

 <b>PHILIPPINE RATING SERVICES CORPORATION</b>	<b>RATING REPORT</b>
	<b>DOUBLEDRAGON CORPORATION</b>

**Date:** August 22, 2025  
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### ISSUE CREDIT RATING FOR DOUBLEDRAGON'S PROPOSED BOND ISSUANCE

Total Issue Amount	Tenors	Assigned Rating and Outlook
₱3.5 billion with an Oversubscription Option of up to ₱7.4 billion	3.5 and 5.5 years	PRS Aaa, Stable
<b>Total – ₱10.9 billion*</b>		

*\*Third and last tranche of the Company's debt securities program amounting to ₱30.0 billion*

**Use of Proceeds:** For DoubleDragon Corporation's (DoubleDragon) general corporate requirements.

### ISSUE CREDIT RATING OF OUTSTANDING BOND ISSUANCES

Outstanding Amount	Issue Date	Maturity	Interest Rate	Assigned Rating and Outlook
₱5.3 billion	December 15, 2016	December 15, 2026	5.9721%	PRS Aaa, Stable
₱6.0 billion	July 16, 2024	January 16, 2028	8.0080%	
₱4.0 billion	September 20, 2024	September 20, 2029	8.0080%	
₱10.0 billion	November 27, 2024	May 27, 2030	8.0000%	
₱9.1 billion	February 21, 2025	February 21, 2032	7.7700%	
<b>Total – ₱34.4 billion</b>				

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.

### ISSUER CREDIT RATING

Issuance	Amount	Issue Date	Maturity Date	Outstanding Rating and Outlook
Series 1C Notes Due 2028	₱1.08 billion	September 8, 2023	September 8, 2028	PRS Aaa (corp.), Stable
Series 2 Notes Due 2028	₱1.0 billion	May 23, 2024	September 8, 2028	
Series 3 Notes Due 2030	₱2.5 billion	March 20, 2025	March 20, 2030	
<b>Total Corporate Notes – ₱4.8 billion</b>				
DDPCWORLDUS\$99.08M7.25%N300718	\$99.08 million	July 18, 2025	July 18, 2030	

A company rated **PRS Aaa (corp.)** has a VERY STRONG capacity to meet its financial commitments relative to that of other Philippine corporates. **PRS Aaa (corp.)** is the highest Corporate Credit Rating assigned on the PRS scale.

**Outlook Definition:**

An Outlook is an indication as to the possible direction of any rating change within a one-year period and serves as a further refinement to the assigned credit rating for the guidance of investors, regulators, and the general public. A **Stable Outlook** is defined as: “The rating is likely to be maintained or to remain unchanged in the next twelve months.”

**RATIONALE**

The assigned ratings and Outlook take into account the following key considerations:

1. Clearly-defined and well-executed growth strategy

As of report-writing date, DoubleDragon holds an investment property portfolio of over 1.5 million square meters (sqm), growing from approximately 1.3 million sqm in 2024. Since the beginning of its operations in 2010, the Company has expanded and diversified its asset portfolio to include provincial community malls in Luzon, Visayas, and Mindanao, office buildings in Metro Manila, hotel chain within and outside of the Philippines, and warehouse complexes around the country.

DoubleDragon has set a new target of increasing its 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. To achieve these targets, the Company aims to grow its hospitality and industrial leasing segments.

For its hospitality business, DoubleDragon targets to have at least 5,000 operating hotel rooms for its Hotel101, Jinjiang Inn, and Ascott brands by 2026. This will be backed by the continued expansion of its Hotel101 portfolio, both locally and internationally. Hotel101 aims to be present in 25 countries in the medium term. The Company has current and future projects in five countries (Philippines, Japan, Spain, Saudi Arabia, and the US) and has ongoing discussions with potential joint venture or licensing partners in other countries. The long-term goal for the hospitality segment is to have one million rooms, operating in over 100 countries worldwide.

CentralHub, DoubleDragon’s industrial leasing business, has ten industrial sites covering 60.6 hectares (ha) of prime industrial land. DoubleDragon’s goal is to establish a warehouse leasing portfolio value of ₱24.8 billion and make CentralHub the first industrial Real Estate Investment Trusts (REIT) in the Philippines.

2. The Company’s experienced management and its ability to form solid alliances with industry-recognized partners

Edgar Sia II is the Chairman and Chief Executive Officer (CEO) of DoubleDragon, and Tony Tan Caktiong is a Director and Co-Chairman of the Company. The two are among the most successful fast food chain entrepreneurs in the country. PhilRatings notes that DoubleDragon has greatly

benefited from Mr. Sia and Mr. Tan Caktiong's experience in successfully growing their businesses. Despite its smaller size and relatively shorter track record of 15 years in the highly competitive property development industry, the Company has been able to pursue and implement its growth strategy and established a good platform which will serve as a springboard for expansion and development, going forward.

DoubleDragon operates its retail leasing segment primarily through its subsidiary, CityMall Commercial Centers Inc. (CMCCI), which is 66% owned by the Company and 34% owned by SM Investments Corp. (SMIC). SMIC is the holding company of the SM Group, with core investments in Retail, Property, and Banking. As of report-writing date, SMIC has an Issue Credit Rating of PRS Aaa, with a Stable Outlook, for its outstanding bond issuance amounting to ₱7.5 billion.

In April 2024, DoubleDragon subsidiary Hotel101 Global Pte. Ltd. (Hotel101 Global) entered into a definitive merger agreement with JVSPAC Acquisition Corporation. On July 1, 2025, the combined entity successfully listed in the US-based stock market exchange NASDAQ<sup>1</sup> under the ticker symbol 'HBNB'. HBNB is a majority-owned subsidiary of DoubleDragon and the first ever Filipino majority-owned subsidiary to list via special purpose acquisition company (SPAC)<sup>2</sup> in the United States (US) Stock Exchange.

JVSPAC Acquisition Corp. is a blank check company<sup>3</sup> led by Albert Wong, its Chairman and Chief Executive Officer (CEO). Mr. Wong is also CEO and Director of Kingsway Group Holdings, the sole distributor of Lamborghini in Hongkong, Macau, and Guangzhou. Kingsway is also the lone distributor of Koenigsegg Automotive, Rimac Automobili, and Bugatti Automobiles in China, including Hongkong and Macau.

### 3. Conservative financial position considering the capital-intensive nature of the Company's businesses

DoubleDragon has maintained a conservative capitalization structure, with its debt-to-capitalization ratio ranging from 40% to 44% in the last three years. The Company's total debt as of end-June 2025 amounted to ₱88.54 billion while total equity amounted to ₱101.52 billion. The Company's debt-to-equity (DE) ratio stood at 0.87x as of end-June 2025, inching up from 0.8x as of end-2024. DE ratio will remain more than acceptable, at less than 1.0x over the projected period.

Considering that DoubleDragon's domestic portfolio is already fully built up, capital expenditure will no longer be substantially needed in the near term. DoubleDragon's capital-raising activities moving forward will be intended to boost its financial position by strengthening its cash levels. In line with this the Company issued the first and second tranches of its ₱30.0 billion shelf registration bond program in November 2024 and February 2025, respectively.

### 4. Expectations of improved operating cash flow, backed by increasing rental income

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<sup>1</sup> National Association of Security Dealers Automated Quotations or NASDAQ is a U.S.-based stock market exchange, and the second-largest stock exchange by market cap globally.

<sup>2</sup> A SPAC is a company without commercial operations and is formed strictly to raise capital through an initial public offering for the purpose of acquiring or merging with an existing company.

<sup>3</sup> A blank check company is a publicly-traded, developmental stage company that has no established business plan. It may be used to gather funds as a startup or, more likely, it has the intent to merge or acquire another business entity.

DoubleDragon intends to grow its recurring income stream across four property pillars -- retail, office, industrial, and hospitality. By the end of 2025, the Company expects its existing hard asset portfolio to reach its optimal level of revenue generation. As such, recurring income from leasing operations is seen to post double-digit growth moving forward, translating to positive operating cash flows.

With expectations of improved operating cash flow and stronger cash position, DoubleDragon's debt level is seen to decline over the end of the projected period – with the goal of becoming debt-free by 2035. PhilRatings notes, however, that it is likely that domestic real estate companies of a particular size and scope of operations, such as DoubleDragon, will continue to have some amount of debt in terms of its funding mix.

DoubleDragon's new target of reaching 2.4 million sqm of GFA, alongside the growth in recurring revenues and operating cash flows, is hinged on the development of a well-diversified portfolio. As such, the expansion of the Company's hospitality (Hotel101) and industrial (CentralHub) leasing segments is viewed as key driver in achieving these goals.

## **BUSINESS PROFILE**

### **Company Background**

DoubleDragon Corporation, formerly known as DoubleDragon Properties Corp., is a company founded by Edgar “Injap” Sia II in December 2009 to primarily engage in the business of real estate development and other real estate-related business ventures. DoubleDragon has been in operation for over 15 years, starting its commercial operations in November 2010.

Originally established as Injap Land Corporation, the Company was the Sia family's initial foray into real estate development. In June 2012, DoubleDragon became a 50-50 joint venture between Injap Investments Inc., the holding company of the Sia family, and Honeystar Holdings Corporation (Honeystar) of the Jollibee Group, the holding company of the Tan and Ang families. Considering that both Mr. Sia and Tony Tan Caktiong, the Head of Honeystar and Founder and Chairman of Jollibee Foods Corporation (JFC), were both born in the Chinese year of the dragon, the Company changed its corporate name to DoubleDragon Properties Corp. in July 2012. In November 2021, the Board changed the Company's name to its present name as part of its transformation to an investment holding company.

DoubleDragon's shares have been listed on the Philippine Stock Exchange (PSE) in April 2014 under the ticker symbol 'DD'. Originally listed on PSE's Small, Medium, and Emerging Board (SME Board), it transferred to the PSE Main Board in July 2015. A year after, in July 2016, DoubleDragon likewise listed its ₱10.0 billion worth of Preferred Shares in the PSE Main Board.

DDMP REIT, Inc. (DDMP REIT), a subsidiary of DoubleDragon, was also in the PSE since March 2021. Another subsidiary, Hotel101 Global officially began trading in the NASDAQ on July 1, 2025.

As of report writing date, DoubleDragon has a diversified asset portfolio, covering over 1.5 million sqm (from 1.3 million sqm as of end-2024), consisting of provincial community malls in Luzon, Visayas, and Mindanao; office buildings in Metro Manila; hotels in the Philippines and overseas; and warehouse complexes around the country. As of June 30, 2025, the Company had 301.85 hectares (ha) of land bank

available for the development of its various projects, and which management believes to be adequate for over ten years of development.

DoubleDragon owns and operates its leasable properties through four principal business segments: retail leasing, office leasing, hospitality, and industrial leasing.

The Company's revenue profile according to its operating segments is shown in the following table:

*Table 1 DoubleDragon's Revenue Profile for Years 2022 to 2024 and for the latest interim period 6M2025/2024*

In Php Millions	2022		2023		2024		6M2024		6M2025	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Leasing	11,158.09	78.97	20,678.63	83.58	15,681.58	87.81	2,283.61	52.01	3,244.88	46.69
Office	4,379.35	30.99	11,175.41	45.17	8,680.76	48.61	1,067.92	24.32	1,106.52	15.92
Retail	6,555.87	46.40	9,128.02	36.89	6,601.89	36.97	1,161.83	26.46	2,099.39	30.21
Industrial	222.87	1.58	375.20	1.52	398.94	2.23	53.86	1.23	38.97	0.56
Real Estate Devt.	1,573.89	11.14	1,425.35	5.76	1,411.49	7.90	631.28	14.38	1,103.10	15.87
Hospitality	478.87	3.39	671.67	2.71	906.93	5.08	406.69	9.26	2,366.45	34.05
Others	4,725.86	33.44	6,888.85	27.84	6,921.26	38.76	3,382.39	77.04	4,446.38	63.98
Eliminations	(3,806.39)	(26.94)	(4,922.62)	(19.90)	(7,062.45)	(39.55)	(2,313.51)	(52.69)	(4,210.93)	(60.59)
<b>Total</b>	<b>14,130.32</b>	<b>100.00</b>	<b>24,741.88</b>	<b>100.00</b>	<b>17,858.80</b>	<b>100.00</b>	<b>4,390.46</b>	<b>100.00</b>	<b>6,949.87</b>	<b>100.00</b>

*Note: Revenues include Unrealized Gains from Changes in Fair Values of Investment Property*

The leasing and hospitality segments, which both provide recurring revenues, are the core pillars of DoubleDragon's growth plans moving forward. Both segments will be discussed in detail in the next sections.

Aside from the abovementioned segments, the Company also has a real estate development segment. The real estate development segment is engaged in the development of real estate assets to be held as trading inventory and for sale. This segment was developed as part of DoubleDragon's strategy for its early-stage growth. The residential portfolio is composed mostly of legacy projects of the then Injap Group and some provincial subdivisions mainly focused on low-income and socialized housing. Moving forward, the Company does not expect this segment to have a significant contribution to the Group's portfolio. The residential developments covered approximately 22.02 ha of land with a total of 3,867 units, as of June 30, 2025.

"Others" pertain to the segments engaged in marketing, selling and property management activities.

## Business Segments

### Retail Leasing Segment

DoubleDragon operates its retail leasing segment primarily through its subsidiary, CMCCI, which is 66% owned by the Company and 34% owned by SMIC. SMIC is the holding company of the SM Group, which has core investments in Retail, Property, and Banking. As of report-writing date, SMIC has an issue credit rating of PRS Aaa, with a Stable Outlook, for its outstanding bond issuance of ₱7.5 billion.

As of June 30, 2025, the Company had 44 operational CityMalls, six under construction, and 15 under development. All six CityMalls under construction are expected to be completed by 2H 2025.

CityMalls are located close to national highways for maximum visibility and exposure. Moreover, it houses top local fast food brands such as: Jollibee, Mang Inasal, Chowking, Greenwich, Red Ribbon, and Highlands Coffee, among others. PhilRatings notes that these are brands of Mr. Tan Caktiong's successful fast food portfolio, indicating a strong synergy among the businesses of DoubleDragon's shareholders.

The Company also rolled out cinemas in a number of CityMall locations beginning in 2016. As of end-June 2025, a total of 13 CityMall cinemas were operational.

In addition to CityMall, DoubleDragon's mall portfolio also include Dragon8 Mall and Umbria Mall, as well as the commercial areas in DD Meridian Park.

Dragon8 Mall, located in Divisoria (Manila), offers approximately 9,800 sqm of leasable space to micro-retailers. It is expected to benefit from the upcoming completion of the first segment of the North South Commuter Rail (NSCR) urban rail transit project in 2028.<sup>4</sup>

Umbria Mall in Biñan, Laguna, on the other hand, is a multi-story structure housing specialty shops, casual dining, cafes and deli shops, convenience and drug stores, wellness and beauty centers, and a supermarket.

Overall, DoubleDragon's operational malls had a GFA of approximately 656,640 sqm and a healthy average occupancy rate as of June 30, 2025.

In April 2025, DoubleDragon disclosed the Company's acquisition of MerryMart Consumer Corporation (MerryMart). MerryMart operates various formats of retail and wholesale, as well as pharmacy and other consumer-related, businesses. The transaction involved the purchase of 2,658,227,848 common shares (equivalent to 35% of the total outstanding and issued capital stock of MerryMart Consumer Corp.), at ₱0.48 per share, from Injap Investments Inc. Payment for the transaction, amounting to ₱1.3 billion, shall be done via DoubleDragon shares (50%) and in cash (50%). The closing of the transaction is subject to the completion and compliance of applicable regulatory approvals.

As of end-June 2025, MerryMart reported total assets of ₱14.8 billion. Gross revenues amounted to ₱3.5 billion in first half 2025 (1H 2025), primarily from the trading and selling of goods and consumer products on a wholesale or retail basis. Net income settled at ₱16.7 million in the same period. According to management, the business portfolio of MerryMart is seen to complement the ecosystem of DoubleDragon and create long-term value and synergy in the Group. The move is in line with the direction of DoubleDragon to be an investment holding company, and a step towards the target expansion of its retail leasing segment. PhilRatings positively notes that the addition of MerryMart will diversify the Company's retail leasing portfolio and widen opportunities for growth in this segment.

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<sup>4</sup> The NSCR project is a 147-kilometer rail line, with 37 stations, stretching from Clark, Pampanga to Calamba, Laguna. Once fully operational, it will shorten travel time between these areas to less than two hours. The project, which has a total of three segments, is expected to commence full operations in 2028. The first segment of the railway, with ten stations, spans 38 kilometers from Malolos City in Bulacan to Tutuban in Manila. Once fully operational, it will reduce travel time between Tutuban and Malolos from over 90 minutes to just 35 minutes. (Source: [PNR: Laguna to Pampanga North-South Commuter Railway done in 2028](#)) No updates yet on the progress of the project as of report writing date.

### Office Leasing Segment

The Company's office leasing segment primarily consists of two key developments – the DD Meridian Park and the Jollibee Tower.

#### *DD Meridian Park*

DD Meridian Park is a 4.75-ha project positioned as a mini central business district (CBD) in the Bay area (Pasay City) given its prime landmark location (EDSA Extension corner Macapagal Boulevard). DDMP REIT, the subsidiary that owns the DD Meridian Park project, is 46.67% owned by the Company.

The project consists of four phases:

*Table 2 Four Phases of DD Meridian Park Project*

Phase	Buildings	Description	Construction Progress	Gross Floor Area (sqm)
Phase 1	DoubleDragon Plaza (Towers 1-4)*	Commercial and Office building	Completed in 2018	188,297.38
Phase 2	DoubleDragon Center East*	Office Building	Completed in 2019	21,136.01
	DoubleDragon Center West*	Office Building		24,628.80
Phase 3	Ascott-DD Meridian Park	Ascott-branded Serviced Residence	Completed in 2023 <sup>a</sup>	-
Phase 4	DoubleDragon Tower	Commercial and Office Building	Completed in 2021	53,492.21

\*Real estate properties listed under DDMP REIT

<sup>a</sup> Completed the Topping Off Ceremony in August 2023

DD Meridian Tower, likewise located within DD Meridian Park, is an 11-storey office building comprising of eight floors dedicated to corporate offices, with a commercial component in the ground and upper ground levels. It is being developed by DD Meridian Tower Corp., which is 51% owned by DoubleDragon. The construction of DD Meridian Tower is substantially complete, as of report-writing date.

Ascott-DD Meridian Park is likewise slated to complete in 2025.

#### *Jollibee Tower*

Jollibee Tower is a 41-storey commercial and office tower situated in the Ortigas CBD in Metro Manila. The building has 67,426.71 sqm of GFA. It is a joint venture between the Company and JFC, with the latter as the building's anchor tenant.

In total, DoubleDragon's operational office buildings had a GFA of approximately 371,311.98 sqm as of June 30, 2025.

### Hospitality Segment

DoubleDragon's hospitality segment is operated through its 70%-owned subsidiary, Hotel of Asia, Inc. (HOA), and its wholly-owned subsidiary, DDPC Worldwide Pte. Ltd. (DDPC Worldwide).

The Company's domestic hotel operations, including that of the Company's own three-star hotel brand, Hotel101, are managed by HOA. DoubleDragon's international hotel operations, on the other hand, are managed by Hotel101 Global Pte. Ltd. (Hotel101 Global). Hotel101 Global is jointly owned by HOA and DDPC Worldwide.

Hotel101 Global officially began trading in NASDAQ on July 1, 2025 under stock ticker symbol 'HBNB'. The market capitalization of HBNB was \$531.53 billion (approximately ₱30.34 billion) as of August 18, 2025.

The Hotel101 concept allows DoubleDragon to generate revenues twice: initially, from the preselling of rooms, followed by long-term recurring revenues from hotel operations after the project is constructed. In the long term, Hotel101 rooms will be owned and capitalized by the unit owners, similar to a closed-loop AirBNB. Recovery of DoubleDragon's investment, plus a significant margin, is made once the units are sold (historically, sales are made prior to the start of hotel operations). According to the Company, the project cost for a Hotel101 project is fully recovered when 45-50% of the units are sold. As part of their purchase, unit owners also sign a compulsory 50-year management contract with Hotel101. This enables the Company to generate long-term cashflows from the hotels.

CSI Hotels, Inc., a 50%-owned subsidiary of HOA, is the Philippines' master franchisee of the Jinjiang Inn brand. Jinjiang Inn primarily targets Chinese tourists. HOA likewise operates Injap Tower, a 21-storey condotel located in Iloilo City. Hotel101 Management Corporation, a wholly-owned subsidiary of HOA, operates and manages all of the Company's hotel properties.

As of June 30, 2025, the hospitality segment had six operational hotels and condotels, with an aggregate room count of 1,482.

*Table 3 Hotel101 Operational Developments*

<b>Operational Developments</b>	<b>Rooms</b>
Hotel101- Fort	606
Hotel101 - Manila	518
JinJiang Inn - Ortigas	95
JinJiang Inn - Makati	59
JinJiang Inn - Boracay Station 1	10
Injap Tower	194
<b>TOTAL</b>	<b>1,482</b>

DoubleDragon is expanding its hotel operations abroad with three overseas Hotel101 projects, as follows: Hotel101 – Niseko, Hotel101 – Madrid, and Hotel101 – Los Angeles. Additionally in May 2025, Hotel101 Global signed a joint partnership agreement with Horizon Group, a Saudi Arabia-based investment company, to develop approximately 10,000 rooms across the kingdom. The plan identified five initial locations for Hotel101 projects: Madinah, Riyadh, Jeddah, Abha, and AIUla.

In June 2025, DoubleDragon announced its partnership with MATCH Hospitality, the official hospitality provider of the Spanish Grand Prix. The ten-year agreement designated Hotel101 - Madrid as the official hotel accommodation partner, beginning with the 2026 Formula 1 event in September 2026. MATCH Hospitality manages the hospitality programs for global sporting events such as the FIFA World Cups and the Formula 1 British Grand Prix. Hotel101 - Madrid is expected to provide lodging services for the event's VIP, as well as hospitality offerings.

In the long term, DoubleDragon aims to cap the revenue contribution from each country at 10%. This will geographically diversify the Company's revenue sources, taking into account the volatility of the world economy.

Table 4 Ongoing and Proposed Projects under the Hospitality Segment

	Lot Area (ha)	Rooms	Start	Finish
<b>Ongoing Developments</b>				
Ascott-DD Meridian Park Manila	n/a	349	2018	2H 2025
Hotel101 - Davao	0.54	519	2018	2H 2025
Hotel101 - Cebu	0.26	548	2021	2H 2025
Hotel101 - Niseko	0.89	482	2023	2H 2026
Hotel101 - Madrid	0.66	680	2023	2H 2025
Hotel101 - Libis	0.26	702	2024	2H 2026
<b>TOTAL</b>		<b>3,280</b>		

For the medium term, DoubleDragon is targeting to build its condotel in 25 different countries. As of report writing date, the Company has current and future projects in five countries (Philippines, Japan, Spain, Saudi Arabia, and the US) and has ongoing discussions with potential joint venture or licensing partners in other countries, namely: Singapore, Australia, New Zealand, Vietnam, Korea and Portugal. The expansion of Hotel101 Global is expected to ramp up with HBNB's NASDAQ listing.

DoubleDragon aims to have a total of more than 5,000 operating hotel rooms for its Hotel101, Jinjiang Inn, and Ascott brands by 2026. This will be backed by the continued expansion of its Hotel101 portfolio, both locally and internationally. DoubleDragon aims to have more than 10,000 rooms in its portfolio by 2030. The long-term goal of Hotel101 Global is to have one million operating Hotel101 rooms worldwide, before 2050. Of the targeted one million rooms, 50,000 rooms are expected to be in the Philippines.

### Industrial Leasing Segment

DoubleDragon carries out its industrial leasing business through its wholly owned subsidiary CentralHub Industrial Centers Inc. (CHICI). As of June 30, 2025, DoubleDragon owned 60.9% of CHICI, while 39.1% was held by JFC and its wholly-owned subsidiary Zenith Foods Corporation (ZFC). DoubleDragon's goal is to establish a warehouse leasing portfolio value of ₱24.8 billion and make CentralHub the first industrial REIT in the Philippines. The Company is waiting for capitalization rates to go down to 5-6% levels before pushing through with the REIT offering.<sup>5</sup>

As of end-June 2025, DoubleDragon owned ten industrial sites covering 60.6 ha of prime industrial land. CentralHub-Danao in Cebu City was completed in July 2025 and has since been fully leased and turned over to its tenant.

<sup>5</sup> Metro Manila's industrial sector reported a capitalization rate of 8% (low) to 9% (high) as of 4Q 2024. (Source: [Cap rates 'stable' in Metro Manila real estate, says Colliers](#))

Table 5 Operational CentralHub Sites

Operational Industrial Centers	Gross Floor Area (sqm)
CentralHub - Tarlac (Phase 1 - 3)	25,298
CentralHub - Capiz	4,407
CentralHub - Camelray, Laguna 1 - 2	70,286
CentralHub – Santolan, Pasig	8,752
CentralHub - Danao	27,212
CentralHub - Tarlac (Phase 4)	5,599
<b>TOTAL</b>	<b>141,554</b>

Each hub contains modern standardized multi-use warehouses which are expected to fulfill the requirements of the top fast-moving consumer goods (FMCG) companies, retailers, fast food brands, cold storage providers, logistics operators, and e-commerce companies. As of end-December 2024, the weighted average lease term of operational CentralHub warehouses was 42.8 years, with most of its lease contracts under a 50-year lease term. DoubleDragon, through CHICI, currently has plans to develop more CentralHub industrial centers and intends to acquire additional sites that are strategically located across Luzon, Visayas, and Mindanao.

Table 6 Ongoing and Proposed Developments under the Industrial Leasing Segment

	Lot Area (ha)	Start	Finish
<b>Ongoing Developments</b>			
CentralHub - Sta. Barbara, Iloilo	3.86	1H 2021	2H 2025
CentralHub - Silay Negros 1 & 2	10.06	2H 2023	1H 2026
<b>Proposed Developments</b>			
CentralHub - Davao	4.04	1H 2026	2H 2026
CentralHub - Surigao	6.41	2H 2026	1H 2027

CentralHub-Sta Barbara Iloilo is now around 80% complete and is scheduled for full completion by the end of this year.

### Ownership and Management

The Company's two principal shareholders are Injap Investments Inc., controlled by the Sia family, and Honeystar Holdings Corp., controlled by the Tan and Ang families. The latter also controls JFC, the largest fast food company in the Philippines. As of June 30, 2025, Injap Investments Inc. and Honeystar Holdings Corp. each owned 35.18% of DoubleDragon's common shares.

Edgar Sia II is the Chairman and Chief Executive Officer (CEO) of DoubleDragon, and Tony Tan Caktiong is a Director and Co-Chairman of the Company. The two are among the Philippines' most successful fast food chain entrepreneurs in the country.

On February 28, 2025, the Company announced the promotion of Ferdinand Sia as Vice Chairman of DoubleDragon Corporation effective March 1, 2025. He is concurrently the President and Chief Operating Officer of MerryMart Consumer Corp. and Injap Investments, Inc. Prior to his appointment as Vice Chairman, Mr. Sia served as President of the Company for over 13 years, from 2011 to 2025. From 2006 to 2016, he served as Director of Mang Inasal. He graduated with a Bachelor of Arts degree in Political

Science from the University of the Philippines Visayas and took up law at the Arellano University School of Law.

Succeeding Mr. Sia as President of DoubleDragon is Atty. Rodolfo Ma. Ponferrada. From 2022 to 2025, Atty. Ponferrada served as President of Alphaland Corporation. He was also the Managing Partner of Ponferrada & San Juan Law Office from 2015 to 2025. Atty. Ponferrada likewise served as the General Counsel of the RVO (Roberto V. Ongpin) Group of Companies from 2006 to 2016. His law practice began in 2002 as an associate at SyCip Salazar Hernandez & Gatmaitan Law Office. He holds a Bachelor of Laws, cum laude, from the University of the Philippines and a Bachelor of Science in Management (Honors Program), magna cum laude, with a Minor in Japanese Studies from the Ateneo de Manila University. Atty. Ponferrada ranked first in the 2001 Philippine Bar Examinations.

To comply with the SEC's requirement for the President to assume a seat on the Board, Atty. Ponferrada will succeed Rizza Javelona as a member of the Board. Ms. Javelona, however, will continue to hold the position of Treasurer and Chief Financial Officer (CFO).

As of December 31, 2024, the Company had 649 (of which 234 were with the Parent) organic employees. DoubleDragon had no collective bargaining agreements (CBAs) as there were no organized labor organizations in the Company. DoubleDragon has not experienced any disruptive labor disputes, strikes or threats of strikes, and management believes that DoubleDragon's relationship with its employees is satisfactory, in general.

## Strategy

DoubleDragon identified four major business strategies: (1) expanding nationwide in order to grow its recurring income stream across four property pillars – retail, office, industrial, and hospitality; (2) identifying industry shifts and capitalizing on real estate segments where it can be a leading player; (3) focusing on building recurring revenue based on a foundation of appreciating assets and operating a capital efficient business model; and (4) maintaining a strong balance sheet, prudent risk and capital management and good governance.

Since it began operations in 2010, DoubleDragon has successfully expanded its investment property portfolio. The Company has provincial community malls in Luzon, Visayas, and Mindanao, office buildings in Metro Manila, as well as hotels and warehouse complexes around the country. In July 2025, DoubleDragon announced that it hit its target of 1.5-million sqm GFA of completed recurring-revenue hard-asset portfolio with the completion of the five-hectare CentralHub warehouse complex in Cebu.

Having met its target of 1.2 million sqm of completed GFA in 2021, DoubleDragon has set a new target of increasing its portfolio to 2.4 million sqm of GFA by 2030, spread across its four core business segments: 30% in retail, 15% in office, 20% in hospitality, and 35% in industrial leasing. To achieve these targets, the Company aims to grow its hospitality and industrial leasing segments.

In the long term, DoubleDragon envisions Hotel101 to have one million rooms, operating in over 100 countries worldwide. As an initial step in this long-term goal, Hotel101 has identified the first 25 priority countries for its expansion: the Philippines, Japan, Spain, the US, United Kingdom, the U.A.E., India, China, Thailand, Malaysia, Vietnam, Indonesia, Singapore, Cambodia, Bangladesh, Mexico, South Korea, Australia, Canada, Switzerland, Turkey, Italy, Germany, France, and Saudi Arabia.

For its industrial segment, DoubleDragon aims to make CentralHub one of the largest landlords of industrial warehouse complexes in Luzon, Visayas, and Mindanao. CentralHub currently continues to build up its industrial leasing portfolio as it prepares to undertake the first Philippine Industrial REIT IPO. In the long term, DoubleDragon targets to operate one CentralHub complex in each of the 82 provinces of the Philippines.

Consistent with previously disclosed strategies, on December 14, 2024, DoubleDragon disclosed its next five significant goals by 2035, as follows:

1. Exceed ₱500.0 billion in global consolidated annual revenue and exceed ₱50 billion in net income level
2. Complete its footprint in all 82 provinces in the Philippines
3. Plant its footprint in 100 countries worldwide via Hotel101 Global
4. Become a totally debt-free company
5. Generate annual cash dividends exceeding ₱12.0 billion by 2035

DoubleDragon expects these targets to be mainly driven by the global expansion of Hotel101 Global and the listing of its CentralHub REIT.

## ESG Report

### *Environmental*

Two of the Company's office buildings – DoubleDragon Plaza and Jollibee Tower – were designed and built with energy efficient features. DoubleDragon Plaza received its Leadership in Energy and Environmental Design (LEED)<sup>6</sup> Gold Certification in June 2019. Jollibee Tower, on the other hand, is pre-certified for a Gold LEED certification. To receive the certification, Jollibee Tower must satisfy certain prerequisites and earn sufficient points.

CityMall operations are eco-friendly, using: solar power, LED lights, optimal natural lighting, modern waste treatment facilities, rainwater harvesting systems, and the green fans to further boost cooling efficiency.

In August 2024, Hotel101-Niseko officially became the first hotel in Niseko, Hokkaido Japan to secure a CASBEE certification. CASBEE stands for Comprehensive Assessment System for Built Environment Efficiency. It is a Japanese certification system used to evaluate and rate the environmental performance of buildings and built environments.

### *Social*

In terms of employee management, the Company is fully compliant with mandatory employee benefits required by law. It also provides additional benefits based on industry standards to provide employees not only with the necessary proper care, but also for the Company to be a competitive employer. DoubleDragon is likewise fully compliant with minimum wage and other labor standards.

The Company recognizes that training and education form an important part in the development of employee skills and support career development. In 2024, DoubleDragon dedicated eight hours for the

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<sup>6</sup> A green building certification program developed by the U.S. Green Building Council which evaluates environmental performance to provide a definitive standard for green buildings

formal training of each employee. Throughout the year, informal training sessions are also continuously administered by the Human Resources Department. Each department also holds its own informal training sessions, to further familiarize their members on the responsibilities of their respective positions. Selected key employees are also sent out for training and seminars to update their knowledge.

DoubleDragon promotes equal employment opportunity to applicants, without discrimination on the basis of race, sex, religion, gender orientation, or other personal characteristics. It also ensures compliance with Philippine labor laws related to diversity, including policies against discrimination and harassment, and unfair treatment in the workplace.

### *Governance*

The Company has existing policies against corruption. The policies are implemented through specific prohibition statements incorporated in the Company's Code of Conduct and in all contracts, particularly the supply and delivery of goods and services. DoubleDragon includes a discussion of the Anti-Corruption Policies of the Company during on-the-job orientation, and during the annual general assembly where material company policies are reintroduced to all employees.

## **INDUSTRY**

### Retail<sup>7</sup>

According to Colliers, the mall sector within and outside Metro Manila has been recovering well post-COVID. In Metro Manila, retail vacancy improved to 13.1% in the first quarter of 2025, from 15.1% in the third quarter of 2024. Such improvement was on account of the significant take-up from recently completed malls in the region. It was also the lowest vacancy recorded since the 13.8% in the first quarter of 2021.

Adapting to pandemic-driven shifts in consumer behavior, the retail property sector has been forced to initiate major changes. Data from the Philippine Retailers Association (PRA) showed that the share of e-commerce to total retail sales had surged from 3%-5% pre-pandemic to 20%-25% in 2023. With the accelerated adoption of e-commerce among the local consumers, brick-and-mortar retailers have faced mounting pressure to stay relevant.

In the past quarters, the sector also saw the emergence of new trends – the resurgence of food and beverage (F&B) sector as a core driver of mall traffic, the shift of more property firms towards suburban areas, and the entry of more foreign retailers.

The foregoing shifts in the sector are reshaping leasing strategies, guiding mall design, and influencing expansion priorities of developers and retailers. According to global real estate services firm Cushman and Wakefield (CWK), many of these retailers and developers have already begun undertaking significant changes to their existing mall spaces to remain agile amid cost pressures driven by evolving consumer expectations and the need to retain loyal tenants.

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<sup>7</sup> [Colliers Q1 2025 Metro Manila Retail Report](#)  
[Expanding retail's footprint on malls](#)  
[Philippine retail segment faces competition](#)  
[F&B tenants drive the next wave of retail development](#)

By the end of 2026, Colliers foresees mall vacancy to revert to pre-COVID levels, supported by easing inflation, lower interest rates, and higher consumer spending. The research firm, however, expects a slowdown in the addition of new supply in Metro Manila from 2025 to 2027 as developers focus on redeveloping existing malls across the region. Nonetheless, more malls are lined up for completion beyond 2025 in thriving localities outside of Metro Manila.

### Office<sup>8</sup>

The office market in Metro Manila, where all of DoubleDragon's office assets are located, sustained its growth momentum in the first half of 2025, according to Colliers. Expansions and new setups of traditional and outsourcing firms drove the steady demand for office space in the capital region during the period. As of end-June 2025, net absorption reached 96,000 sqm or about 60% of Colliers' projected net take-up for 2025.

In terms of supply, a total of 166,100 sqm of new office space was completed as of end-June 2025. In the second half of the year, Colliers expects the addition of 359,400 sqm new office completions, with 63% coming from Quezon City, Makati Fringe, and the Bay Area.

With the addition of new supply, as well as the exit of POGOs, vacancy in the second quarter of the year rose to 20%, from 19.7% in the first quarter of 2025. Nonetheless, vacated office space in Metro Manila declined to 382,000 sqm in the first half of 2025, a 27% drop from the first half of 2024. Colliers believes that such is reflective of stronger tenant retention and improved market sentiment. It is worth noting that bulk of the vacated office space in Metro Manila for the said period stemmed from POGO pre-terminations (53%), followed by traditional firms (28%) and Information Technology and Business Process Management (IT-BPM) occupiers (19%). Among non-POGO tenants, vacated spaces were largely driven by non-renewals, Letter of Intent (LOI) cancellations, and rightsizing initiatives.

In the next three years, Colliers anticipates the delivery of about 296,700 sqm of new office space within Metro Manila. This figure, however, is lower than the pre-POGO annual average of 350,000 sqm. Outside the capital region, Colliers sees pockets of opportunities for developers considering the observed increased business activity in key provincial cities and growing interest in underserved locations across the country.

### Industrial<sup>9</sup>

In 2024, the Philippines's total warehouse supply reached 37.6 million sqm, up by 4.0% percent from 2023. The increase was driven by new developments in Laguna, Batangas, and Cebu. As of end-June 2025, majority of the warehouse supply can be found outside Metro Manila, particularly in the nearby provincial areas. In Luzon, while the CALABARZON<sup>10</sup> region remains a top location for industrial real estate, the supply extends as far as Pangasinan in the north. Outside Luzon, warehouse supply is also strong in Cebu, Davao, and Cagayan De Oro. At present, demand for industrial space in the country is driven by companies in the manufacturing, logistics, and e-commerce industries. According to Lobien Realty Group, Inc. (LRG)

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<sup>8</sup> [Colliers Q2 2025 Metro Manila Office Report](#)

<sup>9</sup> [Colliers H2 2024 Metro Manila Industrial Report](#)

[Philippine industrial sector awakens: Record occupancy and warehouse growth set the stage for a 2025 boom](#)

[PHL may need 50M sq.m. of industrial space by 2035](#)

[Lobien's 2025 mid-year report of the real estate industry](#)

<sup>10</sup> Cavite, Laguna, Batangas, Rizal, and Quezon

Associate Director Steph Ng, the size of country's warehousing market is expected to reach \$447.0 million (₱25.5 billion) by the end of 2025 at a compound annual growth rate (CAGR) of 54.2%.

Jettson Yu, Founder and CEO of commercial real estate consultancy firm PRIME Philippines, shared that another major factor fueling the industrial sector's growth is the increasing demand for data centers. With the rapid rise of artificial intelligence and digital services across the country, more data centers are needed to support expanding operations. Mr. Yu revealed that several data center companies are already in the pipeline, particularly to meet the demand for localized data storage and processing.

Colliers highlighted several government reforms and initiatives that will likely attract industrial investments. These include: (1) Ease of Paying Taxes Act, (2) Green Lanes for Strategic Investments, (3) CREATE MORE Act, (4) Foreign Investments Act, (5) US CHIPS Act, (6) Electric Vehicle Incentive Strategy, (6) Cold Storage for Food Security Act, and (7) Land Lease Extension for foreigners. Additionally, the establishment of more economic zones (ecozones) can bring more strategic investments to the country. The PEZA reported that the government has approved the establishment of 27 new ecozones since 2023. These new ecozones, valued at ₱9.2 billion, cover information technology, electronics, and manufacturing industrial parks.

By the end of 2025, PRIME Philippines projects that warehouse supply would breach 40 million sqm, with upcoming expansions in Rizal, Cavite, Laguna, Pampanga, Cebu, and Davao.

### Hospitality<sup>11</sup>

In 2024, the country welcomed approximately 5.95 million international visitors. While it marked a 119.0% recovery from 2019, it fell short of the Department of Tourism's (DoT) target of 7.7 million foreign tourist arrivals for the year. In the first five months of 2025, foreign visitor arrivals in the country slipped to 2.54 million, slightly down by 1.2% from the same period in 2024. Moreover, two of the country's main source market of tourists, South Korea and China, have recorded lower arrivals since 2024. Nonetheless, Colliers noted that tourists are also spending more and staying longer, with the country being the highest ranked in Southeast Asia in terms of average expenditure per arrival and length of stay.

In terms of supply, Colliers recorded the completion of 97 rooms in the first half of the year, with the opening of a new hotel in Taguig City. The research firm, however, halved its projected additional supply in 2025, from 2,700 to 1,500, due to construction delays.

Notwithstanding the lower foreign tourist arrivals, average hotel occupancy in Metro Manila remained stable at 64.0%. Colliers expects average occupancy to hover at 60% throughout 2025 considering subdued international arrivals and new hotel rooms coming online in the second half of the year.

Going forward, Colliers believes that hotel demand will continue to be driven by domestic tourists and business travelers. The research firm has also observed several in-person events that drive demand for meetings, incentives, conferences, and exhibition (MICE) facilities. These networking and special events,

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<sup>11</sup> [Colliers H1 2025 Metro Manila Hotel Report](#)  
[DoT optimistic for 2025 despite missing foreign arrivals target](#)  
[Overseas Pinoy keep 5-month tourist arrivals afloat](#)  
[South Korea And China Declines Contribute To Philippine Tourism Falling Short Of Over Eight Million Visitor Goal In 2025](#)  
[Chinese arrivals went down in 2024 —DOT](#)  
[Fueling hospitality growth](#)

Colliers believes, will continue to propel demand for MICE facilities especially in MICE hubs such as Clark in Pampanga, Cebu, Davao, and Iloilo.

## ECONOMY<sup>12</sup>

The domestic economy expanded by 5.7% in 2024, mainly driven by the growth in the following industries: construction (10.3%), financial and insurance activities (9.0%), wholesale and retail trade; repair of motor vehicles and motorcycles (5.6%). While higher than the 5.5% GDP growth recorded in 2023, it failed to hit the government's 6.0%-6.5% growth target for 2024. According to National Economic and Development Authority (NEDA) Undersecretary Rosemarie Edillon, extreme weather events and geopolitical tensions during the year prevented the country from achieving its growth target. Nonetheless, with last year's growth, the country remained one of the fastest-growing economies in the Asia Pacific region.

Of the three major economic sectors, Services and Industry posted year-on-year growth of 6.7% and 5.6%, respectively, while Agriculture, Forestry, and Fishing (AFF) contracted by 1.5%. The contraction of the AFF sector was on the back of the six consecutive storms that struck the country between the end of October and the middle of November last year.

On the demand side, all major expenditure items recorded year-on-year growth: household spending increased by 4.9%; government expenditure, 7.3%; investment spending, 7.7%; exports, 3.3%; and imports, 4.2%. PhilRatings notes, however, that the household spending growth for 2024 was slower than the 5.5% recorded in 2023, likely due to elevated price levels and borrowing costs during the period.

In December 2024, inflation settled at 2.9%. This brought the 2024 average inflation rate to 3.2%, well within the 2.0%-4.0% target of the government. Such was also a notable improvement from the 6.0% average inflation rate recorded in 2023. Considering the easing inflation in 2024, the Bangko Sentral ng Pilipinas (BSP) reduced the policy rate by a total of 75 basis points (bps) during the year, bringing it down to 5.75% by end-December 2024.

In the first half of 2025, the country recorded a GDP growth of 5.4%, slightly lower than the 5.5%-6.5% target of the government. Furthermore, such was notably lower than the 6.2% GDP growth recorded in the first half of 2024. In terms of quarterly growth, the economy expanded at a faster pace of 5.5% in the second quarter of the year, compared with the 5.4% recorded in the first quarter. According to NEDA Undersecretary Rosemarie Edillon, the first quarter economic performance reflected developments from the broader global context of tempered economic activity amid persistent uncertainties. The second

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<sup>12</sup> [PSA OpenSTAT > Gross National Income and Gross Domestic Product, by Expenditure Shares, Growth Rates](#)  
[PSA OpenSTAT > Gross National Income and Gross Domestic Product, by Industry, Growth Rates](#)  
[GDP Expands by 5.2 Percent in the Fourth Quarter of 2024](#)  
[DBM: 2024 GDP growth still puts PH among 'fastest-growing' economies](#)  
[PH average inflation decelerates to 3.2% in 2024](#)  
[BSP finishes 2024 with third rate cut](#)  
[PSA Infographics > Prices](#)  
[GDP Expands by 5.5 Percent in the Second Quarter of 2025](#)  
[Philippines' GDP growth in Q2 pegged at faster 5.6%](#)  
[Philippine economy grows 5.5% in Q2 2025 amid cooling inflation](#)  
[Philippine central bank governor confident inflation will hit 2% in 2025](#)  
[Philippine central bank on track for two more rate cuts in 2025](#)  
[PH poised for slower growth over next 18 months](#)

quarter performance, on the other hand, reflected stronger household spending growth, partially offset by dampened government expenditures due to the election-related ban on disbursements.

In July 2025, the annual inflation rate was at 0.9%, the lowest rate since October 2019. This brought the average rate in the first seven months of the year to 1.7%. With inflation steadily declining, the BSP delivered its first rate cut of 25 bps in June. This brought the policy rate down to 5.25%, its lowest in nearly three years.

In order to achieve the government's growth target for 2025, GDP will need to grow by at least 5.6% in the second semester of the year. Department of Economy, Planning, and Development (DEPDev) Secretary Arsenio Balisacan believes that the government can still meet its growth target considering that inflation remains subdued and that interest rates are declining. This outlook, however, may be dampened by delays and losses in production and infrastructure amid the rainy season, according to Bank of the Philippine Islands Lead Economist Jun Neri.

Over the next 18 months, however, various economic watchdogs believe that the country will grow at a slower pace considering the potential adverse impact of the reciprocal tariffs imposed by the US. Singapore-based DBS Bank lowered its forecast Philippine GDP growth for 2025 from 5.8% to 5.6%, citing softer consumer and business confidence. BMI Country Risk & Industry Research, on the other hand, maintained its forecast that growth will slow down to 5.4% this year. The research firm believes that subdued remittances growth and tariff uncertainty would weigh heavily on household consumption and investment. Japan-based Nomura Group, however, maintained its 2025 GDP growth forecast at 5.3%. Pantheon Macroeconomics, which is based in the United Kingdom, similarly kept its 5.3% growth forecast for 2025.

## FINANCIAL PROFILE

*Analysts' Note: The tenors of the proposed bond issuance are 3.5 years and 5.5 years. The projections for this rating review, however, covered up to 2032 or up to the maturity of the Company's second tranche issuance. Moreover, the impact of Hotel101 listing in NASDAQ in July 2025 and the planned acquisition & consolidation of MerryMart is not yet incorporated in the projections.*

### Profitability

#### 2024

The Company posted total revenues of ₱17.86 billion, a 27.82% decline from ₱24.74 billion in 2023. The decrease was primarily on account of a 42.85% drop in unrealized gains from changes in the fair value of investment properties, largely due to fewer significant project completions and a more moderate increase in property valuations during the year.

Core operating segments, however, remained resilient. Rental income increased by 17.67% to ₱3.61 billion, backed by higher occupancy across the Company's leasing portfolio. Real estate sales grew by 9.90% to ₱1.49 billion, driven by contributions from Hotel101 (notably Hotel101-Madrid and Hotel101 Niseko) and residential projects. Hotel revenues rose by 33.24% to ₱894.93 million, supported by stronger occupancy and the full-year operations of Hotel101-Fort.

Other income sources, however, softened. Interest income dropped by 56.01% to ₱86.01 million due to lower income from revenue contracts with significant financing components. Income from forfeitures

declined by 64.57% to ₱21.53 million, while other income fell by 19.65% to ₱2.34 billion mainly on account of foreign exchange losses.

Total costs and expenses increased by 15.67%, from ₱6.59 billion in 2023 to ₱7.62 billion in 2024. The increase was largely attributed to interest expense, which grew by 17.16% to ₱2.65 billion, due to increased borrowing costs and interest from lease liabilities. General and administrative expenses similarly rose by 6.72% to ₱3.27 billion, mainly attributable to higher taxes and licenses, personnel costs, utilities, and outsourced services. Other cost components, including costs of real estate sales, hotel operations, and selling expenses, likewise increased in line with expanded business activity during the year.

The Company's income tax expense decreased by 17.67% to ₱1.83 billion, primarily due to lower deferred tax expense.

The Company's net income amounted to ₱8.41 billion, representing a substantial 47.22% decline from ₱15.93 billion in 2023. While core revenue segments posted healthy growth, the sharp drop in unrealized gains and the uptick in financing and operating costs significantly impacted overall profitability.

In line with the lower earnings, the Company's return on average assets (ROAA) declined by 4.33% from 9.42% in the previous year. Similarly, pre-income tax profit margin dropped to 57.34% from 73.38% in 2023.

#### 6M2025

The Company reported consolidated revenues of ₱6.95 billion for 6M2025, a 58.29% increase from the ₱4.39 billion posted in the same period in 2024. The strong growth was primarily driven by the recognition of unrealized gains from changes in the fair value of investment properties, which reached ₱1.93 billion during the period following the completion of various projects, as well as higher real estate sales which nearly doubled (+93.09%) to ₱1.10 billion due to additional sales from Hotel101 projects of the Group.

Hotel revenues also went up by 6.46% to ₱432.96 million, in line with higher occupancy across hotel properties. Meanwhile, rental income fell by 4.80% to ₱1.86 billion due to the transition between expired leases and their take-up by incoming tenants.

Other income increased by 6.40% to ₱1.52 billion, due to foreign exchange gains and other income from hotel operations. Interest income jumped by 264.62% to ₱107.09 million, mainly from higher earnings on time deposits.

Total costs and expenses increased by 49.97% to ₱3.88 billion, from ₱2.57 billion in 6M2024. General and administrative expenses grew by 35.89% to ₱1.37 billion, driven by higher taxes and licenses, personnel expenses, utilities, and other mall operating costs. Cost of real estate sales likewise more than doubled to ₱646.32 million, in line with the growth in recognized real estate revenues. Other costs also increased during the period.

Income tax expense amounted to ₱704.79 million, significantly higher than the ₱157.75 million recorded in the same period last year, mainly due to deferred tax expense related to the unrealized fair value gains.

Net income improved by 43.72% to ₱2.37 billion, from ₱1.65 billion posted in the same period in 2024, largely on account of the increase in revenues.

### *Projected Period (2025 – 2032)*

By the end of 2025, DoubleDragon expects its existing asset portfolio to reach its optimal level of revenue generation. Recurring income from leasing operations (rent income and hotel revenue), therefore, is projected to post double-digit growth moving forward. Such growth will be propelled by the hotel segment given the local and international projects of Hotel101 and the expected launch and completion of additional CityMalls within the projected timeframe.

DoubleDragon intends to grow its recurring income stream across four property pillars – retail (30%), office (15%), industrial (35%), and hospitality (20%). Having a strong recurring revenue stream from the leasing segment is seen to further enhance DoubleDragon’s credit profile, given higher margins and stability of recurring cashflows. Considering the Company’s current portfolio mix, primarily comprised of office and retail properties, the expansion of its hospitality (Hotel101) and industrial (CentralHub) segments will be a key driver in achieving its goal of building a well-diversified portfolio with recurring income streams.

Revenues from real estate sales is likewise expected to show an uptrend in the medium term on account of the completion and the expected sale of the Company’s residential and Hotel101 projects. As part of its long-term strategy to focus on its leasing portfolio, DoubleDragon is expected to transition out of this segment once the real estate inventory has been fully sold.

Overall, profitability is seen to be sustained throughout the projected period, with operating profit margin expected to remain consistently high.

### **Cashflow and Liquidity**

#### *2024*

Net cash from operating activities in 2024 was negative at ₱6.31 billion, reflecting the 43.60% decline in income before tax—from ₱18.15 billion in 2023 to ₱10.24 billion in 2024.

Cash used in investing activities decreased by 25.27% to ₱2.87 billion from ₱3.84 billion in the prior year, mainly due to lower spending for investment properties and property and equipment.

Net cash provided by financing activities amounted to ₱13.21 billion, supported by total debt availments of ₱32.57 billion: ₱11.57 billion from notes and ₱21.00 billion from bonds. Proceeds were intended to fund Hotel101’s ongoing construction projects, both local and international, refinance maturing obligations, and augment working capital. Debt availments were partially offset by payments of ₱5.72 billion in notes and loans, and ₱9.70 billion in bonds during the year.

Ending cash and cash equivalents stood at ₱6.95 billion, significantly up by 138.21% from ₱2.92 billion in 2023. The increase was mainly attributable to the proceeds from the bond issuances and collections from buyers.

The higher cash level contributed to a 36.35% increase in total current assets. Current liabilities, however, grew at a faster clip of 58.56%, primarily due to additional short-term loans and reclassification of long-term obligations maturing within one year. Following the jump in current liabilities, current ratio declined to 0.95x as of end-2024, from 1.10x as of end-2023. Short-term loans and current maturities of long-term notes payable stood at ₱28.66 billion.

### 6M2025

Although income before tax increased significantly by 70.22%, from ₱1.80 billion in 6M2024 to ₱3.07 billion in 6M2025, net cash from operating activities was negative at ₱4.35 billion. This was mainly due to a ₱1.93 billion adjustment for unrealized gains from changes in the fair values of investment properties, a ₱1.67 billion decrease in accounts payable and other current liabilities, as well as interest paid amounting to ₱3.38 billion.

Cash used in investing activities decreased by 19.79% to ₱1.56 billion, from ₱1.94 billion in 6M2024, due to lower spending for property and equipment.

Net cash provided by financing activities amounted to ₱6.79 billion, lower than the ₱7.96 billion recorded in the same period last year. This was driven by the ₱11.40 billion bond issuance during the period, partially offset by debt repayments.

Cash and cash equivalents stood at ₱7.84 billion as of end-June 2025, a 12.77% increase from ₱6.95 billion as of end-2024. The increase in cash contributed to a 6.40% growth in total current assets from end-2024.

On the other hand, current liabilities declined by 9.93% versus end-2024, primarily due to lower accounts payable and other liabilities, as well as repayments of short-term debt.

As a result, current ratio improved to 1.12x in 6M2025.

### *Projected Period (2025 – 2032)*

The expectation of higher recurring income over the projected period is likewise seen to improve the overall cash flow generation of the Company. Over the projected period, DoubleDragon expects to transition towards a positive operating cash flow environment. Nonetheless, DoubleDragon will continue to secure additional loans and/or pursue other financing activities to support its capital needs. Such is seen to provide adequate liquidity to augment its cash needs.

Current ratio is also expected to improve and remain at comfortable levels over the projected period, driven by the continued build-up of cash reserves and the declining balance of its short-term debt over the period.

## **Capital Structure**

### *2024*

Consolidated equity increased by 5.99%, from ₱94.57 billion as of end-2023 to ₱100.23 billion as of end-2024. The growth was supported by a 4.73% increase in retained earnings during the year. Non-controlling interest (NCI) likewise expanded by 7.82%, from ₱42.33 billion to ₱45.64 billion.

Total debt rose by 26.90%, from ₱63.26 billion in 2023 to ₱80.28 billion in 2024, driven by increased loan availments and bond issuances.

With the hike in borrowings, the Company's debt-to-equity ratio increased from 0.67x to 0.80x, while debt-to-capitalization similarly rose from 40.08% to 44.47%.

The Company remained compliant with the financial covenants of its long-term debt agreements as of end-2024 and end-2023, based on its audited financial statements.

#### *End-June 2025*

As of June 30, 2025, consolidated equity amounted to ₱101.52 billion, a marginal increase of 1.29% from the end of 2024, mainly driven by a 2.11% increase in retained earnings during the period.

Total debt rose by 10.28% to ₱88.54 billion as of end-June 2025 versus end-2024. The increase was mainly driven by bond issuances, partially offset by loan repayments. The ₱9.10 billion Series F Bonds and ₱2.50 billion Series 3 Notes were both issued in 1Q2025.

The increase in borrowings translated to higher debt-to-equity and debt-to-capitalization ratios of 0.87x and 46.58%, respectively.

#### *Projected Period (2025 – 2032)*

DoubleDragon's total debt is expected to increase in the near term before gradually declining towards the latter part of the projected period – with the ultimate goal of becoming debt-free by 2035. PhilRatings notes, however, that it is likely that domestic real estate companies of a particular size and scope of operations, such as DoubleDragon, will continue to have some amount of debt in terms of its funding mix.

Total equity, on the other hand, will be on an uptrend, driven by the continued plowback of earnings into operations. Moreover, Hotel101's listing on NASDAQ and the planned IPO of CentralHub REIT are expected to broaden the Company's access to additional funding.

Overall, DoubleDragon's capital structure is seen to remain conservative, staying below 1.0x over the projected period.

### **Financial Flexibility**

As of August 2025, the Company substantial available clean credit facilities from various financial institutions. The availability of these credit facilities on a clean basis is seen as indication of the ample confidence placed by its lenders on DoubleDragon's debt repayment ability.

Additional funding may be sourced from the equities market, given that both DoubleDragon and DDMP REIT are listed on the Philippine Stock Exchange. As of August 13, 2025, DoubleDragon and DDMP had market capitalizations of ₱22.47 billion and ₱18.90 billion, respectively.

The Company's subsidiary, HBNB, is also listed on the NASDAQ, with a market capitalization of \$531.53 billion as of August 18, 2025.