

DD-MERIDIAN PARK DEVELOPMENT CORP.

(A Subsidiary of DoubleDragon Properties Corp.)

INTERIM FINANCIAL STATEMENTS

**As at September 30, 2020 and December 31, 2019 and
For the Nine Months Ended September 30, 2020 and 2019**

With Independent Auditors' Report



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REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
DD-Meridian Park Development Corp.
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 interim financial statements of DD-Meridian Park Development Corp. (the "Company"), a subsidiary of DoubleDragon Properties Corp., which comprise the interim statements of financial position as at September 30, 2020 and December 31, 2019, and the interim statements of comprehensive income, interim statements of changes in equity and interim statements of cash flows for the nine months ended September 30, 2020 and 2019, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying interim financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and December 31, 2019, and its financial performance and its cash flows for the nine months ended September 30, 2020 and 2019 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 Interim the Financial Statements section of our report. We are independent of the Company 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 interim 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)



Responsibilities of Management and Those Charged with Governance for the Interim Financial Statements

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

In preparing the interim financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 interim 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 interim 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the interim financial statements, including the disclosures, and whether the interim financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Darwin P. 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. 08-001987-031-2019

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PTR No. MKT 8116787

Issued January 2, 2020 at Makati City

December 11, 2020

DD-MERIDIAN PARK DEVELOPMENT CORP.
(A Subsidiary of DoubleDragon Properties Corp.)
INTERIM STATEMENTS OF FINANCIAL POSITION

	<i>Note</i>	September 30 2020	December 31 2019
ASSETS			
Current Assets			
Cash and cash equivalents	5	P1,459,002,928	P2,211,941,451
Receivables	6, 15	1,364,265,501	1,024,755,198
Due from Parent Company	15	44,024,823	95,061,375
Prepaid expenses and other current assets	7	734,394,443	791,890,266
Total Current Assets		3,601,687,695	4,123,648,290
Noncurrent Assets			
Property and equipment - net	8	19,672,679	23,873,223
Investment property	9	41,403,926,038	37,481,401,968
Other noncurrent assets	10	529,788,218	641,615,314
Total Noncurrent Assets		41,953,386,935	38,146,890,505
		P45,555,074,630	P42,270,538,795
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	11	P1,593,392,479	P2,926,053,965
Dividends payable		-	473,818,417
Due to related parties	15	25,882,411	129,635,483
Income tax payable		86,709,331	32,127,285
Total Current Liabilities		1,705,984,221	3,561,635,150
Noncurrent Liabilities			
Deferred tax liability - net	17	7,687,207,078	6,147,702,122
Other noncurrent liabilities	12	999,976,329	1,207,093,836
Total Noncurrent Liabilities		8,687,183,407	7,354,795,958
Total Liabilities		10,393,167,628	10,916,431,108
Equity			
Capital stock	18	17,827,465,406	17,827,465,406
Retained earnings		17,334,441,596	13,526,642,281
Total Equity		35,161,907,002	31,354,107,687
		P45,555,074,630	P42,270,538,795

See Notes to the Interim Financial Statements.

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

INTERIM STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020 AND 2019

	<i>Note</i>	2020	2019
INCOME			
Unrealized gains from changes in fair values of investment property	9	P4,852,770,888	P6,359,430,269
Rent income	9, 12, 16	1,452,033,541	1,180,802,933
Interest income	5	19,580,636	335,435
Other income	15e	38,211,910	93,115,588
		6,362,596,975	7,633,684,225
COST AND EXPENSES			
General and administrative expenses	14	168,355,412	145,150,549
Interest expense	12	27,122,042	23,050,095
Marketing expenses	13	21,530,551	26,524,685
		217,008,005	194,725,329
INCOME BEFORE INCOME TAX		6,145,588,970	7,438,958,896
INCOME TAX EXPENSE	17	(1,729,873,085)	(2,139,142,688)
NET INCOME AND TOTAL COMPREHENSIVE INCOME		P4,415,715,885	P5,299,816,208
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY			
	18	P0.25	P0.99

See Notes to the Interim Financial Statements.

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

INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020 AND 2019

	Note	2020	2019
CAPITAL STOCK - P1 par value			
Authorized - 17,830,000,000 shares			
Issued and outstanding - 17,827,465,406 shares			
in 2020 and 5,348,274,622 shares in 2019	18	P17,827,465,406	P5,348,274,622
Subscribed - 12,479,190,784 shares in 2019, net			
of subscription receivable		-	11,091,678,207
		17,827,465,406	16,439,952,829
RETAINED EARNINGS			
Balance at beginning of period		13,526,642,281	8,109,875,621
Net income/total comprehensive income for the			
period		4,415,715,885	5,299,816,208
Dividends declared	18	(607,916,570)	(786,191,225)
Balance at end of period		17,334,441,596	12,623,500,604
		P35,161,907,002	P29,063,453,433

See Notes to the Interim Financial Statements.

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

INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2020 AND 2019

	<i>Note</i>	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P6,145,588,970	P7,438,958,896
Adjustments for:			
Unrealized gains from changes in fair values of investment property	9	(4,852,770,888)	(6,359,430,269)
Interest expense	12	27,122,042	23,050,095
Interest income	5	(19,580,636)	(335,435)
Depreciation and amortization	8, 10, 14	5,015,464	4,231,385
Operating income before working capital changes		1,305,374,952	1,106,474,672
Decrease (increase) in:			
Receivables		(344,269,993)	(171,886,834)
Due from Parent Company		51,036,552	(163,477,513)
Prepaid expenses and other current assets		57,495,823	(92,032,998)
Increase (decrease) in:			
Accounts payable and other current liabilities		(82,546,265)	135,759,427
Due to related parties		(103,753,072)	(8,009,126)
Other noncurrent liabilities		(234,239,549)	106,390,440
Cash generated from operations		649,098,448	913,218,068
Interest received		24,340,326	335,435
Income tax paid		(135,786,083)	(143,334,284)
Net cash provided by operating activities		537,652,691	770,219,219
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to investment property	9	(319,868,403)	(362,672,402)
Decrease in other noncurrent assets		111,602,096	53,468,094
Acquisition of property and equipment	8	(589,920)	(5,880,079)
Net cash used in investing activities		(208,856,227)	(315,084,387)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collection of subscription receivable	18	-	1,387,512,577
Dividends paid	18	(1,081,734,987)	(549,076,821)
Net cash provided by (used in) financing activities		(1,081,734,987)	838,435,756
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(752,938,523)	1,293,570,588
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		2,211,941,451	415,411,075
CASH AND CASH EQUIVALENTS AT END OF PERIOD	5	P1,459,002,928	P1,708,981,663

See Notes to the Interim Financial Statements.

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Reporting Entity

DD-Meridian Park Development Corp. (the “Company”) 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 (Note 9).

The Company is a 70%-owned subsidiary of DoubleDragon Properties Corp. (“DD” or “Parent Company”), 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. DD is also the ultimate parent of the Company.

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 at the price up to P2.25 per share. On November 23, 2020, the Company filed its Registration Statement with the SEC covering its initial public offering. As at December 11, 2020, the Company is in the process of obtaining approvals with the SEC.

On the same date, the BOD and shareholders approved to amend the Company's Articles of Incorporation (AOI). Relevant amendments include:

- Change in the Company's name to DDMP REIT, Inc;
- 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 November 16, 2020, the SEC approved the amendment of the Company's AOI.

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

Statement of Compliance

The accompanying interim 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 Interim Financial Statements

The interim financial statements were approved and authorized for issuance by the Board of Directors (BOD) on December 11, 2020.

Basis of Measurement

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

3. Summary of Significant Accounting Policies

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

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

The Company has adopted the following new or revised standards, amendments to standards and interpretations starting January 1, 2020 and accordingly, changed its accounting policies. Except as otherwise indicated, the adoption did not have significant impact on the Company's interim financial statements. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

- Amendments to References to Conceptual Framework in PFRS set out amendments to PFRS, their accompanying documents and PFRS practice statements to reflect the issuance of the revised Conceptual Framework for Financial Reporting in 2018 (2018 Conceptual Framework). The 2018 Conceptual Framework includes: (a) a new chapter on measurement; (b) guidance on reporting financial performance; (c) improved definitions of an asset and a liability, and guidance supporting these definitions; and (d) clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

Some standards, their accompanying documents and PFRS practice statements contain references to, or quotations from, the International Accounting Standards Committee's Framework for the Preparation and Presentation of Financial Statements adopted by the International Accounting Standards Board (IASB) in 2001 or the Conceptual Framework for Financial Reporting issued in 2010. The amendments update some of those references and quotations so that they refer to the 2018 Conceptual Framework and make other amendments to clarify which version of the Conceptual Framework is referred to in particular documents.

- Definition of Material (Amendments to PAS 1, *Presentation of Financial Statements*, and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*). The amendments refine the definition of what is considered material. The amended definition of what is considered material states that such information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify the definition of what is considered material and its application by: (a) raising the threshold at which information becomes material by replacing the term 'could influence' with 'could reasonably be expected to influence'; (b) including the concept of 'obscuring information' alongside the concept of 'omitting' and 'misstating' information in the definition; (c) clarifying that the users to which the definition refers are the primary users of general purpose financial statements referred to in the Conceptual Framework; (d) clarifying the explanatory paragraphs accompanying the definition; and (e) aligning the wording of the definition of what is considered material across PFRS and other publications. The amendments are expected to help entities make better materiality judgments without substantively changing existing requirements.

New and Amended Standards and Interpretation Not Yet Adopted

A number of new and amended standards and interpretation are effective for annual periods beginning after January 1, 2020 and have not been applied in preparing these interim financial statements.

- Property, Plant and Equipment - Proceeds Before Intended Use (Amendments to PAS 16, *Property, Plant and Equipment*). The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use. The sales proceeds, together with the costs of production associated with the sales are recognized in profit or loss.

The amendments apply for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

- Onerous Contracts: Costs of Fulfilling a Contract (Amendments to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*). The amendments clarify that the costs of fulfilling a contract comprise both the incremental costs (e.g., direct labor and materials); and an allocation of other direct costs (e.g., an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

- Annual Improvements to PFRS 2018 - 2020 Cycles contain changes to four standards, of which the following are applicable to the Company:
 - Fees Included in the 10 percent Test for Derecognition of Financial Liabilities (Amendment to PFRS 9). The amendment clarifies that for the purpose of performing the 10 per cent test for derecognition of financial liabilities, in determining those fees paid net of fees received, a borrower includes 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.
 - Illustrative Examples Accompanying PFRS 16 (Amendment to PFRS 16). The amendment removes the illustration of payments from the lessor relating to leasehold improvements.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022, with early application permitted.

- Classification of Liabilities as Current or Noncurrent (Amendments to PAS 1). The amendments clarify that the classification of a liability as current or noncurrent is based on the rights that exist at the end of the reporting period; specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; add guidance about lending conditions and how these can impact the classification; and include requirements for liabilities that can be settled using an entity's own instruments.

The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023, with early application permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRSs is not expected to have any material effect on the interim financial statements of the Company.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the interim 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 Company recognizes a financial asset or financial liability in the interim 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 FVPL, includes transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial Assets

The Company classifies its financial assets, at initial recognition, and subsequently measured at amortized cost, FVOCI and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the Company for managing the financial assets.

Subsequent to initial recognition, financial assets are not reclassified unless the Company 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 Company 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 Company 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 Company'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 Company 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 Company 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 Company'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 Company has no financial assets at FVOCI and FVPL as at September 30, 2020 and December 31, 2019.

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 Company's cash and cash equivalents, receivables, due from Parent Company and refundable deposits under "Other noncurrent assets" accounts are included in this category (Notes 5, 6, 10 and 15).

Financial Liabilities

The Company classifies its financial liabilities, at initial recognition, in the following categories: financial liabilities at FVPL and other financial liabilities. The Company 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 Company has no financial liabilities at FVPL as at September 30, 2020 and December 31, 2019.

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 interim statement 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 Company'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 Company 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 Company 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 Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company 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 Company 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 Company 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 Company in accordance with the contract and the cash flows that the Company 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 Company 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 Company 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 Company's historical experience and informed credit assessment and including forward-looking information.

The Company recognizes lifetime ECLs for receivables that do not contain significant financing component. The Company uses provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the borrowers and the economic environment.

At each reporting date, the Company 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 Company 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 Company 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 Company 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 Company'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 Company; 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 Company 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 interim 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 interim 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 Company.

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 Company 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 interim 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 financial statements on a recurring basis, the Company 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 Company 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 interim 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 Company 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 lives 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 Company'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 Company 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 Company 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 Company 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 Company 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 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.

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 Company 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 Company 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 Company 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 Company 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 Company performs its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

The Company assesses its revenue arrangements to determine if it is acting as principal or agent. The Company 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" in the interim statements of comprehensive income.

Restaurant Sales

Restaurant sales is recognized upon performance of services at point of sale to the customer. Sales is recognized net of value-added tax. Restaurant sales are recorded as part of "Other income" in the interim statements of comprehensive income.

Revenue from Other Sources

Rent Income

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.

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 interim 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 Company 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 Company assesses whether, throughout the period of use:

- the Company has the right to obtain substantially all the economic benefits from use of the identified asset; and
- the Company has the right to direct the use of the identified asset.

Company as Lessor

The Company determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company 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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company 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 Company applies the recognition exemption, it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies PFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as rent income on a straight-line basis over the lease term.

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 Company.

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 Company 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 interim 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 interim financial statements. These are disclosed in the notes to the interim financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the interim financial statements but are disclosed in the notes to the interim financial statements when an inflow of economic benefits is probable.

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 interim financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the interim financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the interim 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 interim 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 Company'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 Company is acting as a Principal or an Agent

The Company is a principal if it controls the specified good or service before it is transferred to a customer. The Company is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party and the Company does not control the good or service before it is transferred to the customer.

The Company assesses its revenue arrangements against the following indicators to help determine whether it is acting as a principal or an agent:

- Whether the Company has primary responsibility for providing the services;
- Whether the Company has inventory risk; and
- Whether the Company has discretion in establishing prices.

The contract for the mall retail spaces and office spaces leased out by the Company to its tenants includes the right to charge for the electricity usage, water usage and CUSA expenses.

For the electricity and water usage, the Company determined that it is acting as an agent because the promise of the Company 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 Company, administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Company 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 Company acts as a principal. This is because it is the Company 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 Company has the discretion on how to price the CUSA.

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 interim 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 Company's financial performance.

There were no impairment indicators on the Company's property and equipment and computer software as at September 30, 2020 and December 31, 2019 based on management's assessment.

The combined carrying amounts of property and equipment and computer software licenses amounted to P20,872,679 and P25,298,223 as at September 30, 2020 and December 31, 2019, respectively (Notes 8 and 10).

Distinction between Investment Property and Property and Equipment

The Company determines whether a property qualifies as an investment property. In making its judgment, the Company 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 Company considers each property separately in making its judgment.

Provisions and Contingencies

The Company, 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 Company's interim financial statements as at September 30, 2020 and December 31, 2019.

Estimates and Assumptions

The key estimates and assumptions used in the interim financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the Company's interim financial statements. Actual results could differ from such estimates.

Assessment for ECL on Receivables. The Company, 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 Company also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Company 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 Company 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 Company 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 Company'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 for the nine months ended September 30, 2020 and 2019 amounted to P18,545,466 and nil, respectively. The allowance for impairment loss on receivables amounted to nil as of September 30, 2020 and December 31, 2019. The carrying amount of receivables amounted to P1,364,265,501 and P1,024,755,198 as of September 30, 2020 and December 31, 2019, respectively (Note 6).

Assessment for ECL on Other Financial Assets at Amortized Cost. The Company 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 Company 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 Company 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 Company 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 Company 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 nine months ended September 30, 2020 and 2019.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	September 30, 2020	December 31, 2019
Cash and cash equivalents*	5	P1,458,980,928	P2,211,607,633
Due from Parent Company	15	44,024,823	95,061,375
Refundable deposits**	10	14,907,984	14,907,984
		P1,517,913,735	P2,321,576,992

*Excluding cash on hand amounting to P22,000 and P333,818 as at September 30, 2020 and December 31, 2019, respectively.

**This is presented as part of "Other noncurrent assets" account.

Estimating Useful Lives of Property and Equipment and Computer Software Licenses

The Company 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 P19,672,679 and P23,873,223 as at September 30, 2020 and December 31, 2019, respectively. Accumulated depreciation of property and equipment amounted to P12,784,225 and P7,993,761 as at September 30, 2020 and December 31, 2019, respectively (Note 8).

Computer software licenses, net of accumulated amortization, amounted to P1,200,000 and P1,425,000 as at September 30, 2020 and December 31, 2019, respectively. Accumulated amortization of computer software licenses amounted to P300,000 and P75,000 as at September 30, 2020 and December 31, 2019, respectively (Note 10).

Fair Value Measurement of Investment Property

The Company carries its investment property at fair value, with changes in fair value being recognized in profit or loss. The Company 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 P41,403,926,038 and P37,481,401,968 as at September 30, 2020 and December 31, 2019, respectively. Unrealized gain from changes in fair values of investment property recognized in profit or loss amounted to P4,852,770,888 and P6,359,430,269 for the nine months ended September 30, 2020 and 2019, respectively (Note 9).

Realizability of Deferred Taxes

The Company 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 Company reviews its projected performance in assessing the sufficiency of future taxable income.

Recognized deferred tax asset amounted to P46,618,741 and P91,451,222 as at September 30, 2020 and December 31, 2019, respectively (Note 17).

5. Cash and Cash Equivalents

This account consists of:

	Note	September 30, 2020	December 31, 2019
Cash on hand and in banks		P442,134,180	P411,941,451
Short-term placements		1,016,868,748	1,800,000,000
	19	P1,459,002,928	P2,211,941,451

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 Company, and earn annual interest at the respective short-term placement rates. Interest income from cash in banks and short-term placements amounted to P19,580,636 and P335,435 for the nine months ended September 30, 2020 and 2019, respectively.

6. Receivables

This account consists of:

	Note	September 30, 2020	December 31, 2019
Rent receivable	15	P1,184,512,079	P882,582,358
Non-trade receivable	15	170,334,182	125,903,085
Receivables from tenants		7,822,073	9,721,013
Accrued interest		225,971	4,985,661
Others		1,371,196	1,563,081
	19	P1,364,265,501	P1,024,755,198

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 also includes accrued rentals arising from the excess of rent income over rental collections made by lessees in accordance with PFRS 16, *Leases* and receivable from related parties amounting to P9,728,157 and P1,654,796 as at September 30, 2020 and December 31, 2019, respectively (Note 15e).

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 P160,021,395 and P121,212,342 as at September 30, 2020 and December 31, 2019. These are generally collectible within (30) days upon billing (Note 15d).

7. Prepaid Expenses and Other Current Assets

This account consists of:

	September 30, 2020	December 31, 2019
Input VAT - net	P492,535,794	P633,947,173
Prepaid real property taxes	201,857,340	135,410,976
Prepaid tax	33,492,396	20,395,221
Other current asset	6,508,913	2,136,896
	P734,394,443	P791,890,266

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 September 30, 2020 and December 31, 2019 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
Cost				
January 1, 2019	P605,968	P19,280,586	P4,982,672	P24,869,226
Additions	-	1,596,647	5,401,111	6,997,758
December 31, 2019	605,968	20,877,233	10,383,783	31,866,984
Additions	-	254,462	335,458	589,920
September 30, 2020	605,968	21,131,695	10,719,241	32,456,904
Accumulated Depreciation				
January 1, 2019	173,392	1,580,814	414,679	2,168,885
Depreciation	121,194	4,011,617	1,692,065	5,824,876
December 31, 2019	294,586	5,592,431	2,106,744	7,993,761
Depreciation	90,895	3,126,728	1,572,841	4,790,464
September 30, 2020	385,481	8,719,159	3,679,585	12,784,225
Carrying Amount				
December 31, 2019	P311,382	P15,284,802	P8,277,039	P23,873,223
September 30, 2020	P220,487	P12,412,536	P7,039,656	P19,672,679

Depreciation recognized in profit and loss under "General and administrative expenses" account amounted to P4,790,464 and P4,231,385 for the nine months ended September 30, 2020 and 2019, respectively (Note 14).

9. Investment Property

The movements and balances of this account consists of:

	Land	Construction in Progress	Buildings	Total
January 1, 2019	P9,984,937,152	P754,346,708	P16,994,045,677	P27,733,329,537
Additions	-	1,773,668,432	193,340,221	1,967,008,653
Reclassifications	-	(2,000,000,000)	2,000,000,000	-
Unrealized gain from changes in fair values of investment property	1,576,608,405	-	6,204,455,373	7,781,063,778
December 31, 2019	11,561,545,557	528,015,140	25,391,841,271	37,481,401,968
Additions/Reclassifications	-	319,868,403	(12,545,566)	307,322,837
Adjustments	-	-	(1,237,569,655)	(1,237,569,655)
Unrealized gain from changes in fair values of investment property	207,078,667	-	4,645,692,221	4,852,770,888
September 30, 2020	P11,768,624,224	P847,883,543	P28,787,418,271	P41,403,926,038

The Company's investment property mainly relates to the costs incurred in the planning, construction and development of DD Meridian Park (Note 1).

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 30, 2020 and December 31, 2019:

		Level 2	
		September 30, 2020	December 31, 2019
Date of Valuation			
Land	Various	P11,768,624,224	P11,561,545,557
Buildings	Various	29,635,301,814	25,919,856,411
		P41,403,926,038	P37,481,401,968

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 and equity amounting to P2,824,122,710 for the nine months ended September 30, 2020.

The carrying amount of the construction in-progress approximates its fair value as at September 30, 2020 and December 31, 2019. 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 P4,852,770,888 and P6,359,430,269 for the nine months ended September 30, 2020 and 2019, respectively.

Cost of investment property was adjusted in 2020 as a result of cost savings from finalization of actual cost from the contractors.

Rent income (including aircon charges) earned from the investment property amounted to P1,452,033,541 and P1,180,802,933 for the nine months ended September 30, 2020 and 2019, respectively, which is shown as part of "Rent income" account in the interim statements of comprehensive income. The operating lease commitments of the Company as a lessor are fully disclosed in Note 16.

The total direct operating expense recognized in profit or loss arising from the Company's investment property that generated rent income amounted to P123,590,009 and P99,879,911 for the nine months ended September 30, 2020 and 2019, respectively.

Concentration Risk

For the nine-months ended September 30, 2020 and 2019, rent income from Philippine Offshore Gaming Operator (POGO) and Philippine Amusement and Gaming Corp (PAGCOR)-accredited Business Process Outsourcing (BPO) businesses represents about 68% and 72% of the total rent income, respectively. As at September 30, 2020 and December 31, 2019, receivables from these businesses represents about 66% and 57% of the total rent receivables, respectively.

Recent strict imposition of tax rules on POGOs and PAGCOR-accredited BPOs resulted in some closure of their operations in the country. The reduction and continuous closure of these businesses may result to a significant decline in the Company's rent income. As of September 30, 2020, none of the POGOs and PAGCOR-accredited BPOs pre-terminated their lease contracts, and rent receivables from these businesses are not credit-impaired.

10. Other Noncurrent Assets

This account consists of:

	Note	September 30, 2020	December 31, 2019
Advances to contractors		P513,680,234	P625,282,330
Refundable deposits	19	14,907,984	14,907,984
Computer software licenses - net		1,200,000	1,425,000
		P529,788,218	P641,615,314

Advances to contractors represent amounts paid as downpayments to contractors and suppliers for the construction of the Company'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:

	Note	September 30, 2020	December 31, 2019
Cost			
Balance at beginning of period		P1,500,000	P450,000
Additions		-	1,050,000
Balance at end of period		1,500,000	1,500,000
Accumulated Amortization			
Balance at beginning of period		75,000	-
Amortization for the period	14	225,000	75,000
Balance at end of period		300,000	75,000
		P1,200,000	P1,425,000

11. Accounts Payable and Other Current Liabilities

This account consists of:

	Note	September 30, 2020	December 31, 2019
Trade payables		P56,442,473	P116,278,076
Accrued expenses			
Project costs		1,393,279,622	2,692,524,938
Others		10,329,336	458,653
Retention payable - current portion		98,069,801	-
Construction bond		35,271,247	116,792,298
	19	P1,593,392,479	P2,926,053,965

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.

12. Other Noncurrent Liabilities

This account consists of:

	Note	September 30, 2020	December 31, 2019
Retention payable	19	P67,700,854	P135,451,756
Unearned rent income		306,311,790	483,328,698
Security deposits	19	613,957,104	581,203,466
Deferred output VAT		12,006,581	7,109,916
		P999,976,329	P1,207,093,836

Retention payable pertains to amount retained by the Company from its payment for the contractors' progress billings which are released after the expiration of the project's warranty period. This serves as the Company's security to cover cost of contractors' noncompliance with the construction of the Company's project.

Security deposits account pertains to deposits collected from tenants for the lease of the Company'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 P27,122,042 and P23,050,095 for the nine months ended September 30, 2020 and 2019, respectively.

The details of security deposits follow:

	Note	September 30, 2020	December 31, 2019
Security deposits		P775,359,583	P768,002,924
Less discount on security deposits		161,402,479	186,799,458
	19	P613,957,104	P581,203,466

The movement in the unamortized discount on security deposits follows:

	September 30, 2020	December 31, 2019
Balance at beginning of period	P186,799,458	P130,406,206
Additions	1,725,063	87,918,276
Accretion	(27,122,042)	(31,525,024)
Balance at end of period	P161,402,479	P186,799,458

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. Additional rent income from the amortization on a straight-line basis over the lease term amounted to P29,700,367 and P26,440,421 for the nine months ended September 30, 2020 and 2019, respectively.

13. Marketing Expenses

This account consists of:

	September 30, 2020	September 30, 2019
Commission	P17,139,916	P14,879,618
Marketing	4,390,635	11,645,067
	P21,530,551	P26,524,685

14. General and Administrative Expenses

This account consists of:

	Note	September 30, 2020	September 30, 2019
Taxes and licenses		135,131,960	108,165,636
Impairment loss on receivables		18,545,466	-
Depreciation and amortization	<i>8, 10</i>	5,015,464	4,231,385
Insurance		4,192,134	3,672,739
Office expenses		3,422,667	25,007,952
Salaries and wages		934,363	1,565,388
Professional fees		909,179	551,250
Miscellaneous		204,179	1,956,199
		P168,355,412	P145,150,549

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 Parent Company	Due to Related Parties		
Parent Company Rent	September 30, 2020	a	P61,247,444	P -	P -	P -	Demandable; non-interest bearing; unsecured; payable in cash
	December 31, 2019	a	61,393,507	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	September 30, 2020	b	51,036,552	44,024,823	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	December 31, 2019	b	41,446,358	95,061,375	-	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
Entity under Common Control Common usage and service	September 30, 2020	c	46,746,315	-	25,882,411	-	Demandable; non-interest bearing; unsecured; payable in cash
	December 31, 2019	c	53,552,790	-	129,635,483	-	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	September 30, 2020	d	38,809,053	-	-	160,021,395	Demandable; non-interest bearing; unsecured; payable in cash
	December 31, 2019	d	43,614,346	-	-	121,212,342	Demandable; non-interest bearing; unsecured; payable in cash
Other Related Parties Rent	September 30, 2020	e	14,058,477	-	-	9,728,157	Demandable; non-interest bearing; unsecured; payable in cash
	December 31, 2019	e	13,119,633	-	-	1,654,796	Demandable; non-interest bearing; unsecured; payable in cash
September 30, 2020				P44,024,823	P25,882,411	P169,749,552	
December 31, 2019				P95,061,375	P129,635,483	P122,867,138	

* Amount of transactions for 2019 is for the nine months ended September 30, 2019

a. Lease of Corporate Office

The Company entered into a lease agreement with the Parent Company for the lease of 10th and 11th floors of Tower 1 DoubleDragon Plaza, which serve as the headquarters of the Parent 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 for the Parent 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 Income*

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 6).

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 nine months ended September 30, 2020 and 2019, 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.

16. Leases

Company as Lessor

The Company 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.

Rent income (including aircon charges) amounted to P1,452,033,541 and P1,180,802,933 for the nine months ended September 30, 2020 and 2019, respectively. Rent income based on variable considerations amounted to P11,999,409 and P4,211,625 for the nine months ended September 30, 2020 and 2019, respectively.

The scheduled maturities of noncancellable minimum future rental collections are as follows:

	September 30, 2020	December 31, 2019
Less than one year	P1,762,579,545	1,706,752,270
Between one and five years	7,416,425,142	8,670,634,676
More than five years	19,629,875	64,918,109
	P9,198,634,562	P10,442,305,055

Details of minimum future rental collections for between one and five years are as follows:

	September 30, 2020	December 31, 2019
Between one to two years	P3,556,522,783	P3,508,786,405
Between two to three years	2,534,865,169	3,208,206,937
Between three to four years	1,040,229,883	1,519,324,099
Between four to five years	284,807,307	434,317,235
	P7,416,425,142	P8,670,634,676

Concentration Risk

As at September 30, 2020 and December 31, 2019, 66% and 72% of the total gross leasable area, respectively, are leased by POGO and PAGCOR-accredited BPOs. As of September 30, 2020, none of the POGOs and PAGCOR-accredited BPOs pre-terminated their lease contracts.

17. Income Taxes

The components of the income tax expense are as follows:

	September 30, 2020	September 30, 2019
Current	P190,368,129	P171,192,889
Deferred	1,539,504,956	1,967,949,799
	P1,729,873,085	P2,139,142,688

The current tax expense represents regular corporate income tax.

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:

	September 30, 2020	September 30, 2019
Income before income tax	P6,145,588,970	P7,438,958,896
Income tax at the statutory income tax rate of 30%	P1,843,676,691	P2,231,687,669
Income tax effects of:		
Optional standard deduction	(107,155,918)	(84,512,224)
Nontaxable income	(8,910,110)	(7,932,126)
Nondeductible expense	8,136,613	-
Interest income subjected to final tax	(5,874,191)	(100,631)
	P1,729,873,085	P2,139,142,688

The components of the Company's deferred tax liability - net charged to profit or loss are shown below:

	September 30, 2020	
	Amount	DTA (DTL)
Unearned rent income	P155,395,802	P46,618,741
DTA	155,395,802	46,618,741
Unrealized gains on fair value measurements	(24,219,323,781)	(7,265,797,135)
Accrued rent income	(747,543,779)	(224,263,134)
Prepayments	(13,353,517)	(4,006,055)
Depreciation expense of depreciable investment property	(799,198,316)	(239,759,495)
DTL	(25,779,419,393)	(7,733,825,819)
Net DTL	(P25,624,023,591)	(P7,687,207,078)

	December 31, 2019	
	Amount	DTA (DTL)
Unearned rent income	P304,437,405	P91,331,222
Accrued expenses	400,000	120,000
DTA	304,837,405	91,451,222
Unrealized gains on fair value measurements	(19,366,552,893)	(5,809,965,868)
Accrued rent income	(706,338,798)	(211,901,640)
Depreciation expense of depreciable investment property	(724,286,119)	(217,285,836)
DTL	(20,797,177,810)	(6,239,153,344)
Net DTL	(P20,492,340,405)	(P6,147,702,122)

Movements in the net deferred tax liability follow:

September 30, 2020

	January 1, 2020	Charged to Profit or Loss	September 30, 2020
Unearned rent income	P91,331,222	(P44,712,481)	P46,618,741
Accrued expenses	120,000	(120,000)	-
Unrealized gains on fair value measurements	(5,809,965,868)	(1,455,831,267)	(7,265,797,135)
Accrued rent income	(211,901,640)	(12,361,494)	(224,263,134)
Prepayments	-	(4,006,055)	(4,006,055)
Depreciation expense of depreciable investment property	(217,285,836)	(22,473,659)	(239,759,495)
	(P6,147,702,122)	(P1,539,504,956)	(P7,687,207,078)

December 31, 2019

	January 1, 2020	Charged to Profit or Loss	December 31, 2019
Unearned rent income	P87,999,135	P3,332,087	P91,331,222
Accrued expenses	163,301	(43,301)	120,000
Unrealized gains on fair value measurements	(3,475,646,735)	(2,334,319,133)	(5,809,965,868)
Accrued rent income	(125,603,152)	(86,298,488)	(211,901,640)
Depreciation expense of depreciable investment property	(102,993,983)	(114,291,853)	(217,285,836)
	(P3,616,081,434)	(P2,531,620,688)	(P6,147,702,122)

18. Equity/Earnings Per Share

Capital Stock

The composition of the Company's capital stock as at September 30, 2020 and December 31, 2019 are as follows:

	September 30, 2020		December 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
CAPITAL STOCK - P1 par value				
Authorized - 17,830,000,000 shares				
Issued and outstanding	17,827,465,406	P17,827,465,406	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 Company. The Company collected subscriptions receivable from DD amounting to P1,387,512,577 for the nine months ended September 30, 2019. Outstanding subscription receivables amounting to P1,387,512,577 as at September 30, 2019 was fully collected as at December 31, 2019. Upon full collection, shares were issued to DD.

EPS

EPS is computed as follows:

	September 30, 2020	September 30, 2019
Net income attributable to the equity holders of the Company	P4,415,715,885	P5,299,816,208
Weighted average number of shares for basic EPS	17,827,465,406	5,348,274,622
Basic/Diluted EPS	P0.25	P0.99

Dividends

The summary of dividend declarations of the Company are as follows:

September 30, 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	P0.0200	P326,242,617
Cash dividend	June 30, 2020	June 30, 2020	August 15, 2020	0.01580	281,673,953
Total					P607,916,570

December 31, 2019

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share	Amount
Cash dividend	March 15, 2019	May 15, 2019	May 15, 2019	P0.0122	P217,138,529
Cash dividend	June 28, 2019	June 28, 2019	August 15, 2019	0.0133	237,461,839
Cash dividend	September 30, 2019	September 30, 2019	November 18, 2019	0.0186	331,590,857
Cash dividend	December 28, 2019	December 28, 2019	June 5, 2020	0.0274	488,472,552
Total					P1,274,663,777

19. 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 from Parent Company 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 Parent Company 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.

As at September 30, 2020 and December 31, 2019, receivables from POGO and PAGCOR-accredited BPOs businesses represents about 66% and 57% of the total rent receivables, respectively. As of September 30, 2020 and December 31, 2019, none of the POGOs and PAGCOR-accredited BPOs pre-terminated their lease contracts, and rent receivables from these tenants are not credit-impaired.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting period follows:

	Note	September 30, 2020	December 31, 2019
Cash and cash equivalents*	5	P1,458,980,928	P2,211,607,633
Receivables	6	1,364,265,501	1,024,755,198
Due from Parent Company	15	44,024,823	95,061,375
Refundable deposits**	10	14,907,984	14,907,984
		P2,882,179,236	P3,346,332,190

*Excluding cash on hand amounting to P22,000 and P333,818 as at September 30, 2020 and December 31, 2019, respectively.

**This is presented as part of "Other noncurrent assets" account.

The table below presents the summary of the Company'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.

	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not Credit Impaired	Lifetime ECL - Credit Impaired	
Cash and cash equivalents*	P1,458,980,928	P -	P -	P1,458,980,928
Receivables	179,753,422	1,184,512,079	-	1,364,265,501
Due from Parent Company	44,024,823	-	-	44,024,823
Refundable deposits**	14,907,984	-	-	14,907,984
	P1,697,667,157	P1,184,512,079	P -	P2,882,179,236

*Excluding cash on hand amounting to P22,000 as at September 30, 2020.

**This is presented as part of "Other noncurrent assets" account.

	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not Credit Impaired	Lifetime ECL - Credit Impaired	
Cash and cash equivalents*	P2,211,607,633	P -	P -	P2,211,607,633
Receivables	142,172,840	882,582,358	-	1,024,755,198
Due from Parent Company	95,061,375	-	-	95,061,375
Refundable deposits**	14,907,984	-	-	14,907,984
	P2,463,749,832	P882,582,358	P -	P3,346,332,190

*Excluding cash on hand amounting to P333,318 as at December 31, 2019.

**This is presented as part of "Other noncurrent assets" account.

The Company's financial assets are neither past due nor impaired.

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 extended 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.

The following are the contractual maturities of financial liabilities, excluding the impact of netting agreements:

As at September 30, 2020						
Note	Carrying Amount	Contractual Cash Flows	1 Year or Less	1 Year - 5 Years	More than 5 Years	
Financial Liabilities						
Accounts payable and other current liabilities*	11	P1,495,322,678	P1,495,322,678	P1,495,322,678	P -	P -
Due to related parties	15	25,882,411	25,882,411	25,882,411	-	-
Retention payable**	12	165,770,655	165,770,655	98,069,801	67,700,854	-
Security deposits**	12	613,957,104	775,359,583	-	569,896,866	205,462,717
		P2,300,932,848	P2,462,335,327	P1,619,274,890	P637,597,720	P205,462,717

*Excluding current portion of retention payable.

**This is presented as part of "Other noncurrent liabilities" account. Retention payable includes the current portion.

As at December 31, 2019						
Note	Carrying Amount	Contractual Cash Flows	1 Year or Less	1 Year - 5 Years	More than 5 Years	
Financial Liabilities						
Accounts payable and other current liabilities	11	P2,926,053,965	P2,926,053,965	P2,926,053,965	P -	P -
Due to related parties	15	129,635,483	129,635,483	129,635,483	-	-
Retention payable*	12	135,451,756	135,451,756	99,120,564	36,331,192	-
Security deposits*	12	581,203,466	768,002,924	49,725	560,363,908	207,589,291
		P3,772,344,670	P3,959,144,128	P3,154,859,737	P596,695,100	P207,589,291

*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 and Cash Equivalents, Receivables, Due from Parent Company, 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 Parent Company, 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.

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.

20. Other Matters

Impact of Corona Virus Disease (COVID-19)

As a result of the prolonged ECQ, management is expecting delays on the completion of the Company's projects under construction. However, Management believes that the COVID-19 outbreak has not materially and adversely affected its operations. The Company's operational properties continued to be operational. The Company anticipates that its rent income will remain stable as majority of its lease contracts have fixed rates, and are covered by postdated checks, ample security deposits and advance rentals for the duration of their lease terms. Majority of the Company's tenants have remained operational and continued to pay rents.

The Company ceased the operations of Islas Pinas, a food hall in DoubleDragon Plaza, during the implementation of ECQ in Metro Manila. The Company intends to lease out the area previously occupied by Islas Pinas.

Despite this challenging business environment brought about by the COVID-19 pandemic, the Company does not expect any going concern issue affecting its business operations, and believes that the events surrounding the COVID-19 outbreak do not have any material impact on its financial position and performance.

The Company has also taken and continues to take the following measures for the protection of its employees, guests and clientele:

- strict observance of social distancing at all times inside the Company's headquarters which was designed with a minimum one meter distance in between employees' workspaces;
- 70% alcohol solution and sanitizers are provided free of charge in essential areas of the Company's commercial and office buildings;
- temperature monitoring is conducted at the entrances of all the Company's office towers including the Company's headquarters;
- provisions were given to all the Company's employees for the purchase of multivitamins, hygiene products and other necessities to boost the immune system and promote good health and proper hygiene;
- reduced and alternate break schedules for the Company's headquarters to minimize the flow of employees entering and exiting simultaneously; and
- employees have been encouraged to hold meetings and interviews virtually and share important announcements via email instead of physically congregating.

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

Events after the Reporting Date

The following are the events after the reporting date:

- a. On November 19, 2020, the Company incorporated two (2) subsidiaries, DDMP REIT Fund Managers, Inc. (REIT Fund Managers) and DDMP REIT Property Managers, Inc. (REIT Property Managers). REIT Fund Managers will provide fund management services to REIT companies in accordance with REIT Act while REIT Property Managers will provide property management, lease management, marketing, project management in accordance with the REIT plan and investment strategy of the REIT.
- b. On November 19, 2020, the Company entered into a fund management agreement with REIT Fund Managers. 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, REIT Fund Managers is entitled to receive a fixed management fee of P3,600,000 annually plus other fees.
- c. On November 19, 2020, the Company entered into a property management agreement with REIT Property Managers. 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, REIT Property Managers 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.
- d. On November 19, 2020, the Company entered into 99-year lease agreements, beginning January 1, 2021, with DDMP Serviced Residences, Inc. and DDMP Tower, Inc. for the lease of Ascott-DD Meridian Park and DoubleDragon Tower Property, respectively. Lease rate for Ascott-DD Meridian Park is equivalent to 5.5% of rental income from retail plus 3.2% of serviced apartment revenues. Lease rate for DoubleDragon Tower is P2,750,000 per month.
- e. On November 11, 2020, the BOD approved the declaration of cash dividends amounting to P0.01773 per share to stockholders of record as at September 30, 2020, payable on the same date.



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

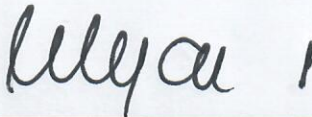
The management of **DD-Meridian Park Development Corp.** (the Company), is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of September 30, 2020 and December 31, 2019, and for the nine months ended September 30, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

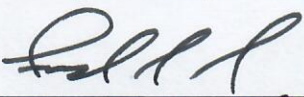
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or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

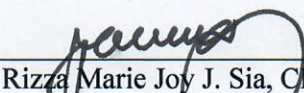
The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

R.G. Manabat & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature 
Edgar J. Sia II, CEO/Chairman

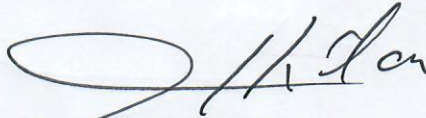
Signature 
Ferdinand J. Sia, COO/President

Signature 
Rizza Marie Joy J. Sia, CFO/Treasurer

Signed this 11th day of December 2020 AT Manila

DOC NO. 484
PAGE NO. 98
BOOK NO. 11
SERIES OF 2020

SUBSCRIBED AND SWORN
TO BEFORE ME THIS 11th DAY OF December 2020


ATTY. HENRY D. ADASA
NOTARY PUBLIC CITY OF MANILA
UNTIL DECEMBER 31, 2020
NOTARIAL COMMISSION 2020-097 MLA
IBP NO. 110920-01/03/2020 PASIG
PTR NO. 9124037-01/03/2020 MLA
ROLL NO. 29679 TIN: 172-523-620
MILE COMPL. NO. VII-0000165
RECEIVED NOTARY MANILA D. 31.12.2020



R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue, Makati City
Philippines 1226
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
DD-Meridian Park Development Corp.
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 interim financial statements of DD-Meridian Park Development Corp., (the “Company”) as at September 30, 2020 and December 31, 2019 and for the nine months ended September 30, 2020 and 2019, and have issued our report thereon dated December 11, 2020.

Our audits were made for the purpose of forming an opinion on the interim financial statements of the Company taken as a whole. The supplementary information included in the following accompanying additional components is the responsibility of the Company’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 are not required parts of the basic interim financial statements. Such information have been subjected to the auditing procedures applied in the audits of the basic interim financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic interim financial statements taken as a whole.

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read "D. Virocel", with a long horizontal line extending to the left.

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. 08-001987-031-2019

Issued August 7, 2019; valid until August 6, 2022

PTR No. MKT 8116787

Issued January 2, 2020 at Makati City

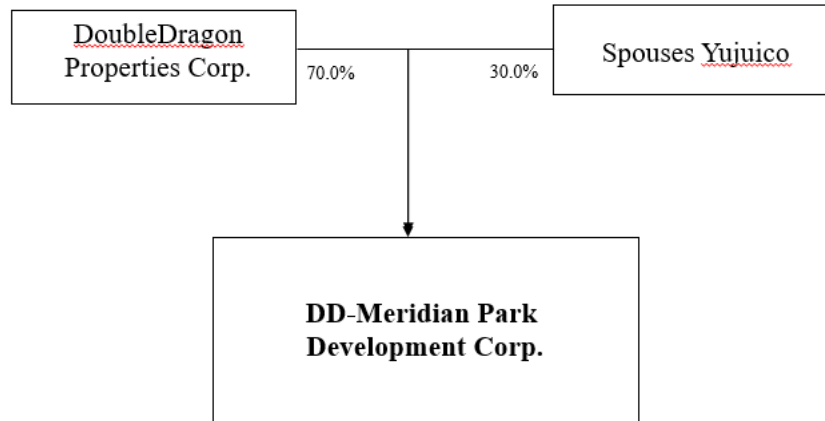
December 11, 2020

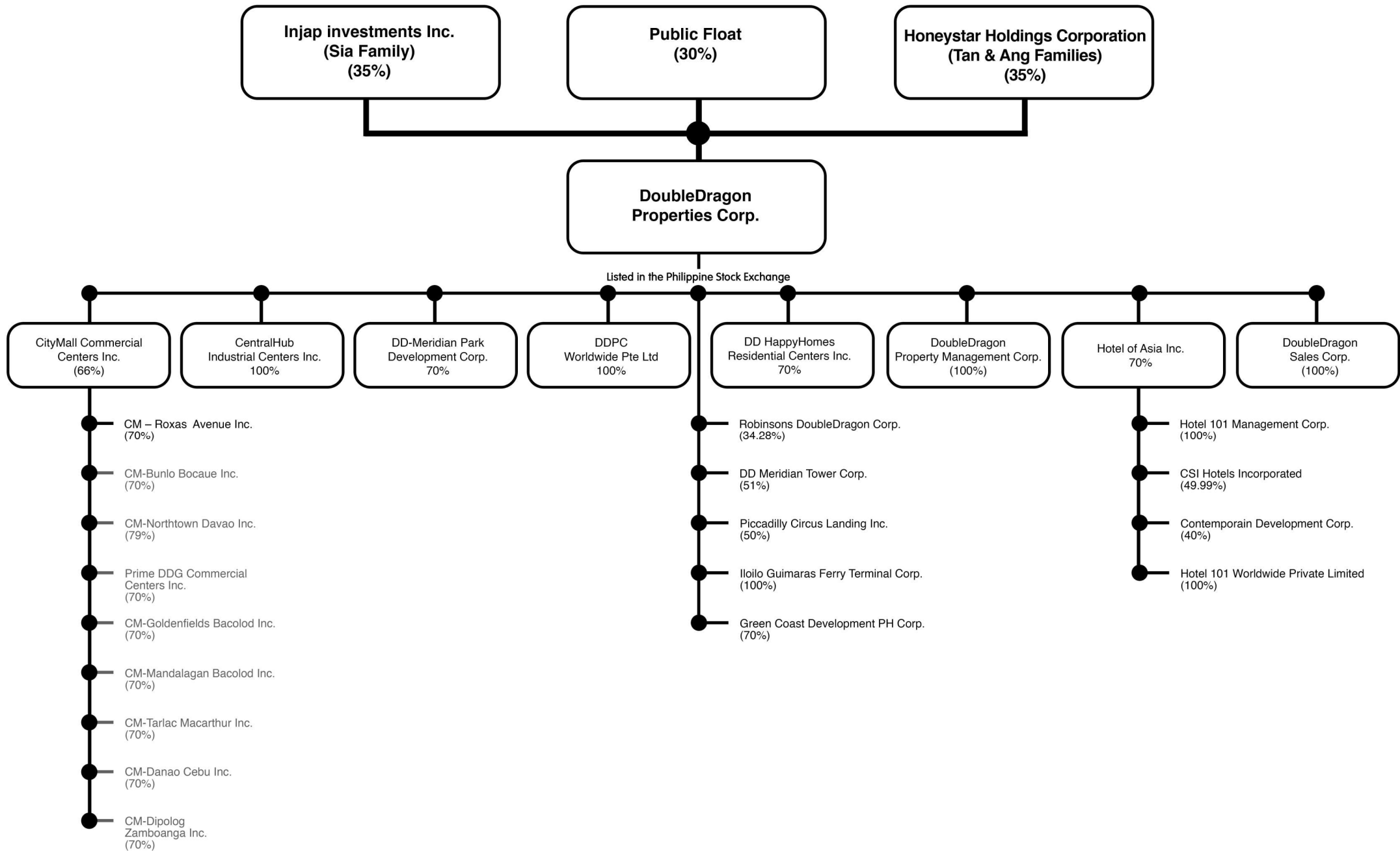
Makati City, Metro Manila

DD-MERIDIAN PARK DEVELOPMENT CORP.

CONGLOMERATE MAP

September 30, 2020





DD-MERIDIAN PARK DEVELOPMENT CORP.
SCHEDULE A - FINANCIAL ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 and cash equivalents	N/A	1,459,002,928	1,459,002,928	19,580,636
Receivables	N/A	1,364,265,501	1,364,265,501	-
Due from related parties	N/A	44,024,823	44,024,823	-
Refundable deposits	N/A	14,907,984	14,907,984	-

DD-MERIDIAN PARK DEVELOPMENT CORP.
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES,
RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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 Properties Corp. (Parent Company)	95,061,375	-	51,036,552	-	44,024,823	-	44,024,823

DD-MERIDIAN PARK DEVELOPMENT CORP.
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

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	-	-	-	-	-	-	-

DD-MERIDIAN PARK DEVELOPMENT CORP.
SCHEDULE D - INTANGIBLE ASSETS - OTHER NONCURRENT ASSETS
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

Description (i)	Beginning Balance (PhP)	Additions at cost (ii) (PhP)	Charged to cost and expenses (iii) (Php)	Charged to other accounts (Php)	Other changes additions (deductions) (iii) (Php)	Ending Balance (Php)
Software	1,425,000	-	225,000	-	-	1,200,000

DD-MERIDIAN PARK DEVELOPMENT CORP.
SCHEDULE E - LONG-TERM DEBT
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

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	-	-	-

DD-MERIDIAN PARK DEVELOPMENT CORP.
SCHEDULE F - INDEBTEDNESS TO RELATED PARTIES
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

Name of related party (i)	Balance at beginning of period (PhP)	Balance at end of period (ii) (PhP)
None	-	-

DD-MERIDIAN PARK DEVELOPMENT CORP.
SCHEDULE G - GUARANTEES OF SECURITIES OF OTHER ISSUERS
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

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

DD-MERIDIAN PARK DEVELOPMENT CORP.
SCHEDULE H - CAPITAL STOCK
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

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	17,830,000,000	17,827,465,406	-	17,827,465,397	9	-

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION
AS OF SEPTEMBER 30, 2020**

DD-MERIDIAN PARK DEVELOPMENT CORP.
DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza
DD Meridian Park Cor. Macapagal Ave. and Edsa extension
Bay Area Pasay City

Unappropriated Retained Earnings, beginning	P13,526,642,281
Adjustments: (see adjustments in previous year's reconciliation)	(13,514,531,149)
Unappropriated Retained Earnings, as adjusted, beginning	12,111,132
Add: Net income actually earned/realized during the period	
Net Income during the period closed to Retained Earnings	4,415,715,885
Less: Non-actual/unrealized income net of tax:	
Equity in net income of associates	-
Unrealized foreign exchange gain (except those attributable to Cash and Cash Equivalents)	-
Unrealized actuarial gain (loss)	-
Fair value adjustments (mark-to-market gains)	-
Fair value adjustments of Investment Property resulting to gain	3,396,939,622
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	63,033,813
Sub-total	3,459,973,435
Add: Non-actual losses	
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	-
Net Income actually earned during the period	950,742,450
Add (Less):	
Dividends declarations during the period	(607,916,570)
Appropriations of Retained Earnings during the period	-
Reversal of appropriations	-
Effects of prior period adjustments	-
Treasury shares	-
Sub-Total	(607,916,570)
TOTAL RETAINED EARNINGS, END OF THE YEAR AVAILABLE FOR DIVIDEND	P354,937,012

FINANCIAL RATIOS - KEY PERFORMANCE INDICATORS

AS OF SEPTEMBER 30, 2020

		September 30, 2020
1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	2.11
2. Solvency Ratio	$\frac{\text{Net Income + Depreciation and Amortization}}{\text{Total Liabilities}}$	0.43
3. Debt to Equity Ratio	$\frac{\text{Total Interest Bearing Short-term and Long-term Debt}}{\text{Total Stockholders Equity}}$	-
4. Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$	1.30
5. Interest Rate Coverage Ratio	$\frac{\text{Earnings Before Interest and Taxes}}{\text{Interest Paid}}$	-
6. Debt Service Coverage Ratio	$\frac{\text{EBITDA}}{\text{Interest Paid + Principal Payments}}$	-
7. Earnings Per Share	$\frac{\text{Net Profit Attributable to Parent - Dividends on Preferred}}{\text{Weighted Outstanding Shares}}$	0.25
8. Book Value Per Share	$\frac{\text{Equity Attributable to Parent - Preferred}}{\text{Outstanding Common Shares}}$	1.97
9. Return on Assets	$\frac{\text{Net Income}}{\text{Total Assets}}$	9.69%
10. Return on Equity	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$	13%
11. Recurring Income (in ₱ millions)	Rental Income for the period	1,452.0
12. Recurring Income Contribution	$\frac{\text{Recurring Income Contribution}}{\text{Total Revenue}}$	22.8%