036
Director's fees		<b>1,500,000</b>	1,840,000	-
Association dues		<b>1,219,808</b>	1,219,808	-
Office expenses		<b>824,441</b>	2,147,721	3,525,980
Salaries and wages		-	-	982,191
Miscellaneous		<b>738,295</b>	396,837	301,516
		<b>P456,810,284</b>	P354,050,327	P234,849,773

Impairment loss on receivables pertains to discounts and rental waivers granted to tenants due to COVID-19 pandemic (Note 6).

## 15. Related Party Transactions

The Company, in the normal course of business, has transactions with its related parties as follows:

Category	Year	Ref	Amount of Transaction	Outstanding Balance			Receivables	Terms and Conditions
				Due from Related Parties	Due to Related Parties	Accounts Payable		
<b>Ultimate Parent Company</b>								
Rent	2022	a	P91,159,160	P -	P -	P -	P -	Demandable; non-interest bearing; unsecured; payable in cash
	2021	a	86,818,600	-	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2020	a	82,684,585	-	-	-	26,396,307	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	2019	b	95,061,375	95,061,375	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
<b>Entity under Common Control</b>								
Common usage and service	2022	c	<b>6,231,654</b>	-	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2021	c	3,462,116	-	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2020	c	50,931,810	-	400	-	-	Demandable; non-interest bearing; unsecured; payable in cash

Forward

Category	Year	Ref	Amount of Transaction	Outstanding Balance			Receivables	Terms and Conditions
				Due from Related Parties	Due to Related Parties	Accounts Payable		
Reimbursements	2022	d	P -	P -	P -	P -	P -	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	d	6,651,962	-	-	-	28,320,556	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2020	d	P59,376,586	-	-	-	180,588,928	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
Rent	2022	e	29,009,287	-	-	-	1,139,125,173	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	e	1,110,115,886	-	-	-	1,110,115,886	Demandable; non-interest bearing; unsecured; payable in cash no impairment
Reimbursements	2022	d	-	-	-	-	5,122,816	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	d	2,139,329	5,122,816	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash no impairment
Management fees	2022	f	21,452,636	-	-	31,993,763	-	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	f	16,085,845	-	-	7,113,234	-	Demandable; non-interest bearing; unsecured; payable in cash no impairment
<b>Other Related Parties</b>								
Rent	2022	e	50,662,453	-	-	-	69,107,485	Demandable; non-interest bearing; unsecured; payable in cash no impairment
	2021	e	29,585,696	-	-	-	6,452,923	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2020	e	19,099,774	-	-	-	2,651,039	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	<b>2022</b>			<b>P -</b>	<b>P -</b>	<b>P31,993,763</b>	<b>P1,213,355,474</b>	
	2021			P5,122,816	P -	P7,113,234	P1,144,889,365	
	2020			P -	P400	P -	P209,636,274	

a. *Lease of Corporate Office*

The Company entered into a lease agreement with DD for the lease of 10<sup>th</sup> and 11<sup>th</sup> floors of Tower 1 DoubleDragon Plaza, which serve as the headquarters of the Company. This lease provides for fixed monthly rent, subject to 5% escalation rate starting year two. The term of the lease is five years subject to renewal (Note 16).

b. *Reimbursements*

The amount pertains to reimbursement of operating expenses initially paid by the Company. This consists of expenses incurred on print and multimedia and transportation expenses. These are generally trade-related, noninterest-bearing and settled within one year.

c. *Common Usage and Service*

These are payments to DDPMC received from tenants for the payment of their common usage area charges that are credited to the Company's accounts.

d. *Reimbursements*

The Company charges reimbursable costs, such as the monthly electricity and water charges and supply and installation of other utility equipment, to DDPMC (Note 6).



e. *Rent Agreements*

The Company entered into contracts with various entities under Jollibee Foods Corporation (JFC), MerryMart Grocery Centers, Inc. (MM) and other related parties, for lease of its Mall spaces. These leases generally provide for either fixed monthly rent, subject to escalation rates, or a certain percentage of gross sales. The terms of the leases are for periods ranging from 5 to 15 years. The fixed monthly rent shall escalate by an average rate of 5% each year. Tenants are also billed with other charges such as fixed share in advertisement and promotions and interest and penalties on default payments (Note 5).

On November 19, 2020, the Company entered into 99-year lease agreements, beginning January 1, 2021, with DDTI for the lease of DD Tower Property. Lease rate for DD Tower is P2,500,000 quarterly, subject to escalation, for 99 years for its land and P5,750,000 quarterly, subject to escalation, for 99 years for its building (Note 16).

f. *Management Fees*

On November 19, 2020, the Company entered into a fund management agreement with DRFMI starting 2021. The agreement is valid for five (5) years and shall automatically be renewed for successive 5-year term thereafter, until and unless earlier terminated. As fund manager, DRFMI is entitled to receive a fixed management fee of P3,600,000 annually plus other fees.

On the same date, the Company entered into a property management agreement with DRPMI. The agreement is valid for five (5) years and shall automatically be renewed for successive 5-year term thereafter, until and unless earlier terminated. As property manager, DRPMI is entitled to receive a fee equivalent to 6% of the quarterly CUSA fees received from the tenants of the Properties but shall not exceed 1% of the net asset value of the properties managed.

The total amount of management fees charged to the Company, recorded in "Property maintenance" under "General and administrative expenses" account amounted to P3,600,000 and P2,700,000 for DRFMI for 2022 and 2021, respectively, and P17,852,636 and P13,385,845 for DRPMI for 2022 and 2021, respectively.

g. *Key Management Compensation*

There is no information with respect to compensation and benefits of key management officers and personnel to be disclosed in accordance with PAS 24, *Related Party Disclosures*, since the administrative and finance functions of the Company were administered by DD at no cost to the Company.

There have been no guarantees/collaterals provided or received for any related party receivables or payables. For the years ended December 31, 2022 and 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties.

Except when indicated above, all outstanding related party balances are to be settled in cash.

### Related Party Transactions and Balances Eliminated During Consolidation

The terms, conditions, balances and the volume of related party transactions which were eliminated during consolidation are as follows:

#### *Intercompany Advances*

Total advances made by the Parent Company to the subsidiaries amounted to P627,240 as of December 31, 2020. These advances pertain to unsecured, interest and non-interest-bearing advances granted to subsidiaries for working capital requirements. These are to be settled in cash.

---

## 16. Leases

### Group as Lessor - Operating Lease

The Group leases out corporate offices and commercial spaces included in its investment property under operating lease agreements. The leases generally provide for either fixed monthly rent subject to escalation rates or a certain percentage of gross sales. The terms of the leases are for periods ranging from 5 to 10 years. The fixed monthly rent shall escalate by an average of five (5%) to ten (10%) each year.

DDMP also has a lease arrangement with DDTI for the lease of its land for total consideration of P2,500,000 quarterly, subject to escalation, for 99 years.

Rent income (including aircon and CUSA charges) amounted to P2,177,821,246, P2,176,187,826, and P1,912,618,974 in 2022, 2021 and 2020, respectively. Rent income based on variable considerations amounted to P18,972,504, P13,464,499, and P13,569,949 in 2022, 2021 and 2020, respectively.

Rent income from operating leases amounted to P1,881,105,035, P1,953,090,413 and P1,912,618,974 in 2022, 2021 and 2020, respectively.

CUSA, included under "Rent income" account, amounted to P296,716,211, P223,097,413 and nil in 2022, 2021, and 2020 respectively. Following a review of the financial statements in 2022, the Group now presents CUSA as part of "Rent income" from previously presenting as a separate line item under "Income". The Group believes this results to more relevant information as CUSA is integrally related to its rentals.

The scheduled maturities of noncancellable minimum future rental collections are as follows:

	<b>2022</b>	2021
Less than one year	<b>P1,783,370,392</b>	P1,802,082,338
Between one and five years	<b>3,770,581,662</b>	3,234,806,919
More than five years	<b>343,353,669</b>	240,367,318
	<b>P5,897,305,723</b>	P5,277,256,575

Details of minimum future rental collections for between one and five years are as follows:

	<b>2022</b>	2021
Between one to two years	<b>P1,564,156,487</b>	P1,425,667,450
Between two to three years	<b>1,064,718,865</b>	927,849,983
Between three to four years	<b>767,991,087</b>	631,237,649
Between four to five years	<b>373,715,223</b>	250,051,837
	<b>P3,770,581,662</b>	P3,234,806,919

#### Group as Lessor - Finance Lease

In 2021, DDMP entered into a lease agreement with DDTI for its building for a consideration of P5,750,000 quarterly, subject to escalation, for 99 years. The agreement is accounted for as "Finance lease", in accordance with PFRS 16, *Leases*.

Interest income earned using implicit rate of 4.98% amounted to P52,009,288 and P38,145,396 in 2022 and 2021, respectively.

As a result of the finance lease agreement, DDMP derecognized the related building recorded under "Investment property" account with the carrying amount of P1,088,788,985 and recognized gain amounting to P6,181,505 (Note 9).

The table below summarizes the future minimum lease payments under finance lease with the present value of minimum lease payments:

	2022	2021
Within one year	<b>P23,000,000</b>	23,000,000
After one year but not more than five years	<b>94,309,099</b>	92,761,300
More than five years	<b>14,559,663,386</b>	14,584,211,185
Total minimum lease payment	<b>14,676,972,485</b>	14,699,972,485
Less amounts representing finance charges	<b>13,537,847,312</b>	13,589,856,599
Present value of minimum lease payments	<b>P1,139,125,173</b>	P1,110,115,886

Details of minimum future rental collections for between one and five years are as follows:

	2022	2021
Between one to two years	<b>P23,000,000</b>	P23,000,000
Between two to three years	<b>23,000,000</b>	23,000,000
Between three to four years	<b>23,761,300</b>	23,000,000
Between four to five years	<b>24,547,799</b>	23,761,300
	<b>P94,309,099</b>	P92,761,300

#### Concentration Risk

As at December 31, 2022 and 2021, 37% and 42% of the total gross leasable area are leased by POGO and PAGCOR-accredited BPOs. As of January 1, 2023, management has discontinued two of the POGOs and PAGCOR-accredited BPOs lease and impairments were made December 31, 2022.

---

## **17. Income Taxes**

As REIT entity, DDMP is entitled to the following:

- a. Exemption from the 2% minimum corporate income tax;
- b. Exemption from VAT and documentary stamp tax on the transfer of property in exchange of its shares;
- c. Deduction of dividend distribution from its taxable income, and
- d. Fifty percent (50%) of the standard DST rate on the transfer of real property into the Company, including the sale or transfer of any security interest thereto.

The components of the income tax expense are as follows:

	2022	2021	2020
Current	P -	P -	P245,031,289
Deferred	<b>(7,911,924,227)</b>	1,347,791,270	1,729,069,254
Adjustments due to Corporate Recoverability and Tax Incentives for Enterprises (CREATE) Act	-	(1,332,236,556)	-
	<b>(P7,911,924,227)</b>	P15,554,714	P1,974,100,543

The reconciliation of the income tax expense computed at the statutory income tax rate to the income tax expense as shown in the profit or loss is as follows:

	2022	2021	2020
Income before income tax	<b>P4,192,556,901</b>	P7,189,903,355	P7,060,771,970
Income tax at the statutory income tax rate of 25% in 2021, 30% in 2020 and 2019	<b>P1,048,139,225</b>	P1,797,475,839	P2,118,231,591
Income tax effects of:			
Effect of change in tax rate	-	(1,332,236,556)	-
Optional standard deduction	<b>(209,889,319)</b>	(144,390,989)	(136,793,547)
Nontaxable income	<b>(8,885,267)</b>	(9,845,497)	(11,661,757)
Nondeductible expense	<b>49,837,247</b>	9,653,334	10,690,521
Interest income subjected to final tax	<b>(35,913)</b>	(206,106)	(6,212,515)
Dividends	<b>(369,835,227)</b>	(338,338,552)	-
Movement in unrecognized deferred taxes and effect of change in effective tax rate	<b>(8,421,254,973)</b>	33,443,241	-
Stock issuance cost	-	-	(153,750)
	<b>(P7,911,924,227)</b>	P15,554,714	P1,974,100,543

The Group's NOLCO, which can be deducted against future taxable income, is as follows:

Year Incurred	Amount	Expired	Balance	Expiry Year
2021	P133,772,664	P -	P133,772,664	2026

Management did not recognize deferred tax asset on NOLCO since management believes that it is not probable that sufficient future taxable income will be available to allow part or all of the said deferred tax assets to be utilized.

As of December 31, 2022, deferred tax assets and liabilities are recognized based on the effective income tax rate of 0% under REIT law (Note 4).

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 25-2020 to implement Section 4 (bbbb) of RA No. 11494, otherwise known as the Bayanihan to Recover as One Act, relative to NOLCO which provides that the net operating loss of a business or enterprise for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next 5 consecutive taxable years immediately following the year of such loss.

## 18. Equity/Earnings Per Share/Distributable Income

### Capital Stock

The composition of the Parent Company's capital stock as at December 31, 2021 and 2020 are as follows:

	2022		2021	
	Number of Shares	Amount	Number of Shares	Amount
<b>CAPITAL STOCK</b> - P1 par value				
Authorized - 17,830,000,000 shares				
Issued and outstanding	<b>17,827,465,406</b>	<b>P17,827,465,406</b>	17,827,465,406	P17,827,465,406

On October 16, 2014, DD entered into an Investment and Shareholders Agreement (ISA) with Benedicto V. Yujuico (BVY), wherein the parties would contribute cash and parcels of land (the "Property"), respectively, that would result in a 70% and 30% interests to DD and BVY. In compliance with the ISA, DD initially invested P3.12 billion and BVY contributed the Property with third-party appraised value of P7.27 billion as determined by an accredited independent appraiser, of which P5.35 billion is treated as payment for BVY's subscribed shares. DD made an additional subscription amounting to P9.36 billion to maintain its 70% equity interest.

In 2019, DD subscribed to an additional 50,000 shares to the Parent Company. The Parent Company collected subscriptions receivable from DD amounting to P2,775,025,154 and P925,008,385 in 2019 and 2018, respectively. Upon full collection, 12,479,190,784 shares were issued to DD.

On November 23, 2020, the Parent Company filed its Registration Statement with the SEC for the registration of up to 5,942,488,469 secondary common shares, with an over-allotment option up to 594,248,847 secondary common shares through an IPO at the price up to P2.25 per share.

On March 24, 2021, in accordance with the certificate of permit to offer securities for sale issued by the SEC, 6,536,737,316 secondary common shares of the Parent Company with par value of P1 were registered and offered for sale at an offer price of P2.25 per share.

Related listing expenses recorded under "Other expenses" account in the consolidated statements of comprehensive income amounted to P87,572,492.

### EPS

EPS is computed as follows:

	2022	2021	2020
Net income attributable to the equity holders of the Parent Company	<b>P12,104,481,128</b>	P7,174,348,641	P5,086,671,427
Weighted average number of shares	<b>17,827,465,406</b>	17,827,465,406	17,827,465,406
Basic/Diluted EPS	<b>P0.68</b>	P0.40	P0.29

As at December 31, 2022, 2021, and 2020, the Parent Company has no dilutive debt or equity instruments.

### Dividends

The summary of dividend declarations of the Parent Company are as follows:

#### 2022

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share	Amount
Cash dividend	May 15, 2022	May 19, 2022	May 31, 2022	0.027814	P495,853,123
Cash dividend	June 08, 2022	June 08, 2022	June 30, 2022	0.027868	496,815,806
Cash dividend	August 30, 2022	August 30, 2022	September 26, 2022	0.027299	486,671,978
Cash dividend	November 15, 2022	December 05, 2022	January 02, 2022	0.027273	486,208,464
Total					<b>P1,965,549,371</b>

#### 2021

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share	Amount
Cash dividend	April 14, 2021	April 28, 2021	May 10, 2021	0.020478	P365,056,218
Cash dividend	May 14, 2021	May 28, 2021	June 10, 2021	0.020136	358,973,843
Cash dividend	August 16, 2021	August 31, 2021	September 13, 2021	0.027778	495,211,334
Cash dividend	November 15, 2021	November 29, 2021	December 13, 2021	0.028000	499,169,032
Total					<b>P1,718,410,427</b>

#### 2020

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share	Amount
Cash dividend	March 31, 2020	March 31, 2020	June 5, 2020	P0.02000	P326,242,617
Cash dividend	June 30, 2020	June 30, 2020	August 15, 2020	P0.01580	281,673,953
Cash dividend	November 11, 2020	September 30, 2020	November 11, 2020	P0.01773	316,038,021
Total					<b>P923,954,591</b>

### Distributable Income

Details of the distributable income of the Parent Company as at December 31, 2022 and 2021, respectively are shown below:

	2022	2021
Net income of the Parent Company:	<b>P12,104,481,128</b>	P7,174,348,641
Fair value adjustments of investment property resulting to gain (after tax)	<b>(2,337,301,233)</b>	(3,847,958,701)
Adjustment in deferred tax due to change in rate	<b>(7,911,924,227)</b>	(1,312,826,591)
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	<b>18,410,415</b>	40,995,139
	<b>P1,873,666,083</b>	P2,054,558,488

Out of the 2022 distributable income, P1,469,696,248 was already declared of which P486,208,464 is still unpaid as of December 31, 2022.

## 19. Financial Risk and Capital Management Objectives and Policies

### Objectives and Policies

The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Credit Risk
- Liquidity Risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

The main purpose of the Group's dealings in financial instruments is to fund its operations and capital expenditures.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The BOD has established the Executive Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee identifies all issues affecting the operations of the Group and reports regularly to the BOD on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and forecasted results. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's principal financial assets include cash, receivables, due related parties and refundable deposits. These financial assets are used to fund the Group's operations and capital expenditures.

#### Credit Risk

Credit risk represents the risk of loss the Group would incur if the counterparty fails to perform their contractual obligations. The risk arises principally from the Group's cash in banks and short-term placements, receivables, due from related parties and refundable deposits. The Group manages credit risk by dealing with recognized and creditworthy financial institutions. The objective is to reduce the risk of loss through default by counterparties.

As at December 31, 2022 and 2021, receivables from POGO and PAGCOR-accredited BPOs businesses represents about 52% and 54% of the total rent receivables, respectively. As of January 1, 2023, management has discontinued two of the POGOs and PAGCOR-accredited BPOs lease and impairments were made December 31, 2022. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date follows:

	<i>Note</i>	<b>2022</b>	2021
Cash*	5	<b>P506,193,658</b>	P207,684,318
Receivables (current and noncurrent)	6	<b>1,927,446,966</b>	2,273,192,523
Finance lease receivables		<b>1,139,125,173</b>	1,110,115,886
Due from related parties	15	-	5,122,816
Refundable deposits**	10	<b>15,335,239</b>	15,335,239
		<b>P3,588,101,036</b>	P3,611,450,782

\*Excluding cash on hand amounting to P10,000 as at December 31, 2022 and 2021, respectively.

\*\*This is presented as part of "Other noncurrent assets" account.

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

## 2022

	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	
Cash*	P506,193,658	P -	P -	506,193,658
Receivables (current and noncurrent)	150,342,250	1,679,261,733	97,842,983	1,927,446,966
Finance lease receivables	1,139,125,173	-	-	1,139,125,173
Due from related parties	-	-	-	-
Refundable deposits**	15,335,239	-	-	15,335,239
	P1,810,996,320	P1,679,261,733	P97,842,983	P3,588,101,036

\*Excluding cash on hand amounting to P10,000 as at December 31, 2022.

\*\*This is presented as part of "Other noncurrent assets" account.

## 2021

	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not credit impaired	Lifetime ECL - credit impaired	
Cash*	P207,684,318	P -	P -	P207,684,318
Receivables (current and noncurrent)	382,505,817	1,869,916,910	20,769,796	2,273,192,523
Finance lease receivables	1,110,115,886	-	-	1,110,115,886
Due from related parties	5,122,816	-	-	5,122,816
Refundable deposits**	15,335,239	-	-	15,335,239
	P1,720,764,076	P1,869,916,910	P20,769,796	P3,611,450,782

\*Excluding cash on hand amounting to P12,000 as at December 31, 2021.

\*\*This is presented as part of "Other noncurrent assets" account.

The following is the aging analysis per class of financial assets:

## 2022

	Note	Neither Past Due nor Impaired	Past Due but not Impaired	Impaired	Total
Cash*	5	P506,193,658	P -	P -	P506,193,658
Receivables (current and noncurrent)	6	1,623,037,352	206,566,631	97,842,983	1,927,446,966
Finance lease receivables	16	1,139,125,173	-	-	1,139,125,173
Refundable deposits**	10	15,335,239	-	-	15,335,239
		P3,283,691,422	P206,566,631	P97,842,983	P3,588,101,036

\*Excluding cash on hand amounting to P10,000 and P12,000 as at December 31, 2022.

\*\*This is presented as part of "Other noncurrent assets" account.

## 2021

	Note	Neither Past Due nor Impaired	Past Due but not Impaired	Impaired	Total
Cash and cash equivalents*	5	P207,684,318	P -	P -	P207,684,318
Receivables (current and noncurrent)	6	1,932,709,446	319,713,281	20,769,796	2,273,192,523
Finance lease receivables	16	1,110,115,886	-	-	1,110,115,886
Due from related parties	15	5,122,816	-	-	5,122,816
Refundable deposits**	10	15,335,239	-	-	15,335,239
		P3,270,967,705	P319,713,281	P20,769,796	P3,611,450,782

\*Excluding cash on hand amounting to P10,000 and P12,000 as at December 31, 2021 and 2020, respectively.

\*\*This is presented as part of "Other noncurrent assets" account.



Past due receivables are aging from 180 days to more than 360 days.

In 2022, the Group's financial assets are neither past due nor impaired.

The Group assessed the credit quality of cash in banks and short-term placements as high grade since these are deposited in a reputable bank with low probability of insolvency.

Credit risk arising from rental income is primarily managed through a tenant selection process and requiring lessees security deposits and advance rentals which helps reduce the Group's credit risk exposure in case of defaults. Further, lessees are required to issue post-dated checks, which provide additional credit enhancement.

The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The security deposits, advance rent and estimated value of the lessees' leasehold improvements are considered in the assessment of the credit loss for past due receivables.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The total loss allowance based on expected credit loss amounted to P97.8 million and P20.8 million as of December 31, 2022, and 2021, respectively.

The Group did not provide any allowance relating to receivable from related parties in prior year. There are also no ECL recognized in the current year for related party receivables since there are no history of default payments. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The Group assessed the credit quality of cash in banks and short-term placements as high grade since these are deposited in a reputable bank with low probability of insolvency.

Receivables were assessed as high grade as there is no current history of default. Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

The credit risk for refundable deposits is considered negligible since the counterparties are reputable entities with high quality external credit ratings.

#### Liquidity Risk

Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall under normal and stress circumstances.

The Group manages liquidity risks by forecasting projected cash flows and maintaining balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational working capital requirements.

Management closely monitors the Group's future and contingent obligations and set up required cash reserves as necessary in accordance with internal requirements.

The following are the contractual maturities of financial liabilities, excluding the impact of netting agreements:

As at December 31, 2022						
Note	Carrying Amount	Contractual Cash Flows	1 Year or Less	1 Year - 5 Years	More than 5 Years	
<b>Financial Liabilities</b>						
Accounts payable and other current liabilities	11	P1,241,397,698	P1,241,397,698	P1,241,397,698	P -	P -
Security deposits*	12	168,368,209	198,467,829	82,096,554	84,004,063	32,367,212
		P1,409,765,907	P1,439,865,527	P1,323,494,252	P84,004,063	P32,367,212

\*This is presented as part of "Other noncurrent liabilities" account.

As at December 31, 2021						
Note	Carrying Amount	Contractual Cash Flows	1 Year or Less	1 Year - 5 Years	More than 5 Years	
<b>Financial Liabilities</b>						
Accounts payable and other current liabilities	11	P938,100,080	P938,100,080	P938,100,080	P -	P -
Security deposits*	12	69,945,278	200,546,825	48,181,130	132,902,567	19,463,128
		P1,008,045,358	P1,138,646,905	P986,281,210	P132,902,567	P19,463,128

\*This is presented as part of "Other noncurrent liabilities" account.

### Fair Values

The following methods and assumptions were used to estimate the fair values of each class of financial instruments for which it is practicable to estimate such values:

#### *Cash, Receivables, Due from Related Parties, Accounts Payable and Other Current Liabilities and Due to Related Parties*

The carrying amounts of the Group's financial assets and liabilities such as cash, receivables, due from related parties, accounts payable and other current liabilities and due to related parties approximate their fair values due to the relatively short-term nature of these financial instruments.

*Finance Lease Receivables.* The fair value of finance lease receivable is based on the discounted value of expected future cash flows. The carrying amounts of finance lease receivables approximate their fair values.

#### *Refundable Deposits/Retention Payable*

The carrying amounts of refundable deposits and retention payable approximate their fair values since the impact of discounting is immaterial.

#### *Security Deposits*

Security deposits are reported at their present values, which approximate fair values.

### Capital Management

The Group's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Group sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business operations and industry.

The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group defines capital as total equity, as presented in the statements of financial position. The Group is not subject to externally imposed capital requirements.

---

## 20. Note to Consolidated Statements of Cash Flows

Additions to investment property include noncash additions from recoupment of advances to contractors amounting to P7,651,740 and P57,116,490 in 2022 and 2021, respectively.

Movement in receivables and other noncurrent liabilities in 2022 and 2021 includes application of security deposits amounting to P9,395,000 and P598,122,812, respectively.

Movement in receivables also includes transfer of leasehold improvements of tenants with discontinued contracts amounting to P1,088,788,985.

Except for the dividends paid, there are no other movements in the financing activities.

---

## 21. Other Matters

### a. Corona Virus Disease (COVID-19)

The Group believes that the COVID-19 outbreak has not materially and adversely affected its operations. The Group's properties have continued to be operational and have enjoyed consistently high occupancy rates thus earning stable rental revenues.

Most of the Group's office lease agreements have tenancy periods of between three (3) to ten (10) years and covered by security deposits and advance rentals. In addition to rentals, the Group bills CUSA fee for the maintenance and upkeep of the buildings.

The Group granted concessions to certain retail tenants; rental discounts for all food tenants and MSME retail tenants; and the deferral of rental payments in accordance with the Bayanihan Act and the Bayanihan 2 Act. The Group also provided waiver of interest and penalties to tenants during the ECQ and MECQ period and granted installment payments. The Group also granted the application of advance rents and security deposits to current rental payments to certain tenants. It has also entered restructuring of its receivables from its various tenants (Note 6).

The Group's operations have remained uninterrupted with stringent monitoring in place covering the workplace. The Group continues to remain vigilant in upholding the health and safety of its employees. The Group 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.

### b. Events after the Reporting Date

On April 17, 2023, the BOD approved a regular cash dividend to the common shareholders in the gross amount of P403,968,583 or P0.0226599 per share. The regular dividends will be paid to all Common Shareholders on record as of May 5, 2023 and will be paid on May 31, 2023.

**DDMP REIT, INC.**  
**KEY PERFORMANCE INDICATORS**

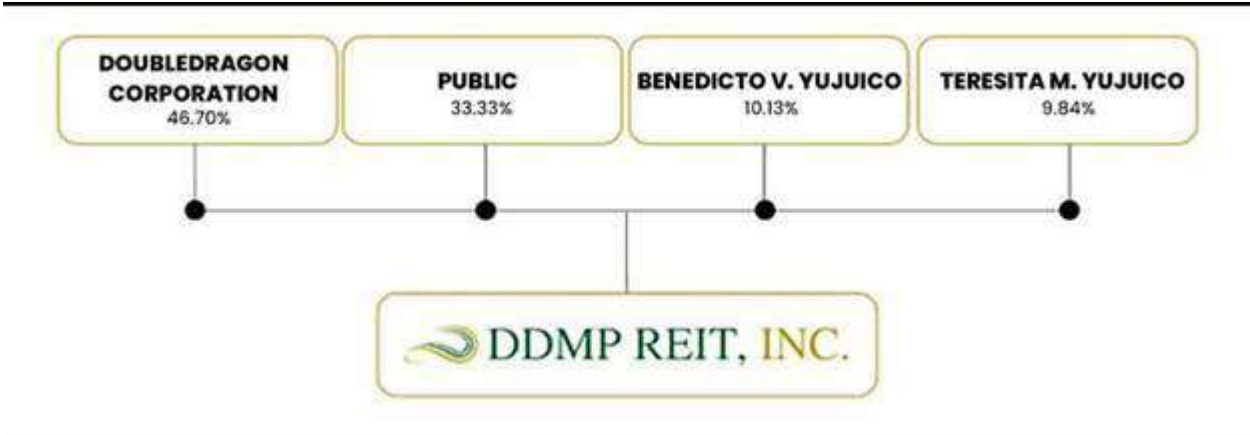
The following are the major financial ratios of the Company for the years ended December 31, 2022, and 2021.

Key Financial Ratios	2022	2021	2020
Recurring Income (in ₱ millions)	2,177.8	2,176.2	1,912.6
Recurring Income Contribution(1)	46.1%	28.3%	26.0%
Current Ratio(2)	1.38	2.81	3.27
Return on Assets(3)	22.7%	14.3%	11.2%
Return on Equity(4)	26.3%	18.8%	15.2%
Asset to Equity(5)	1.04	1.22	1.28
Solvency Ratio(6)	5.77	0.78	0.52
Earnings per share(7)	0.68	0.40	0.29
Book Value per share(8)	2.87	2.30	1.99
Debt to Equity Ratio (9)	-	-	-
Interest Rate Coverage Ratio (10)	-	-	-

*Notes:*

- (1) *Recurring income is composed of rental income. Recurring income contribution measures the stability of the Company's income source.*
- (2) *Current ratio is derived by dividing current assets by current liabilities at the end of a given period. Current ratio measures the Company's ability to pay short-term obligations.*
- (3) *Return on assets is derived by dividing the Company's net income by total assets.*
- (4) *Return on equity is derived by dividing net income by average shareholders' equity.*
- (5) *Asset to equity ratio is derived by dividing total assets by shareholders' equity.*
- (6) *Solvency Ratio is derived by the total of net income, amortization, and depreciation by total liabilities.*
- (7) *Earnings per share is derived by dividing net profit attributable less dividends on preferred shares by weighted outstanding shares.*
- (8) *Book value per share is derived by dividing equity attributable to parent less preferred by outstanding shares.*
- (9) *Debt to equity ratio is derived by dividing total interest-bearing debt by total stockholders equity*
- (10) *Interest rate coverage ratio is derived by dividing earnings before interest and taxes by interest paid*

**DDMP REIT, INC.**  
**Conglomerate Map**  
**December 31, 2022**



**DDMP REIT, INC.**  
**SCHEDULE A - FINANCIAL ASSETS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii) (PhP)	Valued based on market quotation at end of reporting period (iii) (PhP)	Income received and accrued (PhP)
Cash	N/A	506,203,658	506,203,658	143,652
Receivables	N/A	3,066,572,139	3,066,572,139	-
Due from related parties	N/A	-	-	-
Refundable deposits	N/A	15,335,239	15,335,239	-

**DDMP REIT, INC.**  
**SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES,**  
**RELATED PARTIES AND PRINCIPAL STOCKHOLDERS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

Name and Designation of debtor (i)	Balance at beginning of period (PhP)	Additions (PhP)	Amounts collected (ii) (PhP)	Amounts written off (iii) (PhP)	Current (PhP)	Not Current (PhP)	Balance at end of period (PhP)
DoubleDragon Corporation (Parent Company)							
DDMP REIT Fund Managers, Inc. (Under common control)	1,000,700	-	1,000,700	-	-	-	-
DDMP REIT Property Managers, Inc. (Under common control)	513,200	-	513,200	-	-	-	-
DD Tower Inc. (Under common control)	13,000	-	13,000	-	-	-	-
DDMP Service Residences Inc (Under common control)	13,000	-	13,000	-	-	-	-
DD Meridian Tower (Under common control)	3,582,916	-	3,582,916	-	-	-	-

**DDMP REIT, INC.**  
**SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES**  
**WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

Name and Designation of debtor (i)	Balance at beginning of period (PhP)	Additions (PhP)	Amounts eliminated (ii) (PhP)	Amounts written off (iii) (PhP)	Current (PhP)	Not Current (PhP)	Balance at end of period (PhP)
NONE	-	-	-	-	-	-	-



**DDMP REIT, INC.**  
**SCHEDULE D - INTANGIBLE ASSETS - OTHER ASSETS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

Description (i)	Beginning balance  (PhP)	Additions at cost (ii)  (PhP)	Charged to cost and expenses  (PhP)	Charged to other accounts  (PhP)	Other changes additions (deductions) (iii) (PhP)	Ending balance  (PhP)
Computer software	825,000	-	300,000	-	-	525,000

**DDMP REIT, INC.**  
**SCHEDULE E - LONG-TERM DEBT**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

Title of Issue and type of obligation (i)	Amount authorized by indenture  (PhP)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (ii) (PhP)	Amount shown under caption "Long-Term Debt" in related balance sheet (iii) (PhP)
NONE	-	-	-

**DDMP REIT, INC.**  
**SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

Name of related party (i)	Balance at beginning of period (PhP)	Balance at end of period (ii) (PhP)
NONE	-	-

**DDMP REIT, INC.**  
**SCHEDULE G - GUARANTEES OF SECURITIES OF OTHER ISSUERS**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding (i)	Amount owned by person for which statement is filed	Nature of guarantee (ii)
N/A	N/A	N/A	N/A	N/A

**DDMP REIT, INC.**  
**SCHEDULE H - CAPITAL STOCK**  
**FOR THE PERIOD ENDED DECEMBER 31, 2022**

Title of Issue (i)	Number of Shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties (ii)	Directors, officers and employees	Others (iii)
Common shares	17,830,000	17,827,465,406	-	17,827,465,396	10	-

**RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION  
AS OF DECEMBER 31, 2022**

**DDMP REIT, INC.**

DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza  
DD Meridian Park Corner Macapagal Avenue & EDSA Extension  
Bay Area, Pasay City, Metro Manila

<b>Unappropriated Retained Earnings, beginning</b>	<b>P23,145,223,899</b>
<b>Adjustments:(see adjustments in previous year's reconciliation)</b>	<b>(22,444,019,503)</b>
<b>Unappropriated Retained Earnings, as adjusted, beginning</b>	<b>701,204,396</b>
<b>Add: Net income actually earned/realized during the period</b>	
Net Income during the period closed to Retained Earnings	<b>12,104,481,128</b>
<b>Less: Non-actual/unrealized income net of tax:</b>	
Equity in net income of associates	-
Unrealized foreign exchange gain (except those attributable to Cash)	-
Unrealized actuarial gain (loss)	-
Fair value adjustments (mark-to-market gains)	-
Fair value adjustments of Investment Property resulting to gain	<b>(2,337,301,233)</b>
Adjustment due to deviation from PFRS - gain	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	<b>18,410,415</b>
Adjustment to deferred tax due to change in rate	<b>(7,911,924,227)</b>
Sub-total	<b>(10,230,815,045)</b>
<b>Add: Non-actual losses</b>	
Depreciation on revaluation increment (after tax)	-
Adjustment due to deviation from PFRS - loss	-
Loss on fair value adjustment of investment property (after tax)	-
Sub-total	-
<b>Net Income actually earned during the period</b>	<b>1,873,666,083</b>
<b>Add (Less):</b>	
Dividends declarations during the period	<b>(1,965,549,371)</b>
Appropriations of Retained Earnings during the Period	-
Reversal of appropriations	-
Effects of prior period adjustments	-
Treasury shares	-
Sub-total	<b>(1,965,549,371)</b>
<b>TOTAL RETAINED EARNINGS, END OF THE YEAR AVAILABLE FOR DIVIDEND</b>	<b>P609,321,108</b>

**ANNEX D4**

**Unaudited Interim Consolidated  
Financial Statements as of September 30, 2023**

# **DDMP REIT, INC.**

(formerly DD-MERIDIAN PARK DEVELOPMENT CORP.)

(A Subsidiary of DoubleDragon Corporation)

## **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**As of September 30, 2023 and December 31, 2022 and  
For the Nine Months Ended September 30, 2023 and 2022**



**DDMP REIT, INC.**  
**(formerly DD-Meridian Park Development Corp.)**  
**(A Subsidiary of DoubleDragon Corporation)**

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	<b>September 30, 2023</b> <b>(Unaudited)</b>	<b>December 31, 2022</b> <b>(Audited)</b>
<i>Amount in PHP</i>		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	<b>P340,462,704</b>	P506,203,658
Receivables	<b>2,285,874,844</b>	1,798,787,341
Prepaid expenses and other current assets	<b>76,480,441</b>	72,574,248
<b>Total Current Assets</b>	<b>2,702,817,989</b>	2,377,565,247
<b>Noncurrent Assets</b>		
Receivables – net of current	<b>123,777,340</b>	128,659,625
Property and equipment – net	<b>3,780,405</b>	7,315,535
Investment property	<b>49,160,694,443</b>	49,132,989,226
Finance lease receivable	<b>1,161,777,475</b>	1,139,125,173
Other noncurrent assets	<b>424,237,086</b>	423,284,185
<b>Total Noncurrent Assets</b>	<b>50,874,266,749</b>	50,831,373,744
<b>Total Assets</b>	<b>P53,577,084,738</b>	P53,208,938,991
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities	<b>1,322,984,129</b>	P1,241,397,698
Dividends Payable	<b>454,183,205</b>	486,208,464
<b>Total Current Liabilities</b>	<b>1,777,167,334</b>	1,727,606,162
<b>Noncurrent Liabilities</b>		
Other noncurrent liabilities	<b>451,552,109</b>	369,711,767
<b>Total Noncurrent liabilities</b>	<b>451,552,109</b>	369,711,767
<b>Total Liabilities</b>	<b>2,228,719,443</b>	2,097,317,929
<b>Equity</b>		
Capital stock	<b>17,827,465,406</b>	17,827,465,406
Retained earnings	<b>33,520,899,889</b>	33,284,155,656
<b>Total Equity</b>	<b>51,348,365,295</b>	51,111,621,062
<b>Total Liabilities and Equity</b>	<b>P53,577,084,738</b>	P53,208,938,991

**DDMP REIT, INC.**  
**(formerly DD-Meridian Park Development Corp.)**  
**(A Subsidiary of DoubleDragon Corporation)**

**UNAUDITED CONDENSED INTERIM**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022**

	<b>September 30, 2023</b>	<b>September 30, 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Amount in PHP</i>	
<b>INCOME</b>		
Rent income	<b>P1,440,436,397</b>	P1,668,138,197
Interest income	<b>39,995,998</b>	39,014,167
Other income	<b>391,256,609</b>	110,572,861
	<b>1,871,689,004</b>	1,817,725,225
<b>COSTS AND EXPENSES</b>		
General and administrative expenses	<b>305,146,526</b>	227,517,694
Marketing expenses	<b>12,159,961</b>	21,155,988
Interest expense	<b>6,866,759</b>	29,419,885
	<b>324,173,246</b>	278,093,567
<b>INCOME BEFORE INCOME TAX</b>	<b>1,547,515,758</b>	1,539,631,658
<b>INCOME TAX EXPENSE</b>	<b>-</b>	-
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>P1,547,515,758</b>	P1,539,631,658

**DDMP REIT, INC.**  
**(formerly DD-Meridian Park Development Corp.)**  
**(A Subsidiary of DoubleDragon Corporation)**

**UNAUDITED CONDENSED INTERIM**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2023 AND 2022**

	<b>September 30, 2023</b>	<b>September 30, 2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>Amount in PHP</i>	
<b>INCOME</b>		
Rent income	<b>P473,699,827</b>	P531,473,595
Interest income	<b>13,415,347</b>	13,096,323
Other income	<b>167,862,219</b>	38,313,367
	<b>654,977,393</b>	582,883,285
<b>COSTS AND EXPENSES</b>		
General and administrative expenses	<b>105,081,369</b>	84,455,683
Marketing expenses	<b>282,077</b>	6,065,047
Interest expense	<b>2,592,220</b>	9,919,545
	<b>107,955,666</b>	100,440,275
<b>INCOME BEFORE INCOME TAX</b>	<b>547,021,727</b>	482,443,010
<b>INCOME TAX EXPENSE</b>	-	-
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>P 547,021,727</b>	P482,443,010

**DDMP REIT, INC.**  
**(formerly DD-Meridian Park Development Corp.)**  
**(A Subsidiary of DoubleDragon Corporation)**

**UNAUDITED CONDENSED INTERIM**  
**STATEMENTS OF CHANGES IN EQUITY**

	<b>Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
<b>CAPITAL STOCK - P1 par value</b>		
<b>Issued and outstanding</b>		
Balance at end of period	<b>P17,827,465,406</b>	P17,827,465,406
<b>RETAINED EARNINGS</b>		
Balance at beginning of period	<b>P33,284,155,656</b>	P23,145,223,899
Net income/total comprehensive income for the period	<b>1,547,515,758</b>	1,539,631,658
Dividends	<b>(1,310,771,525)</b>	(1,479,340,907)
Balance at end of period	<b>33,520,899,889</b>	23,205,514,650
	<b>P51,348,365,295</b>	P41,032,980,056

**DDMP REIT, INC.**  
**(formerly DD-Meridian Park Development Corp.)**  
**(A Subsidiary of DoubleDragon Corporation)**

**UNAUDITED CONDENSED INTERIM  
STATEMENTS OF CASH FLOWS**

	<b>Nine Months Ended September 30</b>	
	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>P 1,547,515,758</b>	P1,539,631,658
Adjustments for:		
Interest expense	<b>6,866,759</b>	29,419,885
Interest income	<b>(39,995,998)</b>	(39,014,167)
Depreciation and amortization	<b>4,204,566</b>	5,085,198
Operating income before working capital changes	<b>1,518,591,085</b>	1,535,122,574
Decrease (increase) in:		
Receivables	<b>(492,660,435)</b>	(127,944,819)
Due from related party	-	5,122,816
Prepaid expenses and other current assets	<b>(3,906,194)</b>	358,542,330
Increase (decrease) in:		
Accounts payable and other current liabilities	<b>80,408,530</b>	22,158,929
Other noncurrent liabilities	<b>74,973,583</b>	(16,301,496)
Cash generated from operations	<b>1,177,406,569</b>	1,776,700,334
Interest received	<b>93,696</b>	133,144
Net cash provided by operating activities	<b>1,177,500,265</b>	1,776,833,478
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to investment property	-	(24,520,326)
Decrease in other noncurrent assets	-	6,897,542
Increase in noncurrent receivables	-	4,959,892
Additions to property and equipment	<b>(444,435)</b>	(1,001,250)
Net cash used in investing activities	<b>(444,435)</b>	(13,664,142)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	<b>(1,342,796,784)</b>	(1,479,340,908)
Net cash used in financing activities	<b>(1,342,796,784)</b>	(1,479,340,908)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(165,740,954)</b>	283,828,428
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>506,203,658</b>	207,694,318
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>P340,462,704</b>	P491,522,746

**DDMP REIT, INC.**  
**(formerly DD-Meridian Park Development Corp.)**  
**(A Subsidiary of DoubleDragon Corporation )**

---

**NOTES TO THE UNAUDITED CONDENSED  
INTERIM FINANCIAL STATEMENTS**

---

**1. Reporting Entity**

DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) (the “Company” or “DDMP”) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on October 27, 2014 primarily to engage in the business of real estate development including but not limited to residential and condominium projects, to acquire by purchase or lease land and interest in land, to own, hold, impose, promote, develop, subdivide and manage any land owned, held or occupied by the Company, to construct, manage or administer buildings such as condominiums, apartments, hotels, restaurants, stores or other structures and to mortgage, sell, lease or otherwise dispose of land, interests in land and buildings or other structures at any time. The Company is incorporated primarily to construct DD Meridian Park, a 4.75 hectare ongoing, mixed-use development real estate property situated in Pasay City.

On November 11, 2020, the Board of Directors (BOD) and shareholders approved to offer, subject to compliance with existing laws, and the rules and regulations of the SEC, up to 5,942,488,469 secondary common shares, with an over-allotment option up to 594,248,847 secondary common shares through an initial public offering (IPO) at the price up to P2.25 per share. On November 23, 2020, the Company filed its Registration Statement with the SEC covering its IPO.

On November 11, 2020, the BOD and shareholders approved to amend the Company’s Articles of Incorporation (AOI). The SEC approved the amendment of the Company’s AOI on November 26, 2020. Relevant amendments include:

- Change in the Company’s name to DDMP REIT, INC.; and
- Amendment of the primary purpose of the Company. The amended primary purpose of the Company is now to engage in the business of a real estate investment trust (REIT), as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations (the “REIT Act”), and other applicable laws
- Change of corporate term to perpetual existence;
- Increase in the number of BOD to nine (9) and inclusion of independent directors;
- Compliance with the lock-up requirements under the Listing Rules of the Philippine Stock Exchange, Inc.;
- Removal of the contractual restrictions on the disposition of shares; and
- Inclusion of additional restriction on transfer of shares as provided under REIT Act.

On March 24, 2021, the Company completed its initial public offering and was listed in the Philippine Stock Exchange (“PSE”) under the stock symbol “DDMPR”, as a REIT entity. DD remains as the ultimate parent company and controlling shareholder of DDMP.

On February 10, 2021 the Company sold its investments in DDMP REIT Fund Managers, Inc. (DRFMI) and DDMP REIT Property Managers, Inc. (DRPMI) (collectively referred to as the “Subsidiaries”) to DD. The sale resulted in a loss of control and de-consolidation.

The Company’s office address is DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park Corner Macapagal Avenue and EDSA Extension, Bay Area, Pasay City, Metro Manila.

---

## 2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the Company since the last annual consolidated financial statements as at and for the year ended December 31, 2022. The condensed interim financial statements do not include all the information required for a complete set of financial statements in accordance with Philippine Financial Reporting Standards (PFRS), and should be read in conjunction with the audited consolidated financial statements of DDMP REIT, INC. as at and for the year ended December 31, 2022. The audited financial statements are available upon request from the Company's registered office at DD Meridian Park Bay Area, Corner Macapagal Avenue and EDSA Extension Boulevard, Brgy. 76 Zone 10, San Rafael, Pasay City, Metro Manila.

The unaudited condensed interim financial statements are presented in Philippine peso and all values are rounded off to the nearest peso, except when otherwise indicated.

---

## 3. Summary of Significant Accounting Policies

Except as described below, the accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its consolidated financial statements as of and for the year ended December 31, 2022. The following changes in accounting policies are also expected to be reflected in the Company's consolidated financial statements as of and for the year ended December 31, 2023.

**Adoption of New or Revised Standards, Amendments to Standards and Interpretations**  
The Company has adopted the following new standards, amendments to standards and interpretations starting January 1, 2023 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have any significant impact on the Company's consolidated financial statements.

Effective January 1, 2023

- *Definition of Accounting Estimates (Amendments to PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)*. To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remain unchanged. The amendments also provide examples on the application of the new definition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments

are applied.

- *Definition Disclosure of Accounting Policies (Amendments to PAS 1 Presentation of Financial Statements and PFRS Practice Statement 2 Making Materiality Judgements)*. The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a entity's financial statements.

The amendments to PFRS Practice Statement 2 includes guidance and additional examples on the application of materiality to accounting policy disclosures.

The amendments are effective from January 1, 2023. Earlier application is permitted.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12 Income Taxes)*. The amendments clarify that that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

Effective January 1, 2024

- *Classification of Liabilities as Current or Noncurrent - 2020 amendments and Non-Current Liabilities with Covenants - 2022 amendments (Amendments to PAS 1, Presentation of Financial Statements)*. To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
  - removed the requirement for a right to defer settlement of a liability for at least twelve months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;
  - clarified that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current and covenants with which the entity must comply after the reporting date do not affect a liability's classification at that date;
  - provided additional disclosure requirements for non-current liabilities subject to conditions within twelve months after the reporting period to



enable the assessment of the risk that the liability could become repayable within twelve months; and

- clarified that settlement of a liability includes transferring an entity's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

The amendments will apply retrospectively for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. Entities that have early applied the 2020 amendments may retain application until the 2022 amendments are applied. Entities that will early apply the 2020 amendments after issue of the 2022 amendments must apply both amendments at the same time.

*Deferral of the local implementation of Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 Consolidated Financial Statements and PAS 28 Investments in Associates and Joint Ventures). The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Originally, the amendments apply prospectively for annual periods beginning on or after January 1, 2016 with early adoption permitted. However, on January 13, 2016, the FSRSC decided to postpone the effective date of these amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRSs is not expected to have any material effect on the financial statements of the Company.

---

#### **4. Use of Judgments and Estimates**

In preparing the condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2022.

##### Operating Segments

The reporting format of the Company's operating segment is determined based on the Company's risks and rates of return which are affected predominantly by differences in the services rendered. The Company has one business segment, which is related to its leasing business.

---

## 5. Cash and Cash Equivalents

This account consists of:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Cash on hand and in banks	<b>P340,452,704</b>	<b>P506,193,658</b>
Cash on Hand	<b>10,000</b>	<b>10,000</b>
	<b>P340,462,704</b>	<b>P506,203,658</b>

Cash in banks earn annual interest at the respective bank deposit rates. Short-term placements are made for varying periods of up to six months depending on the immediate cash requirements of the Company, and earn annual interest at the respective short-term placement rates. Interest income from cash in banks and short-term placements amounted to P93,696 and P133,144 for the nine months ending September 30, 2023 and in 2022 respectively.

---

## 6. Receivables

This account consists of:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Rent receivable	<b>P2,322,159,880</b>	<b>P1,837,549,866</b>
Non-trade receivable	<b>43,090,662</b>	<b>41,009,890</b>
Receivables from tenants	<b>17,787,991</b>	<b>17,318,062</b>
Others	<b>679,294</b>	<b>752,506</b>
	<b>2,383,717,827</b>	<b>1,896,630,324</b>
Less: Allowance for impairment loss	<b>97,842,983</b>	<b>97,842,983</b>
	<b>P2,285,874,844</b>	<b>P1,798,787,341</b>

Rent receivable pertains to receivables arising from the lease of office and commercial spaces relating to the Company's operations. These are generally collectible within thirty (30) days. This account consists mainly of accrued rentals arising from the excess of rent income over rental collections made by lessees in accordance with straight-line rental recognition as mandated by PFRS 16, Leases amounting to P528,258,771 and P570,067,615 as at September 30, 2023 and December 31, 2022, respectively.

---

## 7. Prepaid Expenses and Other Current Assets

This account consists of:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Prepaid expenses	<b>P75,885,779</b>	<b>71,979,586</b>
Other current asset	<b>594,662</b>	<b>594,662</b>
	<b>P76,480,441</b>	<b>P72,574,248</b>

Prepaid expenses pertain to payments for real property taxes and other expenses made as at September 30, 2023 and December 31, 2022 applicable to the subsequent periods.

---

## 8. Investment Property

The Company's investment property mainly relates to the Company's DD Meridian Park property.

The Company's investment property is stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser.

The following table provides the fair value hierarchy of the Company's investment property as at September 2023 and December 31, 2022:

	Level 2	
	September 30, 2023	December 31, 2022
Land	<b>P12,626,521,558</b>	P12,626,521,558
Buildings	<b>36,534,172,885</b>	36,506,467,668
	<b>P49,160,694,443</b>	P49,132,989,226

---

## 9. Accounts Payable and Other Current Liabilities

This account consists of:

	September 30 2023	December 31 2022
Trade payables	<b>P401,252,950</b>	P233,476,578
Accrued expenses:		
Project costs	<b>752,560,670</b>	817,638,876
Others	<b>37,573,885</b>	66,917,595
Retention payable - current portion	<b>67,718,832</b>	68,481,630
Construction bond	<b>45,479,242</b>	38,382,521
Withholding tax payable	<b>2,100,303</b>	819,094
Others	<b>16,298,247</b>	15,681,404
	<b>P1,322,984,129</b>	P1,241,397,698

Trade payables and accrued project costs are liabilities arising from services provided by the contractors and subcontractors. These are non-interest bearing and are normally settled within thirty (30) days.

Construction bond pertains to the cash deposit made by the tenants which function as security during fit-out period. Any damage caused to the leased property during the fit-out will be deducted from the construction bond and the balance will be refunded to the tenant.

---

## 10. Income Taxes

As REIT entity, DDMP is entitled to the following:

- Exemption from the 2% minimum corporate income tax;
- Exemption from VAT and documentary stamp tax on the transfer of property in exchange of its shares;
- Deduction of dividend distribution from its taxable income, and
- Fifty percent (50%) of the standard DST rate on the transfer of real property into the Company, including the sale or transfer of any security interest thereto.

The Company availed these tax incentives as a REIT after its listing.

As of September 30, 2023 and December 31, 2022, deferred tax assets and liabilities are recognized based on the effective income tax rate of 0% under REIT law.

## 11. Equity/Earnings Per Share/Distributable Income

### Capital Stock

The composition of the Company's capital stock as at September 30, 2023 and December 31, 2022 are as follows:

	September 30, 2023		December 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
<b>CAPITAL STOCK</b> - P1 par value				
Authorized - 17,830,000,000 shares				
Issued and outstanding	<b>17,827,465,406</b>	<b>P17,827,465,406</b>	17,827,465,406	P17,827,465,406

On November 23, 2020, the Company filed its Registration Statement with the SEC for the registration of up to 5,942,488,469 secondary common shares, with an over-allotment option up to 594,248,847 secondary common shares through an IPO at the price up to P2.25 per share.

On March 24, 2021, in accordance with the certificate of permit to offer securities for sale issued by the SEC, 6,536,737,316 secondary common shares of the Company with par value of P1 were registered and offered for sale at an offer price of P2.25 per share.

### EPS

EPS is computed as follows:

	Nine Months Ended September 30	
	2023	2022
Net income attributable to the equity holders of the Company	<b>P1,547,515,758</b>	P1,539,631,658
Weighted average number of shares	<b>17,827,465,406</b>	17,827,465,406
Basic/Diluted EPS	<b>P0.0868</b>	P0.0864

As at September 30, 2023 and December 31, 2022, the Company has no dilutive debt or equity instruments.

### Dividends

The summary of dividend declarations of the Company are as follows:

#### 2023

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share	Amount
Cash dividend	April 17, 2023	May 5, 2023	May 31, 2023	<b>0.0226599</b>	<b>P403,968,583</b>
Cash dividend	May 15, 2023	June 19, 2023	July 13, 2023	<b>0.0253889</b>	<b>452,619,736</b>
Cash dividend	September 29, 2023	November 9, 2023	November 29, 2023	<b>0.0254766</b>	<b>454,183,205</b>
Total					<b>P1,310,771,524</b>

#### 2022

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share	Amount
Cash dividend	May 15, 2022	May 19, 2022	May 31, 2022	<b>0.027814</b>	<b>P495,853,123</b>
Cash dividend	June 08, 2022	June 08, 2022	June 30, 2022	<b>0.027868</b>	<b>496,815,806</b>
Cash dividend	August 30, 2022	August 30, 2022	September 26, 2022	<b>0.027299</b>	<b>486,671,978</b>
Cash dividend	November 15, 2022	December 05, 2022	January 02, 2023	<b>0.027273</b>	<b>486,208,464</b>
Total					<b>P1,965,549,371</b>

### Distributable Income

The computation of distributable income of the Company as at September 30, 2023 is shown below:

	<b>September 30 2023</b>
Net income of the Company	P1,547,515,758
Fair value adjustments of investment Property resulting to gain (after tax)	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	(14,185,156)
	<u>P1,533,330,602</u>

As of September 30, 2023, the Company has declared P906.80 million of dividends out of the 2023 distributable income.

---

## **12. Financial Risk and Capital Management Objectives and Policies**

### Objectives and Policies

The Company has significant exposure to the following financial risks primarily from its use of financial instruments:

- Credit Risk
- Liquidity Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risks, and the Company's management of capital.

The main purpose of the Company's dealings in financial instruments is to fund its operations and capital expenditures.

The BOD has overall responsibility for the establishment and oversight of the Company's risk management framework. The BOD has established the Executive Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee identifies all issues affecting the operations of the Company and reports regularly to the BOD on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. All risks faced by the Company are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Company's operations and forecasted results. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's principal financial assets include cash and cash equivalents, receivables, due related parties and refundable deposits. These financial assets are used to fund the Company's operations and capital expenditures.

### Credit Risk

Credit risk represents the risk of loss the Company would incur if the counterparty fails to perform their contractual obligations. The risk arises principally from the Company's cash in banks and short-term placements, receivables, due from related parties and refundable deposits. The Company manages credit risk by dealing with recognized and creditworthy financial institutions. The objective is to reduce the risk of loss through default by counterparties.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date follows:

	<b>September 30 2023</b>	December 31, 2022
Cash and cash equivalents*	<b>340,452,705</b>	<b>P506,193,658</b>
Receivables (current and noncurrent)	<b>2,409,652,184</b>	<b>1,927,446,966</b>
Finance lease receivable	<b>1,161,777,475</b>	<b>1,139,125,173</b>
Refundable deposits**	<b>16,484,932</b>	<b>15,335,239</b>
	<b>P3,928,367,296</b>	<b>P3,588,101,036</b>

\*Excluding cash on hand.

\*\*This is presented as part of "Other noncurrent assets" account.

Past due receivables are aging from 180 days to more than 360 days.

The Company assessed the credit quality of cash in banks and short-term placements as high grade since these are deposited in a reputable bank with low probability of insolvency.

Credit risk arising from rental income is primarily managed through a tenant selection process and requiring lessees security deposits and advance rentals which helps reduce the Company's credit risk exposure in case of defaults. Further, lessees are required to issue post-dated checks, which provide additional credit enhancement.

The Company applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The security deposits, advance rent and estimated value of the lessees' leasehold improvements are considered in the assessment of the credit loss for past due receivables.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The total loss allowance based is P97.8 million as of September 30, 2023 and December 31, 2022.

The Company did not provide any allowance relating to receivable from related parties in prior year. There are also no ECL recognized in the current year for related party receivables since there are no history of default payments. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The Company assessed the credit quality of cash in banks and short-term placements as high grade since these are deposited in a reputable bank with low probability of insolvency.

Receivables were assessed as high grade as there is no current history of default. Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

The credit risk for refundable deposits is considered negligible since the counterparties are reputable entities with high quality external credit ratings.

#### Liquidity Risk

Liquidity risk pertains to the risk that the Company will encounter difficulty to meet payment obligations when they fall under normal and stress circumstances.

The Company manages liquidity risks by forecasting projected cash flows and maintaining balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational working capital requirements.

Management closely monitors the Company's future and contingent obligations and set up required cash reserves as necessary in accordance with internal requirements.

#### Fair Values

The following methods and assumptions were used to estimate the fair values of each class of financial instruments for which it is practicable to estimate such values:

##### *Cash and Cash Equivalents, Receivables, Accounts Payable and Other Current Liabilities and Due to Related Parties*

The carrying amounts of the Company's financial assets and liabilities such as cash and cash equivalents, receivables, due from related parties, accounts payable and other current liabilities and due to related parties approximate their fair values due to the relatively short-term nature of these financial instruments.

*Finance Lease Receivables.* The fair value of finance lease receivable is based on the discounted value of expected future cash flows. The carrying amounts of finance lease receivables approximate their fair values.

##### *Refundable Deposits/Retention Payable*

The carrying amounts of refundable deposits and retention payable approximate their fair values since the impact of discounting is immaterial.

##### *Security Deposits*

Security deposits are reported at their present values, which approximate fair values.

#### Capital Management

The Company's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Company sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Company's external environment and the risks underlying the Company's business operations and industry.

The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company defines capital as total equity, as presented in the statements of financial position. The Company is not subject to externally imposed capital requirements.

# **Annex E**

## **Compliance with Section 49 of the Revised Corporation Code**



<b>List of Required Information under Sec 49 of the Revised Corporation Code</b>	<b>Page</b>
<p><b>A.</b> The minutes of the most recent regular meeting which shall include, among others:            (1) A description of the voting and vote tabulation procedures used in the previous meeting; (2) A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given; (3) The matters discussed and resolutions reached; (4) A record of the voting results for each agenda item; (5) A list of the directors or trustees, officers and stockholders or members who attended the meeting;</p>	See Annex B of the Definitive Information Statement
<p><b>B.</b> Material information on the current stockholders, and their voting rights;</p>	See Item 4 on Page 12 of the Definitive Information Statement
<p><b>C.</b> A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance, which shall include information on any material change in the corporation's business, strategy, and other affairs.</p>	See D.1 of Annex D of the Definitive Information Statement
<p><b>D.</b> A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe,</p>	See D.4 of Annex D of the Definitive Information Statement
<p><b>E.</b> An explanation of the dividend policy and the fact of payment of dividends</p>	See page 34 of the Definitive Information Statement and D1-13 of of Annex D of the Definitive Information Statement
<p><b>F.</b> Director profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representations in other corporations</p>	See pages 17-20 of the Definitive Information Statement
<p><b>G.</b> A director or trustee attendance report, indicating the attendance of each director or trustee at each of the meetings of the board</p>	See page 22 of the Definitive Information Statement
<p><b>H.</b> Appraisals and performance criteria for the board and t and procedure for assessment;</p>	See page 22-23 of the Definitive Information Statement
<p><b>I.</b> A director compensation report prepared in accordance with the Revised Corporation Code and the rules the Commission may prescribe</p>	See Item 6 on pages page 28-29 of the Definitive Information Statement
<p><b>J.</b> Director disclosures on self-dealings and related party transactions;</p>	See page 25-28 of the Definitive Information Statement
<p><b>K.</b> The profiles of directors nominated or seeking election or reelection</p>	See pages 17-20 of the Definitive information Statement