PhilRatings PHILIPPINE RATING SERVICES CORPORATION *The Pioneer Domestic Credit Rating Agency*	**RATING NEWS** **August 22, 2025**

DoubleDragon's Proposed Bond Issue of up to ₱10.9 billion Gets Highest Rating

Philippine Rating Services Corporation (PhilRatings) has assigned an Issue Credit Rating of **PRS Aaa**, with a **Stable** Outlook, to DoubleDragon Corporation's (DoubleDragon) proposed ₱3.5 billion bond issuance, with an Oversubscription Option of up to ₱7.4 billion. The proposed bond issue represents the third and final tranche of the Company's three-year ₱30.0 billion Retail Bonds program. PhilRatings has also maintained the Issue Credit Rating of **PRS Aaa**, with a **Stable** Outlook, for DoubleDragon's outstanding bonds of ₱34.4 billion.

Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. **PRS Aaa** is the highest rating assigned by PhilRatings. A **Stable** Outlook, on the other hand, indicates that the assigned rating is likely to be maintained or to remain unchanged in the next 12 months.

The assigned ratings and the corresponding Outlook considered DoubleDragon's: (1) clearly-defined and well-executed growth strategy; (2) its experienced management and its ability to form solid alliances with industry-recognized partners; (3) its conservative financial position considering the capital-intensive nature of the Company's businesses; and (4) expectations of improved operating cashflow, backed by increasing rental income.

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

DoubleDragon is a joint venture between two of the Philippines' highly successful fast food entrepreneurs: Edgar "Injap" Sia II (founder of Mang Inasal) and Tony Tan Caktiong (founder of Jollibee). The Company is primarily engaged in the business of real estate development, and has four principal business segments: retail leasing, office leasing, hospitality, and industrial leasing.

As of August 2025, the Company holds an investment property portfolio of over 1.5 million square meters (sqm), which includes office buildings in Metro Manila, provincial community malls, hotels, and warehouse complexes nationwide. It aims to increase its property portfolio to 2.4 million sqm of gross floor area (GFA) by 2030, spread across its four core business segments: 30% in retail, 15% in office, 20% in hospitality, and 35% in industrial leasing. Growing the hospitality and industrial leasing segments remains a key focus to achieve these targets.

The Company's hospitality business continues to expand through its Hotel101, Jinjiang Inn, and Ascott brands both locally and abroad. Present in five countries—Philippines, Japan, Spain, Saudi Arabia, and the United States (US)—the brand is pursuing further growth through potential joint ventures and licensing partnerships in other markets. Hotel101 aims to establish a presence in 25 countries over the medium term. Its long-term goal, on the other hand, is to operate one million rooms across over 100 countries. Meanwhile, CentralHub, the Company's industrial leasing platform, operates ten industrial sites covering 60.6 hectares of prime land. It aims to develop a ₱24.8-billion warehouse leasing portfolio and establish the Philippines' first industrial Real Estate Investment Trust (REIT).

The Company's strategic alliances and experienced leadership have supported the successful execution of its growth plans in a relatively short period of time. CityMall Commercial Centers Inc. (CMCCI), which operates the retail leasing segment, is 66%-owned by DoubleDragon and 34% by SM Investments Corporation (SMIC). SMIC is a leading conglomerate with core investments in retail, property, and banking. In April 2024, subsidiary Hotel101 Global Pte. Ltd. entered into a definitive merger agreement with JVSPAC Acquisition Corporation. The combined entity successfully listed on the US-based NASDAQ on July 1, 2025, under the ticker symbol 'HBNB', marking the first listing of a Filipino majority-owned subsidiary via special purpose acquisition company (SPAC) on a US stock exchange. JVSPAC is led by Albert Wong, Chief Executive Officer and Director of Kingsway Group Holdings. Mr. Wong has over two decades of experience in capital markets. He is also co-founder of JVSakk Group and has been its Executive Director since 2010.

DoubleDragon maintains a conservative capitalization structure, with its debt-to-capitalization ratio ranging from 40% to 44% over the past three years. As of end-June 2025, its total debt stood at ₱88.54 billion while its total equity was ₱101.52 billion, and translating to a debt-to-equity (DE) ratio of 0.87x. DE ratio has remained more than acceptable at below 1.0x, and is expected to stay at this level over the projected period.

The Company expects to generate ample revenues from its over 1.5 million sqm of completed projects, as these assets reach maturity this year. Given the foregoing, operating cash flow is seen to improve over the forecast period. In line with efforts to support liquidity, the Company issued the first and second tranches of its ₱30.0 billion shelf registration bond program in November 2024 and February 2025, respectively.

With expectations of improved earnings and stronger liquidity, the Company's reliance on debt is expected to decline over the projected period.