COVER SHEET

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S.E.C. Registration Number

DDMP REIT, INC.

(Company's Full Name)

DD MERIDIAN PARK AREA COR. MACAPAGAL AVE. AND EDSA EXT. BLVD. SAN RAFAEL, PASAY CITY

(Business Address : No. Street Company / Town / Province)

Rizza Marie Joy Sia	(02) 8856-7111
Contact Person	Company Telephone Number

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Month	*Day*	FORM TYPE	*Month*	*Day*
			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes.

SEC No. 201420992
File No. _________

DDMP REIT, INC.
(Company's Full Name)

DD Meridian Park Bay Area corner Macapagal Avenue and EDSA Extension Boulevard Brgy 76 Zone 10 San Rafael Pasay City 1302
(Company's Address)

(632) 8856-7111
(Telephone Number)

December 31
(Fiscal Year ending)

SEC Form 17-A Annual Report
(Form Type)

N/A
Amendment Designation

December 31, 2020
Period Ended Date

N/A
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **December 31, 2020**

2. Commission identification number **CS201420992** 3. BIR Tax Identification No. **008-893-096**

4. Exact name of issuer as specified in its charter: **DDMP REIT, INC.**

5. Province, country or other jurisdiction of incorporation or organization: **Republic of the Philippines**

6. Industry Classification Code: [ ] (SEC Use Only)

7. Address of issuer's principal office and Postal Code: **DD Meridian Park Bay Area corner Macapagal Avenue and EDSA Extension Boulevard Brgy 76 Zone 10 San Rafael Pasay City 1302**

8. Issuer's telephone number, including area code: **(632) 8856-7111**

9. Former name, former address and former fiscal year, if changed since last report: **N/A**

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	**17,827,465,406**

11. Are any or all of the securities listed on a Stock Exchange?

Yes [x] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
Stock Exchange: **Philippine Stock Exchange**
Securities Listed: **Common Shares**

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [x] No [ ] N/A

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [x] No [ ] N/A

13. Aggregate market value of the voting stock held by non-affiliates: P0.00 as of December 31, 2020.

Contents

PART I BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

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

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

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

On November 11, 2020, the 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 Parent Company filed its Registration Statement with the SEC covering its initial public offering (IPO).

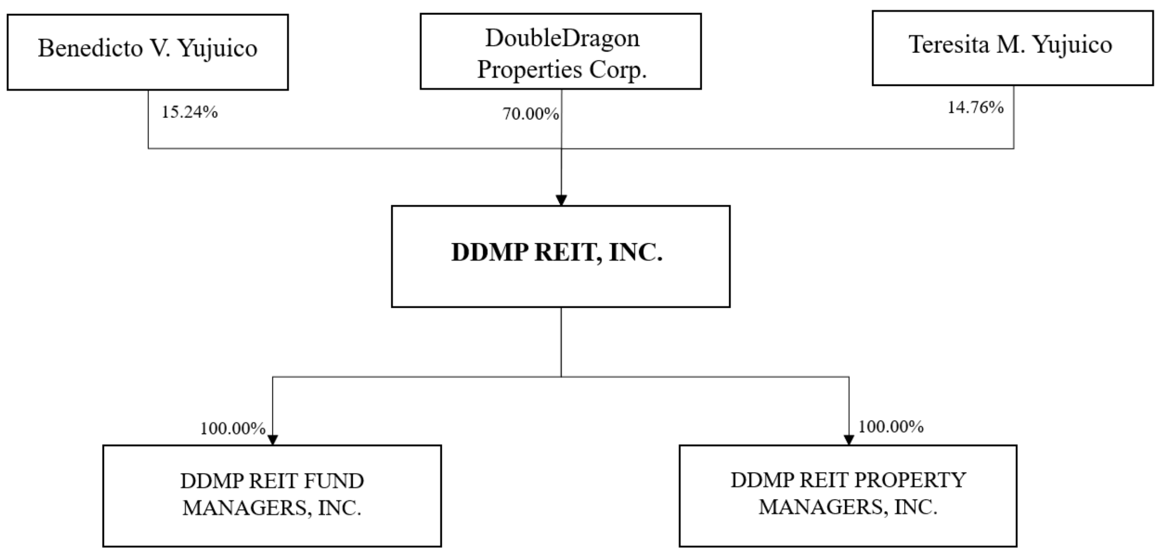
On November 11, 2020, the BOD and shareholders approved to amend the Parent Company's Articles of Incorporation (AOI). The SEC approved the amendment of the Parent Company's AOI on November 26, 2020. Relevant amendments include:

- Change in the Parent Company's name to DDMP REIT, Inc; and
- Amendment of the primary purpose of the Parent Company. The amended primary purpose of the Parent Company is now to engage in the business of a real estate investment trust (REIT), as provided under Republic Act No. 9856 (the Real Estate Investment Trust Act of 2009), including its implementing rules and regulations (the "REIT Act"), and other applicable laws

- Change of corporate term to perpetual existence;
- Increase in the number of BOD to nine (9) and inclusion of independent directors;
- Compliance with the lock-up requirements under the Listing Rules of the Philippine Stock Exchange, Inc.;
- Removal of the contractual restrictions on the disposition of shares; and
- Inclusion of additional restriction on transfer of shares as provided under REIT Act.

Corporate Structure

The ownership structure of the Company as of December 31, 2020 is illustrated below:



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

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

The fund manager, DDMP REIT FUND MANAGERS, INC. is a corporation, organized under the laws of the Philippines (the "Fund Manager"). The Fund Manager was incorporated on November 19, 2020, and has its registered office at the 10th Floor, Tower 1, DoubleDragon

Plaza, DD Meridian Park, Macapagal Ave. cor. EDSA Extension, Barangay 76, City of Pasay, Fourth District, NCR, Philippines, 1302.

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

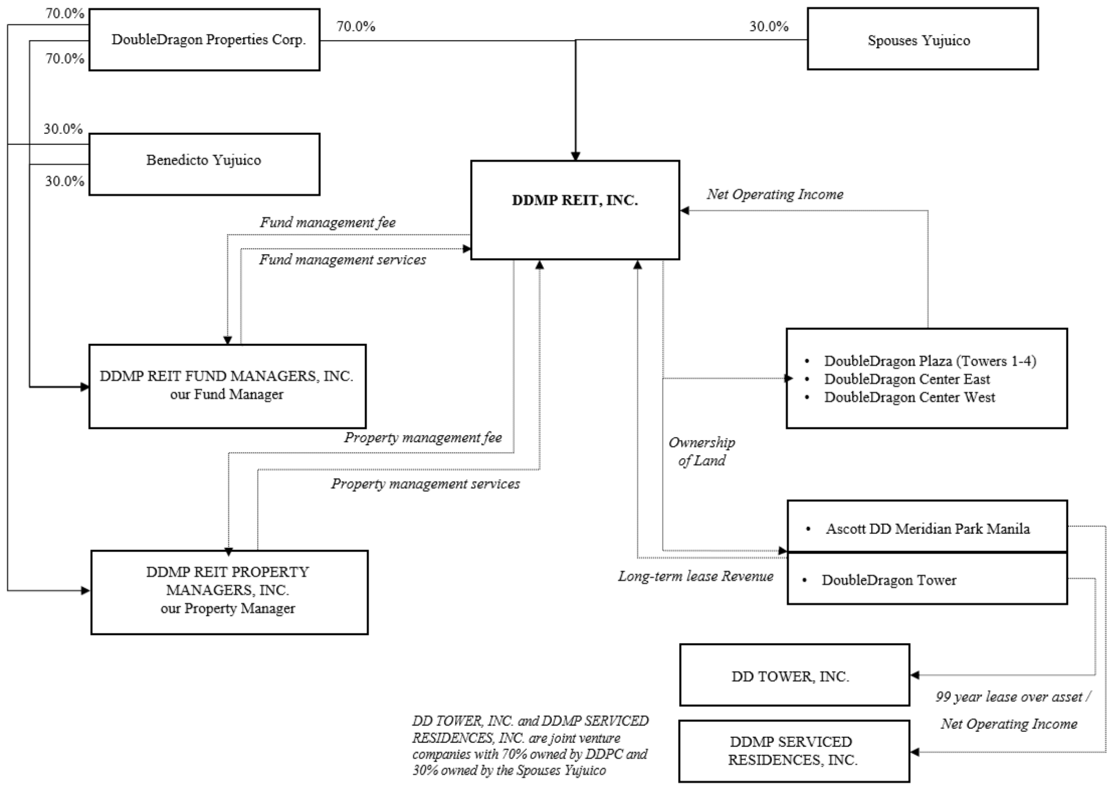
The property manager, DDMP REIT PROPERTY MANAGERS, INC., is a corporation, organized under the laws of the Philippines (the "Property Manager"). The Property Manager was incorporated on November 19, 2020, and has its registered office at the 10th Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, Macapagal Ave. cor. EDSA Extension, Barangay 76, City of Pasay, Fourth District, NCR, Philippines, 1302.

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

As of December 31, 2020, the Fund Manager and the Property Manager are 100%-owned by DDMP REIT, INC.

On February 10, 2021, the DDMP REIT, INC. sold all of its investments in the Fund Manager and the Property Manager to DD and Benedicto Yujuico. As of February 10, 2021, the Fund Manager and Property Manager are 70%-owned by DD and 30%-owned by Benedicto V. Yujuico.

The operational structure and the relationship of the various parties, as of February 10, 2021, are illustrated in the following diagram:



COMPETITION

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

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

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

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

SUPPLIERS

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

TENANTS

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

TRANSACTIONS WITH RELATED PARTIES

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

EMPLOYEES

The executive officers of the Company will be seconded from other companies in the DD Group. The Company believes that the Company, the Property Manager, and the Fund Manager are in compliance with all minimum compensation and benefit standards, as well as applicable labor and employment regulations.

INTELLECTUAL PROPERTY

As of December 31, 2020, the Company has obtained the following trademarks:

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

The Company has applied for the registration of its DDMP REIT logo and its application is pending approval from the Intellectual Properties Office of the Philippines as of the date of this REIT Plan.

Design mark/ logo	Date of application
DDMP REIT, INC	December 16, 2020

The Company is also the owner of one domain name: http://www.ddmeridianpark.com

HEALTH, SAFETY AND ENVIRONMENT

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

INSURANCE

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

RISKS

The Company is affected by the following risks:

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

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

ITEM 2. PROPERTIES

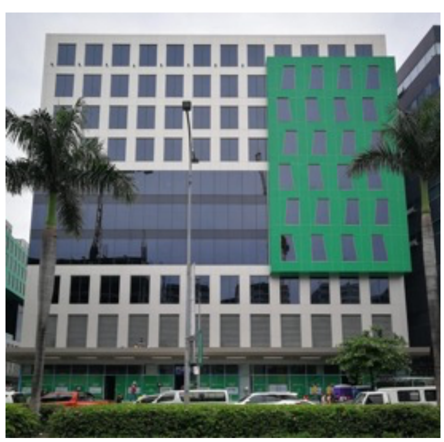
DDMP REIT, INC.'s property portfolio consists of the following three commercial properties comprising six office towers with retail components in DD Meridian Park that meet the Company's investment criteria. DD Meridian Park is the Company's flagship project in Metro Manila, and is located along the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

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

- **DoubleDragon Center East** is a commercial property in DD Meridian Park consisting of an 11-storey tower (including a basement) with a retail area on the ground floor, parking on the basement and 2nd levels, and offices from the 3rd to the 11th levels.

DoubleDragon Center East has approximately 16,197 sq.m. of Gross Leasable Area. DoubleDragon Center East's office tower consists of seven office floors and a total of 15,124 sq.m of Gross Leasable Area. The ground floor retail area consists of 1,073 sq.m. of Gross Leasable Area dedicated to established food concepts and banks. In addition, DoubleDragon Center East has 62 parking spaces (including lifts). DoubleDragon Center East commenced full operations in 2019; and

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



In addition to the above commercial properties, the Company owns the underlying land of DD Meridian Park on a Freehold Basis. DD Meridian Park is located on 47,474 sq.m. of prime commercial property. DD Meridian Park also includes two development properties, DoubleDragon Tower and Ascott-DD Meridian Park, which have been leased out to DD TOWER, INC. and DDMP SERVICED RESIDENCES, INC. respectively on a long-term lease basis. While the Company owns the land where DoubleDragon Tower and Ascott-DD Meridian Park are currently being constructed, the right-of-use and the potential cashflows to be generated post the completion of these two properties will be owned by DD TOWER, INC. and DDMP SERVICED RESIDENCES, INC., respectively for the duration of the respective contracts of lease.

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

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

Building	**DoubleDragon Plaza**	**DoubleDragon Center East**	**DoubleDragon Center West**
Year of completion	2017	2019	2019
Building grade/description	Grade A/mixed-use	Grade A/mixed-use	Grade A/mixed-use
Number of storeys	4 towers of 11 storeys each (including a basement)	11 (including a basement)	11 (including a basement)
Office GLA	127,863 sq.m.	15,124 sq.m.	15,689 sq.m.
Retail GLA	11,377 sq.m.	1,073 sq.m.	1,126 sq.m.
Total GLA	139,240 sq.m.	16,197 sq.m.	16,815 sq.m.
Typical floor plate(1)	4,200 to 4,800 sq.m.	1,800 sq.m.	2,200 sq.m.
Parking lots	1,946	62	74
LEED Certification	Gold	Silver (pre-certified)	Silver (pre-certified)
Occupancy Rate as of December 31, 2020	99.9%	100.0%	97.6%
Aircon type	VRF(2)	VRF(2)	VRF(2)
Backup power	100%	100%	100%

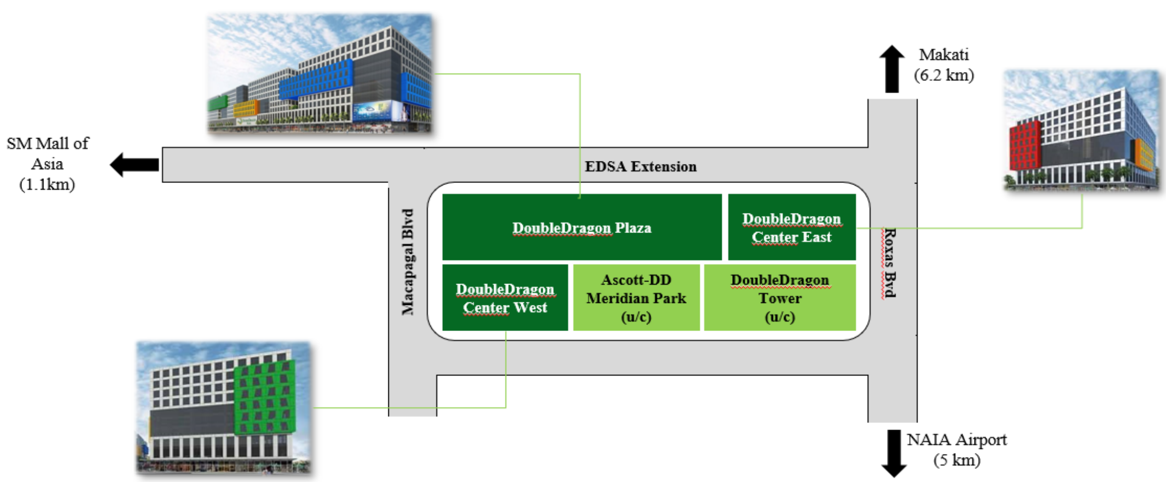
Together, the Properties in the Company's portfolio comprised approximately 172,252 sq.m. of Gross Leasable Area as of December 31, 2020, and for year ended December 31, 2020 derived Gross Revenue (which excludes fair value gains, interest income and other income) of ₱1,912.6 million.

DoubleDragon Plaza, which has been operating since 2017, comprises approximately 80.8% of the Properties' total Gross Leasable Area as of December 31, 2020, and accounted for 77.2% of the Company's Gross Revenue for the year ended December 31, 2020. Since 2018, DoubleDragon Plaza has benefited from high occupancy levels. As of December 31, 2020, it had an occupancy level of approximately 99.9%.

DoubleDragon Center East, which was completed in 2019, comprises approximately 9.4% of the Properties' total Gross Leasable Area as of December 31, 2020, and accounted for 12.8% of the Company's Gross Revenue for the year ended December 31, 2020. As of December 31, 2020, DoubleDragon Center East had an occupancy level of approximately 100.0%.

DoubleDragon Center West, which was completed in 2019, comprises approximately 9.8% of the Properties' total Gross Leasable Area as of December 31, 2020, and accounted for 10.0% of the Company's Gross Revenue for the year ended December 31, 2020. As of each of December 31, 2020, DoubleDragon Center West had an occupancy level of approximately 97.6%.

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



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

Asian Appraisal, the property valuer of the Company, valued the properties as of December 31, 2020, at approximately ₱41,478.0 million: DoubleDragon Plaza was valued at ₱29,007.4 million, DoubleDragon Center East was valued at ₱2,931.9 million, and DoubleDragon Center West was valued at ₱3,450.2 million. DoubleDragon Tower and Ascott DD Meridian Park including land were valued at ₱6,088.5 million.

ITEM 3. LEGAL PROCEEDINGS

As of December 31, 2020, to the best of the Company's knowledge and belief and after due inquiry, none of the Company, the Fund Manager, or the Property Manager is currently involved in any material litigation claims or arbitration, either as plaintiff or defendant, which could be expected to have a material and adverse effect on the Company's financial position. In addition, to the best of either the Company's or the Fund Manager's knowledge and belief and after due inquiry, none of the directors, or executive officers of the Company, the Fund Manager, or the Property Manager have in the past five years have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; nor have they been subject of any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; nor have they been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities, or from acting as a director, officer, employee, consultant, or agent occupying any fiduciary position.

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

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

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

1. **Approval of the 2019 Audited Financial Statements**
   Date of Approval by Board of Directors : April 15, 2020
   Date of Approval by Stockholders : November 11, 2020

2. **Ratification of the Actions of the Board of Directors and Officers**
   Date of Approval by Stockholders : November 11, 2020

3. **Election of Directors**

Date of Approval by Stockholders : November 11, 2020

4. **Appointment of External Auditors**
Date of Approval by Stockholders : November 11, 2020

PART II OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDERS MATTERS

Market Information

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

2020

Prices (in PhP/share)

	High	Low	Close
First Quarter	-	-	-
Second Quarter	-	-	-
Third Quarter	-	-	-
Fourth Quarter	-	-	-

The price information as of the close of the latest practicable trading date May 14, 2021 is ₱1.95 per share with a total market capitalization of ₱34,763,557,542.00.

Dividends and Dividends Policy

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

Record Date

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

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

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

Dividend History

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

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share
Cash dividend	November 11, 2020	September 30, 2020	November 11, 2020	P0.01773
Cash dividend	June 30, 2020	June 30, 2020	August 15, 2020	P0.01580
Cash dividend	March 31, 2020	March 31, 2020	June 5, 2020	P0.02000
Cash dividend	December 28, 2019	December 28, 2019	December 28, 2019	P0.0274
Cash dividend	September 30, 2019	September 30, 2019	November 18, 2019	P0.0186
Cash dividend	June 28, 2019	June 28, 2019	August 15, 2019	P0.0133
Cash dividend	March 15, 2019	May 15, 2019	May 15, 2019	P0.0122
Cash dividend	December 28, 2018	December 28, 2018	April 16, 2019	P0.0146
Cash dividend	September 30, 2018	September 30, 2018	September 30, 2018	P0.0222
Cash dividend	February 28, 2018	February 28, 2018	May 30, 2018	P0.0027

On April 14, 2021, DDMP REIT declared cash dividend of P0.02047718 per share to common stockholders of record as of April 28, 2021 for payment on May 10, 2021.

For 2020, total dividends declared amounted to P1,289.01 million representing 100.94% of the Distributable Income for the year.

The computation of distributable income of the DDMP REIT, INC. as at December 31, 2020 is shown below:

	Amount
Net income of the Parent Company	P5,086,671,427
Fair value adjustments of investment Property resulting to gain (after tax)	(3,768,596,684)

Other unrealiazed gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS”	(41,101,518)
	P1,276,899,793
Total dividends declared in 2020	P923,954,591
Dividends declared April 14, 2021 from fourth quarter 2020 earnings and for payment May 10, 2021*	365,056,218
	P1,289,010,809
% of Dividends to Distributable Income	**100.94%**

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

Principal Shareholders

The following table sets forth the 20 largest shareholders of the Company's Common Shares as of December 31, 2020.

Shareholder	Number of Shares Subscribed	% of Ownership
DoubleDragon Properties Corp.	12,479,240,781	70.0%
Benedicto V. Yujuico	2,716,957,245	15.24%
Teresita M. Yujuico	2,631,267,380	14.76%

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLAN OF OPERATION

Calendar Year Ended December 31, 2020 and 2019

RESULTS OF OPERATION

DDMP REIT, INC.
Audited Consolidated Statements of Comprehensive Income
For the year ended December 31, 2020 & 2019

	2020	2019	Horizontal Analysis Increase (Decrease)		Vertical Analysis 2020	2019
INCOME						
Unrealized gains from changes in fair values of investment property	5,383,709,548	7,781,063,778	(2,397,354,230)	-30.8%	73.2%	80.4%
Rent income	1,912,618,974	1,777,329,973	135,289,001	7.6%	26.0%	18.4%
Interest income	20,708,383	5,994,001	14,714,382	245.5%	0.3%	0.1%
Other income	40,697,838	111,481,926	(70,784,088)	-63.5%	0.6%	1.2%
	7,357,734,743	9,675,869,678	(2,318,134,935)	-24.0%	100.0%	100.0%
COSTS AND EXPENSES						
General and administrative expenses	234,849,773	201,780,385	33,069,388	16.4%	3.2%	2.1%
Interest expense	35,635,069	31,525,024	4,110,045	13.0%	0.5%	0.3%
Marketing expenses	26,477,931	34,053,060	(7,575,129)	-22.2%	0.4%	0.4%
	296,962,773	267,358,469	29,604,304	11.1%	4.0%	2.8%
INCOME BEFORE INCOME TAX	7,060,771,970	9,408,511,209	(2,347,739,239)	-25.0%	96.0%	97.2%
INCOME TAX EXPENSE	1,974,100,543	2,717,080,772	(742,980,229)	-27.3%	26.8%	28.1%
NET INCOME AND TOTAL COMPREHENSIVE INCOME	**5,086,671,427**	**6,691,430,437**	**(1,604,759,010)**	**-24.0%**	**69.1%**	**69.2%**

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

Revenues

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

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

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

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

Costs and expenses

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

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

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

Income before income tax

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

Income tax expense

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

Net Income

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

FINANCIAL POSITION

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

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

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

<u>Assets</u>

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

Cash and cash equivalents

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

Receivables – net

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

Due from Parent Company

The Company's due from Parent Company was ₱2.4 million as of December 31, 2020, a ₱92.7 million, or 53.7% decrease from ₱95.1 million as of December 31, 2019 due to receipt of advances made.

Prepaid expenses and other current assets

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

Property and equipment - net

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

Investment property

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

Deferred tax Asset

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

Other noncurrent assets

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

Liabilities

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

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

Accounts payable and other current liabilities

The Company's accounts payable and other current liabilities were ₱984.3 million as of December 30, 2020, a ₱1.9 billion, or 66.4% decrease from accounts payable and other current liabilities of ₱2.9 billion as of December 31, 2019. The decrease was mainly due to the decrease in accrued project costs.

Dividend payable

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

Due to Related Party

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

Income tax payable

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

Deferred tax liability

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

Other noncurrent liabilities

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

Calendar Year Ended December 31, 2019 and 2018

RESULTS OF OPERATION

DDMP REIT, INC.
Audited Statements of Comprehensive Income
For the year ended December 31, 2019 & 2018

			Horizontal Analysis		Vertical Analysis	
	2019	2018	Increase (Decrease)		2019	2018
INCOME						
Unrealized gains from changes in fair values of investment property	7,781,063,778	8,193,747,644	(412,683,866)	-5.0%	105.8%	84.7%
Rent income	1,777,329,973	1,107,541,926	669,788,047	60.5%	24.2%	11.4%
Interest income	5,994,001	4,390,244	1,603,757	36.5%	0.1%	0.0%
Other income	111,481,926	49,768,984	61,712,942	124.0%	1.5%	0.5%
	9,675,869,678	9,355,448,798	320,420,880	3.4%	131.5%	96.7%
COSTS AND EXPENSES						
General and administrative expenses	201,780,385	88,267,802	113,512,583	128.6%	2.7%	0.9%
Interest expense	31,525,024	16,471,605	15,053,419	91.4%	0.4%	0.2%
Marketing expenses	34,053,060	16,579,886	17,473,174	105.4%	0.5%	0.2%
	267,358,469	121,319,293	146,039,176	120.4%	3.6%	1.3%
INCOME BEFORE INCOME TAX	9,408,511,209	9,234,129,505	174,381,704	1.9%	127.9%	95.4%
INCOME TAX EXPENSE	2,717,080,772	2,768,082,570	(51,001,798)	-1.8%	36.9%	28.6%
NET INCOME AND TOTAL COMPREHENSIVE INCOME	**6,691,430,437**	**6,466,046,935**	**225,383,502**	**3.5%**	**90.9%**	**66.8%**
	-	-				

Revenue

The Company's total revenues increased by ₱320.4 million, or 3.4%, to ₱9.7 billion for the year ended December 31, 2019 compared to ₱9.4 billion for the year ended December 31, 2018.

The growth in total revenues was primarily driven by increase in rent income. The Company's rent income grew by ₱669.8 million, or 60.5%, to ₱1,777.3 million for the year ended December 31, 2019, compared to ₱1,107.5 million for the year ended December 31, 2018.

The Company's other income grew by ₱61.7 million, or 124.0%, to ₱111.5 million for the year ended December 31, 2019, compared to ₱49.8 million for the year ended December 31, 2018. The growth of the Company's rent income, and other income was mainly driven by the expansion of the Company's leasing portfolio with the full year operations of the four towers of DoubleDragon Plaza in 2019, interest and penalties charged to tenants and additional rentals from DoubleDragon Center East and DoubleDragon Center West, which commenced operations in 2019 and increase in aircon and service charges.

The Company's interest income grew by ₱1.6 million, or 36.5%, to ₱6.0 million for the year ended December 31, 2019, compared to ₱4.4 million for the year ended December 31, 2018, primarily because of the increase in deposit placements with financial institutions.

The growth in total revenues was partially offset by the Company's unrealized gains from changes in fair values of investment property which decreased by ₱412.7 million, or 5.0%, to ₱7,781.1 million for the year ended December 31, 2019, compared to ₱8,193.7 million for the year ended December 31, 2018, mainly driven the completion of DoubleDragon Center East and DoubleDragon Center West in 2019, resulting in such properties being stated at fair value, which was determined by Asian Appraisal based on valuations on each such property's leasable space.

Cost and expenses

The Company's general and administrative expenses grew by ₱113.5 million, or 128.6%, to ₱201.8 million for the year ended December 31, 2019, compared to ₱88.3 million for the year ended December 31, 2018, mainly driven by the expansion of the Company's leasing portfolio which resulted in higher taxes and licenses costs.

The Company's marketing expenses grew by ₱17.5 million, or 105.4%, to ₱34.1 million for the year ended December 31, 2019, compared to ₱16.6 million for the year ended December 31, 2018, mainly driven by an increase in broker's commission and advertising and promotion related to the expansion of the Company's leasing portfolio.

The Company's interest expense grew by ₱15.1 million, or 91.4%, to ₱31.5 million for the year ended December 31, 2019, compared to ₱16.5 million for the year ended December 31, 2018 due to the interest accretion of the security deposit received from tenants.

Income before income tax

The Company's income before income tax for the year ended December 31, 2019 was ₱9.4 billion, an increase of ₱174.4 million or 1.9%, from its income before income tax of ₱9.2 billion recorded for the year ended December 31, 2018.

Income Tax Expense

The Company's income tax expense decreased by ₱51.0 million, or 1.8%, to ₱2.7 billion for the year ended December 31, 2019, compared to ₱2.8 billion for the year ended December 31, 2018, due to lower taxable income for 2019 as a result of higher non-taxable income recognized by the Company.

Net Income

As a result of the foregoing, the Company's net income grew by ₱225.4 million, or 3.5%, to ₱6.7 billion for the year ended December 31, 2019, compared to ₱6.5 million for the year ended December 31, 2018.

FINANCIAL POSITION

DDMP REIT, INC.
Audited Statements of Financial Position
As at December 31, 2019 & 2018

	2019	2018	Horizontal Analysis Increase (Decrease)		Vertical Analysis 2019	Vertical Analysis 2018
ASSETS						
Current Assets						
Cash and cash equivalents	2,211,941,451	415,411,075	1,796,530,376	432.5%	4.9%	1.0%
Receivables	1,024,755,198	726,928,930	297,826,268	41.0%	2.3%	1.7%
Due from Parent Company	95,061,375	29,896,499	65,164,876	218.0%	0.2%	0.1%
Prepaid expenses and other current assets	791,890,266	787,355,785	4,534,481	0.6%	1.7%	1.9%
Total Current Assets	4,123,648,290	1,959,592,289	2,164,056,001	110.4%	9.1%	4.6%
Noncurrent Assets						
Property and equipment - net	23,873,223	22,700,341	1,172,882	5.2%	0.1%	0.1%
Investment property	37,481,401,968	27,733,329,537	9,748,072,431	35.1%	82.6%	65.6%
Other noncurrent assets	641,615,314	482,120,218	159,495,096	33.1%	1.4%	1.1%
Total Noncurrent Assets	38,146,890,505	28,238,150,096	9,908,740,409	35.1%	84.1%	66.8%
Total Assets	**42,270,538,795**	**30,197,742,385**	**12,072,796,410**	**40.0%**	**93.2%**	**71.4%**
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other current liabilities	2,926,053,965	2,092,490,064	833,563,901	39.8%	6.5%	5.0%
Dividend Payable	473,818,417	260,699,940	213,118,477	81.7%	1.0%	0.6%
Due to Related Party	129,635,483	45,687,069	83,948,414	183.7%	0.3%	0.1%
Income Tax Payable	32,127,285	42,739,512	(10,612,227)	-24.8%	0.1%	0.1%
Total Current Liabilities	3,561,635,150	2,441,616,585	1,120,018,565	45.9%	7.9%	5.8%
Noncurrent Liabilities						
Deferred tax liability - net	6,147,702,122	3,616,081,434	2,531,620,688	70.0%	13.6%	8.6%
Other noncurrent liabilities	1,207,093,836	977,728,493	229,365,343	23.5%	2.7%	2.3%
Total Noncurrent liabilities	7,354,795,958	4,593,809,927	2,760,986,031	60.1%	16.2%	10.9%
Total Liabilities	10,916,431,108	7,035,426,512	3,881,004,596	55.2%	24.1%	16.6%
Equity						
Capital stock	17,827,465,406	15,052,440,252	2,775,025,154	18.4%	39.3%	35.6%
Retained earnings	13,526,642,281	8,109,875,621	5,416,766,660	66.8%	29.8%	19.2%
Total Equity	31,354,107,687	23,162,315,873	8,191,791,814	35.4%	69.1%	54.8%
Total Liabilities and Equity	**42,270,538,795**	**30,197,742,385**	**12,072,796,410**	**40.0%**	**93.2%**	**71.4%**

Assets

The Company's assets were ₱42.3 billion as of December 31, 2019, an increase of ₱12.1 billion, or 40.0%, from assets of ₱30.2 billion as of December 31, 2018.

Cash and cash equivalents

The Company's cash and cash equivalents were ₱2.2 billion as of December 31, 2019, an increase of ₱1.8 billion, or 432.5%, from cash and cash equivalents of ₱415.4 million as of December 31, 2018, due to the collection of a subscription receivable from investment by DDPC.

Receivables

The Company's receivables were ₱1.0 billion as of December 31, 2019, an increase of ₱297.8 million, or 41.0%, from receivables of ₱726.9 million as of December 31, 2018, due to the increase in accrued rent receivables from the straight-line rent income.

Due from Parent Company

The Company's amount due from parent company was ₱95.1 million as of December 31, 2019, an increase of ₱65.2 million, or 218.0%, from the amount due from parent company of ₱29.9 million as of December 31, 2018.

Prepaid expenses and other current assets

The Company's prepaid expenses and other current assets were ₱791.9 million as of December 31, 2019, an increase of ₱4.5 million, or 0.6%, from prepaid expenses and other current assets of ₱787.4 million as of December 31, 2018, due to an increase in prepaid taxes.

Property and equipment – net

The Company's property and equipment – net was ₱23.9 million as of December 31, 2019, an increase of ₱1.2 million, or 5.2%, from property and equipment – net of ₱22.7 million as of December 31, 2018 due to ₱7.0 million of additions to property and equipment, less ₱5.8 million depreciation.

Investment property

The Company's investment property was ₱37.5 billion as of December 31, 2019, an increase of ₱9.7 billion, or 35.1%, from investment property of ₱27.7 billion as of December 31, 2018, due to continued construction of leasing properties, completion of DoubleDragon Center East and DoubleDragon Center West and appreciation of investment properties owned by the Company.

Other noncurrent assets

The Company's other noncurrent assets were ₱641.6 million as of December 31, 2019, an increase of ₱159.5 million, or 33.1%, from other noncurrent assets of ₱482.1 million as of December 31, 2018, primarily driven by increase in advances to contractors and refundable deposits paid by the Company.

Liabilities

The Company's liabilities were ₱10.9 billion as of December 31, 2019, an increase of ₱3.9 billion, or 55.2%, from liabilities of ₱7.0 billion as of December 31, 2018.

Accounts payable and other current liabilities

The Company's accounts payable and other current liabilities were ₱2.9 billion as of December 31, 2019, an increase of ₱833.6 million, or 39.8%, from accounts payable and other current liabilities of ₱2.1 million as of December 31, 2018, primarily attributable to the increase in accrued project costs.

Dividends payable

The Company's dividends payable was ₱473.8 million as of December 31, 2019, an increase of ₱213.1 million, or 81.7%, from dividends payable of ₱260.7 million as of December 31, 2018.

Due to related partie

The Company's amount due to related parties was ₱129.6 million as of December 31, 2019, an increase of ₱83.9 million, or 183.7%, from the amount due to related parties of ₱45.7 million as of December 31, 2018, due to higher declared dividends.

Income tax payable

The Company's income tax payable was ₱32.1 million as of December 31, 2019, a decrease of ₱10.6 million, or 24.8%, from income tax payable of ₱42.7 million as of December 31, 2018.

Deferred tax liability – net

The Company's deferred tax liability – net was ₱6.1 billion as of December 31, 2019, an increase of ₱2.5 billion, or 70.0%, from the deferred tax liability – net of ₱3.6 billion as of December 31, 2018, due to the increase in the deferred tax component of unrealized gains on fair value measurements of investment property.

Other noncurrent liabilities

The Company's other noncurrent liabilities were ₱1.2 billion as of December 31, 2019, an increase of ₱229.4 million, or 23.5%, from other noncurrent liabilities of ₱977.7 million as of December 31, 2018, primarily driven by the increase in additional security deposits received from new tenants.

KEY PERFORMANCE INDICATORS

The following are the major financial ratios of the Company for the years ended December 31, 2020, 2019 and 2018

Key Financial Ratios	**2020**	**2019**	**2018**
Recurring Income (in ₱ millions)	1,912.6	1,777.3	1,107.5
Recurring Income Contribution(1)	26.0%	18.4%	11.8%
Current Ratio(2)	3.27	1.16	0.80
Return on Assets(3)	11.2%	15.8%	21.4%
Return on Equity(4)	15.2%	25.0%	32.6%
Asset to Equity(5)	1.28	1.35	1.30
Solvency Ratio(6)	0.52	0.61	0.92
Earnings per share(7)	0.29	0.90	0.36
Book Value per share(8)	1.99	1.76	1.30

Notes:

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

LIQUIDITY AND CAPITAL RESOURCES

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

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

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

INDEBTEDNESS

As of December 31, 2020, the Company did not have any outstanding loan from any bank or financial institution.

CAPITAL EXPENDITURES

Capital expenditures for the years ended December 31, 2020, 2019, and 2018 were related primarily to the construction and development of the Properties. Capital expenditures for the year ended December 31, 2020 are primarily related to the construction and development of DoubleDragon Tower and Ascott-DD Meridian Park.

FINANCIAL RISK DISCLOSURE

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

Operational and financial impact of COVID19

The Company believes that the COVID-19 outbreak has not materially and adversely affected its operations. The Company's properties have continued to be operational. The Company anticipates that its rent income will remain stable as a majority of its lease contracts have fixed rates, and are covered for the duration of their lease terms by postdated checks, ample security deposits and advance rentals.

In compliance with the Government's mandate to support micro, small and medium enterprises ("MSMEs") and other tenants during the COVID-19 pandemic, the Company granted concessions to its tenants: the waiver of interest and penalties during the ECQ and MECQ period; rental discounts for all food tenants and MSME retail tenants; and the deferral of rental payments in accordance with the Bayanihan Act and the Bayanihan 2 Act. These concessions were granted subject to conditions like the applicable tenant's commitment to settle any rental arrears, continuous operation of retail tenants and the receipt of post-dated checks for the rent deferral or installment payments.

The Company also granted the application of advance rents to current rental payments to certain tenants subject to the receipt of a replacement check for the replenishment of advance rental within 2021.

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'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.

SUMMARY OF REAL ESTATE TRANSACTIONS FOR 2020

PROPERTY PERFORMANCE

	DoubleDragon Plaza	**DoubleDragon Center East**	**DoubleDragon Center West**
Location	DD Meridian Park	DD Meridian Park	DD Meridian Park
Valuation	P29,007.4 million	P2,931.9 million	P3,450.2 million
Occupancy rates	99.9%	100.0%	97.6%
WALE (years)	3.88	3.51	3.33
Rental Income	P1,476.3 million	244.3 million	192.0 million
Revenue Contribution in Year 2020	77.2%	12.8%	10.0%

PROPERTY UNDER DEVELOPMENT

	DoubleDragon Tower	**Ascott-DD Meridian Park**
Location	DD Meridian Park	DD Meridian Park
Valuation	P2,255.4 million	P3,833.1 million
Lessee	DD Tower, Inc.	DDMP Serviced Residences, Inc.
% of Completion	61.54%	10.94%
Remaining Lease Term	99 years	99 years

ITEM 7. FINANCIAL STATEMENTS

Please see the attached consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS AND FINANCIAL DISCLOSURE

R.G. Manabat & Co. ("RGM"), a member firm of KPMG International, was responsible for preparing the independent auditor's report on the audited financial statements of the Company. RGM audited the Company's financial statements as of and for the years ended December 31, 2018, 2019 and 2020 in accordance with the Philippine Standards of Auditing.

The Company has not had any material disagreements on accounting and financial disclosures with RGM. RGM has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company.

PART III CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS AND REGISTRANTS

The Board undertakes the overall management and supervision of the Company by setting its goals, strategies and policies, and regularly monitoring their effectiveness and implementation. The Company's executive officers and management team support the Board by preparing appropriate information and documents concerning the Company's business operations, financial condition, and results of operations for its review.

The Board consists of nine members, three of whom are independent Directors. The Directors shall serve for one year from date of election until their successors are elected and qualified.

The following table sets out certain information regarding the members of the Board and the Company's executive management. All members of the Board and executive officers listed below are citizens of the Philippines.

Name	Position	Term of Office
Edgar J. Sia II	Director and Chairman	October 27, 2014 to present
Tony Tan Caktiong	Director and Co-Chairman	October 27, 2014 to present
Ferdinand J. Sia	Director and President	October 27, 2014 to present
William Tan Untiong	Director and Corporate Secretary	October 27, 2014 to present

Jesus Emmanuel M. Yujuico	Director	September 24, 2015 to present
Jaime Rafael M. Yujuico	Director	September 24, 2015 to present
Antonio L. Go	Independent Director	November 17, 2020 to present
Edgardo G. Lacson	Independent Director	November 17, 2020 to present
Rene J. Buenaventura	Independent Director	November 17, 2020 to present
Rizza Marie J. Sia-Javelona	Treasurer	October 27, 2014 to present

The Company's senior management team is comprised of experienced and committed professional with over 320 years of accumulated experience in the Philippine real estate industry. The business experience for the past five years of each of the Company's Directors and executive officers is set out below.

Edgar J. Sia II, *Director and Chairman*

Mr. Edgar J. Sia II is the Director and Chairman of the Company. He is also the Chairman and CEO of listed DoubleDragon Properties Corp. and MerryMart Consumer Corp, of which he co-founded and founded respectively. Mr. Sia II currently serves as the Chairman of various institutions, including MerryMart Grocery Centers Inc., and Injap Investments Inc. He is also the founder of Mang Inasal Philippines. Mr. Sia took up Bachelor of Science in Architecture at the University of San Agustin and the same university in 2011 conferred him an Honorary Doctorate Degree- Major in Management.

Tony Tan Caktiong, *Director and Co-Chairman*

Mr. Tony Tan Caktiong, is the Co-Chairman of the Company. He also serves as Co-Chairman and Director of DoubleDragon Properties Corp. Mr. Tan Caktiong currently serves as the Chairman of Jollibee Foods Corporation. He is also a member of Board of Trustees of St. Luke's Medical Hospital, National Competitiveness Council and Asian Institute of Management Alumni Leadership Foundation, Inc. Mr. Tan Caktiong is also a Board of Director of First Gen Corporation, Philippine Long Distance Company and Temasek Foundation. He is member of the Board of Managers of SJBF LLC and International Advisory Board. Mr. Tan Caktiong holds a Bachelor of Science in Chemical Engineering from the University of Santo Tomas.

Ferdinand J. Sia, *President & Chief Operating Officer*

Mr. Ferdinand J. Sia is the President and Director of the Company. He also serves as Director and President and Chief Operating Officer of DoubleDragon Properties Corp., MerryMart Consumer Corp. and Injap Investments, Inc. He previously served as Director and President of Mang Inasal from 2007 to 2012. He graduated from the Arellano University School of Law.

William Tan Untiong, *Director & Corporate Secretary*

Mr. William Tan Untiong, is the Corporate Secretary of the Company as well as a Director. He also serves as the Corporate Secretary of DD Meridian Park Development Corp. and Jollibee Foods Corporation. Mr. Tan Untiong currently serves as the Chief Real Estate Officer of

Jollibee Foods Corporation. Mr. Tan Untiong holds a Bachelor of Science in Civil Engineering from Adamson University.

Mr. Jesus Emmanuel M. Yujuico, *Director*

Mr. Jesus Emmanuel M. Yujuico has been a Director of the Company since 2014. Granted his remarkable roles in the business world, he also serves as a Consultant/Adviser of Istana Dev. Corp., Istana Social Foundation, and Vicarous, Inc. Mr. Yujuico was born in the United States of America and holds a Master of Business Administration (MBA) degree-holder from Tuck School of Business. A graduate business school of Dartmouth College in Hanover, New Hampshire, Mr. Yujuico is also a Bachelor of Arts degree-holder from Bowdoin College, a private liberal arts College in Brunswick, Maine.

Jaime Rafael M. Yujuico, *Director*

Mr. Jaime Rafael M. Yujuico has been a Director of the Company since 2014. Given his extensive corporate experience, he also runs Point Blue, the maker of Integrated Microstudios in BGC and Makati, as the company's CEO. Mr. Yujuico holds a degree in Government – International Relations from Bowdoin College, a private liberal arts College in Brunswick, Maine.

Antonio L. Go, *Independent Director*

Mr. Antonio L. Go is an Independent Director of the Company. He also serves as a Director of several institutions including Equitable Development Corporation, Equitable Computer Services, Equity Development Corporation, K & L Holdings, Inc., Klara Holdings, Inc., Medilink Network, Inc., Motan Corp., Equicom Manila Holdings Inc., Equicom Information Technology Inc., Maxicare Health Corporation, Pin-An Holdings Corp., ALGO Leasing and Finance, Inc., Equicom Inc., and SteelAsia Manufacting Corp. Mr. Go also acts as an Independent Director of a list of other companies including Oriental Petroleum and Minerals Corp., Cebu Air, Inc., United Industrial Corp. Limited, Robinsons Retail Holdings, Inc., and JG Summit Holdings, Inc. In addition, he holds the post of Chairman of Equicom Savings Bank, and of Non-Executive Director of Dito Telecommunity Corporation. He now serves as a Trustee and Equitable Foundation Inc., Go Kim Pah Foundation, Inc., and Gokongwei Brothers Foundation, Inc. In terms of educational attainment, Mr. Go holds a Bachelor of Science degree in Business Administration from Youngstown University in Ohio, USA. Accordingly, he also took an International Management Program in his Graduate Studies from International Management Institute in Geneva, Switzerland.

Edgardo G. Lacson, *Independent Director*

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

Rene De Jesus Buenaventura, *Independent Director*

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

Rizza Marie J. Sia-Javelona, *Treasurer*

Rizza Marie J. Sia-Javelona*,* is the Treasurer of the Company. She is currently the Treasurer and Chief Finance Officer of DoubleDragon Properties Corp. and Injap Investments Inc. She also serves as Comptroller of MerryMart Consumer Corp. and MerryMart Grocery Centers, Inc. She graduated Bachelors of Science in Accountancy at the University of the Philippines – Visayas and is a Certified Public Accountant.

Family Relationships

There are no family relationships either by consanguinity or affinity up to the fourth civil degree among the Company's Directors, executive officers, and shareholders except for the following:

- Edgar Sia II, Ferdinand Sia & Rizza Marie Joy J. Sia-Javelona (Siblings)
- Tony Tan Caktiong and William Tan Untiong (Siblings)
- Jesus Emmanuel Yujuico, Jaime Rafael Yujuico and John Michael Francis Yujuico (Siblings)
- Benedicto Yujuico and Teresita Yujuico (Spouses and Parents of Jesus Emmanuel Yujuico, Jaime Rafael Yujuico and John Michael Francis Yujuico).
- John Michael Francis Yujuico owns one Common Share of the Company.

Independent Directors

The Manual requires the Company to have at least two independent directors on its Board, or such number as to constitute at least one-third of the members of the Board, whichever is higher. The Company's Board is composed of 9 members, 6 of whom are regular Directors and 3 of whom are independent Directors. The Company's current independent Directors are Antonio Go, Edgardo Lacson, and Rene Buenaventura.

Independent Directors must hold no interest or relationship with the Company that may hinder their independence from the Company or its management, or which would interfere with the exercise of independent judgment in carrying out the responsibilities of a Director. The Board may, to promote transparency, require the presence of at least one independent Director at all of its meetings.

Committees of the Board

Pursuant to the Company's Manual, the Board shall create each of the following committees. Each member of the respective committees named below will immediately assume office upon approval by the Philippine SEC of the Company's application to register the Offer Shares and will serve until a successor shall have been elected and appointed.

Executive Committee

The Company's Executive Committee shall, according to the authority granted by the Board or during the absence of the Board, act on specific matters within the competence of the Board as may from time to time be delegated to the Executive Committee. The Executive Committee shall have the following functions:

- Assist the Board in overseeing the implementation of strategies and sustaining the Company's long-term success and competitiveness in a manner consistent with its mission/ vision;
- Review of major issues facing the organization;
- Monitor the operating activities of each business group;
- Define and monitor the Company's performance improvement goals;
- Define group-wide policies and actions and overseeing their implementation;
- Foster the sharing of information in all areas of the business group; and
- Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

The Company's Executive Committee shall be composed of at least three members of the Board, who shall appoint the Committee Chairperson and Committee Secretary. A majority of the members of the Executive Committee shall be members of the Board of Directors.

The Company's Executive Committee comprise of Edgar Sia II, Ferdinand Sia, and Jesus Emmanuel Yujuico, with Edgar Sia II serving as Chairman.

Nomination Committee

The Nomination Committee shall be composed of at least three members of the Board. The Nomination Committee shall review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval and shall assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.

The Nomination Committee is chaired by Ferdinand Sia, while Edgardo Lacson and William Tan Untiong serve as its members.

Compensation and Personnel Committee

The Company's Compensation and Personal Committee is responsible for establishing a formal and transparent procedure for developing a policy for remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy, and the business environment in which it operates. The Compensation and Personnel Committee must comprise at least three members, one of whom must be an independent Director.

The Compensation and Personnel Committee is chaired by Edgardo Lacson, while Ferdinand Sia and William Tan Untiong serve as its members.

Audit Committee

The Company's Audit Committee is composed of three members of the Board, who shall preferably have accounting and finance backgrounds, at least one of whom is an independent director and another with audit experience. The chair of the Audit Committee should be an independent director.

The Audit Committee has the following functions:

- Provide oversight over management's activities in managing credit, market, liquidity, operational, legal, and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;

- Recommends the approval the Internal Audit (**"IA")** Charter, which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;

- Through the Internal Audit ("**IA**") Department, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the Company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data and information technology security, and (d) ensure compliance with applicable laws and regulations;

- Oversees the IA Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit

Committee should also approve the terms and conditions for outsourcing internal audit services;

- Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, the Internal Auditor should directly report to the Audit Committee;

- Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;

- Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources, and budget necessary to implement it;

- Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

- Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;

- Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:

  - Any change/s in accounting policies and practices
  - Areas where a significant amount of judgment has been exercised
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements

- Reviews the disposition of the recommendations in the External Auditor's management letter;

- Performs oversight functions over the Company's Internal and External Auditors, including the review of reports submitted by them. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

- Coordinates, monitors and facilitates compliance with laws, rules and regulations;

- Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

The Audit Committee is chaired by Rene Buenaventura, while Ferdinand Sia and Jesus Emmanuel Yujuico serve as its members.

Related Party Transactions Review Committee

The Related Party Transactions Review Committee shall consist of three Directors, entirely non-executive, majority of whom shall be independent Directors. The Related Party Transactions Review Committee shall review all the related party transactions of the Company defined under the REIT Law.

The Related Party Transactions Review Committee is chaired by Ferdinand Sia, while Antonio Go and Rene Buenaventura serve as its members.

Evaluation System and Compliance

As part of its system for monitoring and assessing compliance with the Manual, the Philippine SEC Code of Corporate Governance for Publicly-Listed Companies and the REIT Law, each committee is required to report regularly to the Board of Directors. The Compliance Officer is responsible for determining and measuring compliance, as well as recommending the imposition of appropriate disciplinary action in case of violations.

Significant Employees

The Company believes that it is not dependent on any single employee. The Company considers the collective efforts of all its employees as instrumental to its success.

Certain Relationships and Related Transactions

There are no known related party transactions other than those described in Note 16 (Related Party Transactions) of the Notes to the Consolidated Financial Statements.

ITEM 10. EXECUTIVE COMPENSATION

For the years 2018, 2019 and 2020, the Company did not recognize expenses for key management compensation. The officers of the Company do not receive any compensation from the Company. The compensation of these officers is paid by DD.

Name & Position	Year	Salary, Bonus and Other Benefits
Edgar J. Sia II Ferdinand J. Sia Rizza Marie J. Sia-Javelona Inventor Relations Officer Compliance Officer *Aggregate compensation paid to all officers and directors as a group unnamed*	FY 2020	₱2,879,922
	FY 2019	₱2,444,870
	FY 2018	₱2,227,333

Compensation of Directors

Directors and advisors to the Board will receive a standard per diem for attendance in Board meetings effective January 1, 2021. For the years ended December 31, 2020, 2019 and 2018, the Directors did not receive any compensation. There are no other existing arrangements/agreements under which directors are to be compensated during the last completed fiscal year and the ensuing year.

Standard Arrangements

Other than payment of reasonable per diem of ₱40,000 for the Directors for every Board meeting and ₱20,000 for every committee meeting, there are no standard arrangements pursuant to which the Company's Directors are compensated, directly or indirectly, for any services provided as a director.

Other Arrangements

There are no other arrangements pursuant to which any of the Company's Directors is compensated, directly or indirectly, for any service provided as a director.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Security Ownership of Certain Record and Beneficial Owners of more than 5% of the Company's voting securities as of December 31, 2020

Name and Address of Record Owners	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	% of Total Outstanding Shares
DoubleDragon Properties Corp. 10F Tower 1, DoubleDragon Plaza DD Meridian Park cor. Macapagal Avenue & Edsa Extension Bay Area, Pasay City	The record owner is the beneficial owner of the shares indicated	Filipino	12,479,240,781	70.0%
Benedicto V. Yujuico 30th Floor, IBM Plaza Building, Eastwood City Cyber Park, Bagumbayan, Quezon City, Metro Manila, Philippines	The record owner is the beneficial owner of the shares indicated	Filipino	2,716,957,245	15.2%
Teresita M. Yujuico 30th Floor, IBM Plaza Building, Eastwood City Cyber Park, Bagumbayan, Quezon City, Metro Manila, Philippines	The record owner is the beneficial owner of the shares indicated	Filipino	2,631,267,380	14.8%

As of December 31, 2020, foreign shareholders owned nil of the Common Shares of the Company.

Security Ownership of Directors and Officers as of the date of this report.

The following table sets forth security ownership of the Company's Directors, and Officers, as of December 31, 2020:

Title of Class	Name	Position	Citizenship	Amount and Nature of Beneficial Ownership	Percentage of Ownership
Common	Edgar J. Sia II	Director and Chairman	Filipino	1 (indirect)	Nil
Common	Tony Tan Caktiong	Director and Co-Chairman	Filipino	1 (indirect)	Nil
Common	Ferdinand J. Sia	Director and President	Filipino	1 (indirect)	Nil
Common	William Tan Untiong	Director and Corporate Secretary	Filipino	1 (indirect)	Nil

Common	Jesus Emmanuel M. Yujuico	Director	Filipino	1 (indirect)	Nil
Common	Jaime Rafael M. Yujuico	Director	Filipino	1 (indirect)	Nil
Common	Antonio L. Go	Independent Director	Filipino	1 (direct)	Nil
Common	Edgardo G. Lacson	Independent Director	Filipino	1 (direct)	Nil
Common	Rene J. Buenaventura	Independent Director	Filipino	1 (direct)	Nil

Except as disclosed above, there is no director or key officer of the Company that owns at least 10% of its issued and outstanding shares of common or preferred stock.

As of December 31, 2020, the following are the owners of the Company's common stock in excess of 5% of total outstanding shares:

Name	No. of Shares	Percentage
DoubleDragon Properties Corp.	12,479,240,781	70.00%
Benedicto V. Yujuico	2,716,957,245	15.24%
Teresita M. Yujuico	2,631,267,380	14.76%

Voting Trust Holders of five percent or More

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

Change in Control

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

ITEM 12. CERTAIN RELATIONSHIP AND RELATED TRANSACTIONS

The Company and its Subsidiaries, in their ordinary course of business, engage in transactions with related parties and affiliates. These transactions include advances, cost allocations and reimbursement of expenses. Except where indicated in the table below, settlement of outstanding balances of advances at year end occurs in cash. As of December 31, 2020, 2019 and 2018, the Company has not made any provision for impairment losses relating to amounts owed by related parties.

The summary of the Company's transactions with its related parties for the year ended December 31, 2020, 2019 and 2018 and the related outstanding balances as of December 31, 2020 and 2019 and 2018 are as follows:

				Outstanding Balance			
Category	Year	*Ref*	Amount of Transaction	Due from Related Parties	Due to Related Parties	Receivables	Terms and Conditions
Ultimate Parent Company							
Rent	**2020**	*a*	**P82,684,585**	**P -**	**P -**	**P26,396,307**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2019	*a*	94,589,749	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2018	*a*	83,709,839	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	**2020**	*b*	**-**	**-**	**-**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash; no impairment**
	2019	*b*	95,061,375	95,061,375	-	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2018	*b*	144,442,566	29,896,499	1,942,566	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
Forward							
Entity under Common Control							
Common usage and service	**2020**	*c*	**P50,931,810**	**P -**	**P400**	**P -**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2019	*c*	85,890,980	-	129,635,483	-	Demandable; non-interest bearing; unsecured; payable in cash
	2018	*c*	43,744,503	-	43,744,503	-	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	**2020**	*d*	**59,376,586**	**-**	**-**	**180,588,928**	**Demandable; non-interest bearing; unsecured; payable in Cash; no impairment**
	2019	*d*	50,939,254	-	-	121,212,342	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2018	*d*	12,321,105	-	-	66,646,118	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
Reimbursements	**2020**	*d*	**2,983,487**	**2,356,247**	**-**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash; no impairment**
Other Related Parties							
Rent	**2020**	*e*	**14,581,048**	**-**	**-**	**2,651,039**	**Demandable; non-interest bearing; unsecured; payable in Cash; no impairment**
	2019	*e*	25,335,873	-	-	1,654,796	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2018	*e*	21,005,859	-	-	11,371,393	Demandable; non- interest bearing; unsecured; payable in cash; no impairment
	2020			**P2,356,247**	**P400**	**P209,636,274**	
	2019			P95,061,375	P129,635,483	P122,867,138	
	2018			P29,896,499	P45,687,069	P78,017,511	

a. *Lease of Corporate Office*
   The Group entered into a lease agreement with DD for the lease of 10th and 11th floors of Tower 1 DoubleDragon Plaza, which serve as the headquarters of the Group. 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 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 Group's accounts.

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

e. *Rent Agreements*
The Group 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).

On November 19, 2020, the Group entered into 99-year lease agreements, beginning January 1, 2021, with DDMP Serviced Residences, Inc. (DDSRI) and DDMP Tower, Inc. (DDTI) 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.

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 Group were administered by DD at no cost to the Group.

There have been no guarantees/collaterals provided or received for any related party receivables or payables. For the years ended December 31, 2020 and 2019, the Group 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.

All material related party transactions are subject to approval by the BOD. Material related party transactions pertain to those transactions, either individually, or in aggregate over a 12-month period, that exceed 10% of the Group's total assets, based on the latest audited financial statements. All other related party transactions that are considered not material are approved by management.

All material related party transactions are subject to approval by the BOD. Material related party transactions pertain to those transactions, either individually, or in aggregate over a 12-month period, amounting to at least 10% of a company's total assets. All other related party transactions that are considered not material are approved by management.

For more information, see Note 15 to the Company's Consolidated Financial Statements.

PART IV CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

The Company adopted the Manual to ensure its compliance with the leading practices on good corporate governance and related Philippine SEC rules and regulations. The Manual was approved and adopted by the Board on November 11, 2020.

The Board of Directors are primarily responsible for the governance of the Company. In addition to setting the policies for the accomplishment of corporate objectives, it has the duty to provide an independent check on the Management. The Board is mandated to attend its regular and special meetings in person or through teleconferencing.

To ensure compliance by the Company, its officers and directors of the Manual, among others, the Compliance Officer is tasked to monitor, review, and evaluate the same. The Compliance Officer shall report violations to the Board and shall recommend the imposition of appropriate disciplinary action and adoption of measures to prevent a repetition of the violation.

The Manual shall also be subject to an annual self- assessment by the Board of its performance, including the performance of the Chairman, individual members and committees. This self-assessment should be supported by an external facilitator every three years assessment by the Board.

A copy of the Manual containing the foregoing provisions was submitted to the Philippine SEC with respect to the REIT listing of the Company.

PART V EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

A. EXHIBITS

See accompanying Index to Exhibits

The following exhibit is filed as a separate section of this report:

- 2020 Audited Consolidated Financial Statements
- The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

B. REPORTS ON SEC FORM 17-C (CURRENT REPORT)

None.

C. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD THAT HAVE NOT BEEN REFLECTED IN THE FINANCIAL STATEMENTS OF THE REPORTING PERIOD

- *Transfer of Shares in the Fund Manager and the Property Manager*
  The Company sold its common shares in the Fund Manager at par value to DDand Benedicto V. Yujuico on February 10, 2021, and its common shares in the Property Manager at par value to DD and Benedicto V. Yujuico on February 10, 2021. As of April 30, 2021, the certificates authorizing registration from the Philippine Bureau of Internal Revenue relating to such transfers of shares are pending.

- *Lease Agreements relating to DoubleDragon Tower and Ascott-DD Meridian Park*
  The Company's lease agreements with DD TOWER, INC., and with DDMP SERVICED RESIDENCES, INC. relating to DoubleDragon Tower and Ascott-DD Meridian Park include both the land and building elements of DoubleDragon Tower and Ascott-DD Meridian Park, for which in accordance with PFRS 16 the Company, as a lessor, must assess the classification of each element separately either as a finance lease or an operating lease. DoubleDragon Tower and and Ascott-DD Meridian Park were handed over to DD TOWER, INC., and with DDMP SERVICED RESIDENCES, INC., respectively on January 1, 2021.

INDEX TO EXHIBITS
Form 17-A

* These Exhibits are either not applicable to the Company or require no answer.

EXHIBIT 18 SUBSIDIARIES OF THE REGISTRANT

Please refer to Item 1 under "Business" and *Note 2* of the accompanying Notes to the Consolidated Financial Statements for details.

DDMP REIT, INC.
INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
FORM 17-A, ITEM 7

**These schedules, which are required by SRC Rule 68.1, As Amended (2011), have been omitted because they are either not applicable or the information required to be presented is included in the Company's consolidated financial statements or the notes to consolidated financial statements*

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in PASAY CITY on MAY 17 2021.

By:

DDMP REIT, INC.

EDGAR J. SIA II
Chairman and Chief Executive Officer

FERDINAND J. SIA
President

RIZZA MARIE JOY J. SIA
Treasurer and Chief Financial Officer

WILLIAM TAN UNTIONG
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 17 2021 at PASAY CITY affiants exhibiting to me their competent evidence of identity, to wit:

1) EDGAR J. SIA II with Passport No. P2057771A issued by DFA Manila expiring on February 27, 2022
2) FERDINAND J. SIA with Passport No. P7882199A issued by DFA Manila expiring on July 10, 2028
3) RIZZA MARIE JOY J. SIA with Passport No. P6121199A issued by DFA Manila expiring on February 20, 2028
4) WILLIAM TAN UNTIONG with Passport No. P4278187B issued by DFA NCR East expiring on January 1, 2030

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Series of 2021

ERIKA ESTEL G. CUSI
Notary Public for Pasay
Until December 31, 2021
Commission No.
Roll No. 63306
IBP Lifetime Member No. 012614 03/28/2014
PTR No. 7353012 01/04/2021/Pasay City
DoubleDragon Headquarters, 10th Floor, Tower 1
DoubleDragon Plaza, DD Meridian Park
Cor. Macapagal Avenue & EDSA Ext., Bay Area, Pasay City

DDMP REIT, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **DDMP REIT, Inc. and Subsidiaries** (the "Group") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 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 Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors (BOD) is responsible for overseeing the Group's financial reporting process.

The BOD 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 Group 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, Chairman

Signature ____________________
Ferdinand J. Sia, President

Signature ____________________
Rizza Marie Joy J. Sia, Treasurer

Signed this 13th day of May 2021

SUBSCRIBED AND SWORN to before me by ____________ on MAY 14 2021 who exhibited to me his/her ____________ at Pasay City, Philippines expiring on ____________ issued by ____________, and is identified by me to be the same person who executed this document.

Doc. No. 339;
Page No. 68;
Book No. 4;
Series of 2021

ERIKA ESTEL G. CUSI
Notary Public for Pasay
Until December 31, 2021
Commission No.
Roll No. 63306
IBP Lifetime Member No. 012614 03/28/2014
PTR No. 7353012 01/04/2021/Pasay City
DoubleDragon Headquarters, 10th Floor, Tower 1
DoubleDragon Plaza, DD Meridian Park
Cor. Macapagal Avenue & EDSA Ext., Bay Area, Pasay City

C O V E R S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C S 2 0 1 4 2 0 9 9 2

COMPANY NAME

DDMP REIT, INC.
(A Subsidiary of
DoubleDragon Properties Corp.)

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S		

COMPANY INFORMATION

Company's email Address	Company's Telephone Number/s	Mobile Number
	8856-7111	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
8	1st Wednesday of May	December 31

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Ms. Rizza Marie Joy J. Sia	rmjs@doubledragon.com.ph	8856-7111	

CONTACT PERSON's ADDRESS

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

Note 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

DDMP REIT, INC.
AND SUBSIDIARIES

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

CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2020, 2019 and 2018

With Independent Auditors' Report

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

The Board of Directors and Stockholders
DDMP REIT, INC. (formerly 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 consolidated financial statements of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) and its Subsidiaries (the “Group”), which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2020, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2020 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Key Audit Matter

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

Valuation of Investment Property (P41.4 billion)
Refer to Note 9 to the consolidated financial statements.

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

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

- We evaluated the Group's controls over the data and assumptions used in the valuation of the investment property portfolio and management's review of the valuations;

- We evaluated the competence, capabilities and objectivity of the independent valuation expert;

- We discussed with the valuation expert to obtain understanding of the methodology and assumptions used in the valuation; and

- We conducted comparison of assumptions and/or detailed analytical procedures by reference to external market data to evaluate the appropriateness of the valuation and investigated further the valuation of those properties which were not in line with our expectations.

- We evaluated the adequacy of the financial statements disclosures.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner
CPA License No. 0094495
SEC Accreditation No. 94495-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
Tax Identification No. 912-535-864
BIR Accreditation No. 08-001987-031-2019
Issued August 7, 2019; valid until August 6, 2022
PTR No. MKT 8533922
Issued January 4, 2021 at Makati City

May 13, 2021
Makati City, Metro Manila

R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue, Makati City
Philippines 1226
Telephone +63 (2) 8885 7000
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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Board of Directors and Stockholders
DDMP REIT, INC.
DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza
DD Meridian Park Corner Macapagal Avenue & EDSA Extension
Bay Area, Pasay City, Metro Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of DDMP REIT, INC., (the “Company”) and its subsidiaries (the “Group”) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, and have issued our report thereon dated May 13, 2021.

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

This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020 and no material exceptions were noted.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner
CPA License No. 0094495
SEC Accreditation No. 94495-SEC, Group A, valid for five (5) years
covering the audit of 2019 to 2023 financial statements
Tax Identification No. 912-535-864
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May 13, 2021
Makati City, Metro Manila

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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

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

The Board of Directors and Stockholders
DDMP REIT, INC.
DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza
DD Meridian Park Corner Macapagal Avenue & EDSA Extension
Bay Area, Pasay City, Metro Manila

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of DDMP REIT, INC., (the “Company”) and its subsidiaries (the “Group”) as at December 31, 2020 and 2019 and for each of the three years in the period ended December 31, 2020, included in this Form 17-A, and have issued our report thereon dated May 13, 2021.

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

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

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

R.G. MANABAT & CO.

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
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Issued August 7, 2019; valid until August 6, 2022
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Issued January 4, 2021 at Makati City

May 13, 2021
Makati City, Metro Manila

DDMP REIT, INC.
(formerly DD-Meridian Park Development Corp.)
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION*

		December 31	
	Note	**2020**	2019
ASSETS			
Current Assets			
Cash and cash equivalents	*5*	**P1,088,817,817**	P2,211,941,451
Receivables	*6, 15*	**1,553,569,222**	1,024,755,198
Due from related parties	*15*	**2,356,247**	95,061,375
Prepaid expenses and other current assets	*7*	**724,467,731**	791,890,266
Total Current Assets		**3,369,211,017**	4,123,648,290
Noncurrent Assets			
Property and equipment - net	*8*	**18,069,828**	23,873,223
Investment property	*9*	**41,477,970,085**	37,481,401,968
Deferred tax asset	*17*	**188,172**	-
Other noncurrent assets	*10*	**488,225,160**	641,615,314
Total Noncurrent Assets		**41,984,453,245**	38,146,890,505
		P45,353,664,262	P42,270,538,795
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	*11*	**P984,303,820**	P2,926,053,965
Dividends payable	*18*	**-**	473,818,417
Due to related parties	*15*	**400**	129,635,483
Income tax payable		**44,923,595**	32,127,285
Total Current Liabilities		**1,029,227,815**	3,561,635,150
Noncurrent Liabilities			
Deferred tax liabilities - net	*17*	**7,876,959,548**	6,147,702,122
Other noncurrent liabilities	*12*	**931,164,876**	1,207,093,836
Total Noncurrent Liabilities		**8,808,124,424**	7,354,795,958
Total Liabilities		**9,837,352,239**	10,916,431,108
Equity			
Capital stock	*18*	**17,827,465,406**	17,827,465,406
Retained earnings		**17,688,846,617**	13,526,642,281
Total Equity		**35,516,312,023**	31,354,107,687
		P45,353,664,262	P42,270,538,795

*The statement of financial position as at December 31, 2020 refer to the consolidated accounts of the Group while the statement of financial position as at December 31, 2019 refers to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) (Note 1)

See Notes to the Consolidated Financial Statements.

DDMP REIT, INC.
(formerly DD-Meridian Park Development Corp.)
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME*

			Years Ended December 31	
	Note	**2020**	2019	2018
INCOME				
Unrealized gains from changes in fair values of investment property	*9*	**P5,383,709,548**	P7,781,063,778	P8,193,747,644
Rent income	*15, 16*	**1,912,618,974**	1,777,329,973	1,107,541,926
Interest income	*5*	**20,708,383**	5,994,001	4,390,244
Other income	*15*	**40,697,838**	111,481,926	49,768,984
		7,357,734,743	9,675,869,678	9,355,448,798
COST AND EXPENSES				
General and administrative expenses	*14*	**234,849,773**	201,780,385	88,267,802
Interest expense	*12*	**35,635,069**	31,525,024	16,471,605
Marketing expenses	*13*	**26,477,931**	34,053,060	16,579,886
		296,962,773	267,358,469	121,319,293
INCOME BEFORE INCOME TAX		**7,060,771,970**	9,408,511,209	9,234,129,505
INCOME TAX EXPENSE	*17*	**(1,974,100,543)**	(2,717,080,772)	(2,768,082,570)
NET INCOME AND TOTAL COMPREHENSIVE INCOME		**P5,086,671,427**	P6,691,430,437	P6,466,046,935
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY	*18*	**P0.29**	P0.90	P1.21

*The statement of comprehensive income for the year ended December 31, 2020 refer to the consolidated accounts of the Group while the statements of comprehensive income for the years ended December 31, 2019 and 2018 refers to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) (Note 1)

See Notes to the Consolidated Financial Statements.

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY*

		Years Ended December 31		
	Note	**2020**	2019	2018
CAPITAL STOCK - P1 par value	*18*			
Issued and outstanding				
Balance at beginning of year		**P17,827,465,406**	P5,348,274,622	P5,348,274,622
Issuance during the year		**-**	12,479,190,784	-
Balance at end of year		**17,827,465,406**	17,827,465,406	5,348,274,622
Subscribed				
Balance at beginning of year		**-**	9,704,165,630	8,779,157,245
Collection of subscription receivable		**-**	2,774,975,154	925,008,385
Additional subscription during the year		**-**	50,000	-
Issuance of shares		**-**	(12,479,190,784)	-
Balance at end of year		**-**	-	9,704,165,630
		17,827,465,406	17,827,465,406	15,052,440,252
RETAINED EARNINGS				
Balance at beginning of year		**13,526,642,281**	8,109,875,621	2,348,159,095
Net income/total comprehensive income for the year		**5,086,671,427**	6,691,430,437	6,466,046,935
Dividends declared	*18*	**(923,954,591)**	(1,274,663,777)	(704,330,409)
Stock issuance cost		**(512,500)**	-	-
Balance at end of year		**17,688,846,617**	13,526,642,281	8,109,875,621
		P35,516,312,023	P31,354,107,687	P23,162,315,873

*The statement of changes in equity for the year ended December 31, 2020 refer to the consolidated accounts of the Group while the statements of changes in equity for the years ended December 31, 2019 and 2018 refers to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) (Note 1)

See Notes to the Consolidated Financial Statements.

DDMP REIT, INC.
(formerly DD-Meridian Park Development Corp.)
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CONSOLIDATED STATEMENTS OF CASH FLOWS*

			Years Ended December 31	
	Note	**2020**	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		**P7,060,771,970**	P9,408,511,209	P9,234,129,505
Adjustments for:				
Unrealized gains from changes in fair values of investment property	*9*	**(5,383,709,548)**	(7,781,063,778)	(8,193,747,644)
Interest expense	*12*	**35,635,069**	31,525,024	16,471,605
Interest income	*5*	**(20,708,383)**	(5,994,001)	(4,390,244)
Depreciation and amortization	*8, 10, 14*	**6,707,693**	5,899,876	2,095,764
Operating income before working capital changes		**1,698,696,801**	1,658,878,330	1,054,558,986
Decrease (increase) in:				
Receivables		**(528,814,024)**	(292,840,607)	(536,442,181)
Due from related parties		**92,705,128**	(65,164,876)	(28,985,910)
Prepaid expenses and other current assets		**67,422,535**	(81,374,674)	163,683,251
Increase (decrease) in:				
Accounts payable and other current liabilities		**50,732,563**	833,563,901	748,924,712
Due to related parties		**(129,635,083)**	83,948,414	45,687,069
Other noncurrent liabilities		**(311,564,029)**	197,840,319	407,135,726
Cash generated from operations		**939,543,891**	2,334,850,807	1,854,561,653
Interest received		**20,708,383**	1,008,340	5,058,986
Income tax paid		**(232,234,979)**	(119,232,118)	(110,818,875)
Net cash provided by operating activities		**728,017,295**	2,216,627,029	1,748,801,764
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to investment property	*9*	**(450,046,010)**	(1,631,878,092)	(1,558,468,579)
Increase in other noncurrent assets	*20*	**(2,205,113)**	(493,650,657)	(899,314,965)
Acquisition of:				
Property and equipment	*8*	**(604,298)**	(6,997,758)	(24,328,687)
Computer software licenses	*10*	**-**	(1,050,000)	-
Net cash used in investing activities		**(452,855,421)**	(2,133,576,507)	(2,482,112,231)

Forward

			Years Ended December 31	
	Note	**2020**	2019	2018
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	*18*	**(P1,397,773,008)**	(P1,061,545,300)	(P443,630,469)
Collection of subscription receivable	*18*	**-**	2,775,025,154	925,008,385
Payment of stock issuance costs		**(512,500)**	-	-
Net cash provided by (used in) financing activities		**(1,398,285,508)**	1,713,479,854	481,377,916
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,123,123,634)**	1,796,530,376	(251,932,551)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,211,941,451**	415,411,075	667,343,626
CASH AND CASH EQUIVALENTS AT END OF YEAR	*5*	**P1,088,817,817**	P2,211,941,451	P415,411,075

*The statement of cash flows for the year ended December 31, 2020 refer to the consolidated accounts of the Group while the statements of cash flows for the years ended December 31, 2019 and 2018 refers to the accounts of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) (Note 1)

See Notes to the Consolidated Financial Statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Reporting Entity

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

As at December 31, 2020 and 2019, the Parent Company is a 70%-owned subsidiary of DoubleDragon Properties Corp. (“DD” or “Ultimate 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.

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 Parent Company filed its Registration Statement with the SEC covering its initial public offering (IPO).

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

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

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

The financial statements as at and for the year ended December 31, 2020 refers to the consolidated financial statements of the Group, comprising the financial statements of the Parent Company and DDMP REIT Fund Managers, Inc. (DRFMI) and DDMP REIT Property Managers, Inc. (DRPMI) (collectively referred to as the "Subsidiaries") (together with the Parent Company, collectively referred to as the "Group"), while the financial statements as at and for the years ended December 31, 2019 and 2018 refers to the individual financial statements of the Parent Company.

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

2. Basis of Preparation

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

Authorization for Issuance of the Consolidated Financial Statements
The consolidated financial statements were approved and authorized for issuance by the Board of Directors (BOD) on May 13, 2021.

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

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

Basis of Consolidation
The consolidated financial statements include the accounts of the Parent Company and the Subsidiaries. The equity interests of the Parent Company in the Subsidiaries as at December 31, 2020 and 2019 are as follows:

	Percentage of Ownership	
Subsidiaries	**2020**	2019
DRFMI[(a)]	**100**	
DRPMI[(a)]	**100**	

(a) Incorporated on November 19, 2020

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

DRPMI
DRPMI was incorporated and registered with the SEC on November 19, 2020 primarily to engage in the business of property management, providing functions like formulate and implement leasing strategies; enforce tenancy conditions; ensure compliance with government regulations in respect to the real estate under management; perform tenancy administration work, such as managing tenant occupancy and ancillary amenities; conduct rental assessment, formulating tenancy terms, preparing tenancy agreement, rent collection and accounting; secure and administer routine management services; maintain and manage the physical structures/real properties; and formulate and implement policies and programs in respect of building management, maintenance and improvement; and initiate refurbishments and monitoring of such activities.

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

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

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

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

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

The Subsidiaries are all domiciled in the Philippines.

3. Summary of Significant Accounting Policies

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

Adoption of New or Revised Standards, Amendments to Standards and Interpretations
The Group 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 Group's consolidated financial statements. The Group 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 consolidated 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 Group :

  - 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 consolidated financial statements of the Group.

Current versus Noncurrent Classification

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

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

Financial Instruments

Date of Recognition

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

Initial Recognition of Financial Instruments

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

Financial Assets

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

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

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

- the stated policies and objectives for the portfolio and the operations of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how employees of the business are compensated; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

The Group considers the following in making the assessment:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable rate features;

- prepayment and extension features; and

- terms that limit the Group’s claim to cash flows from specified assets.

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

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

The Group has no financial assets at FVOCI and FVPL as at December 31, 2020 and 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 Group's cash and cash equivalents, receivables, due from related parties and refundable deposits under "Other noncurrent assets" accounts are included in this category (Notes 5, 6, 10 and 15).

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

The Group has no financial liabilities at FVPL as at December 31, 2020 and 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 consolidated statements of comprehensive income. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

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

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

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

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

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

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

Impairment of Financial Assets
The Group recognizes allowance for ECL on financial assets at amortized cost. ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an allowance for impairment based on either 12-month or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

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

At each reporting date, the Group assesses whether financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The Group considers a financial asset to be in default when a counterparty fails to pay its contractual obligations, or there is a breach of other contractual terms, such as covenants.

The Group directly reduces the gross carrying amount of a financial asset when there is no reasonable expectation of recovering the contractual cash flows on a financial asset, either partially or in full. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

The ECLs on financial assets at amortized cost are recognized as allowance for impairment losses against the gross carrying amount of the financial asset, with the resulting impairment losses (or reversals) recognized in profit or loss.

<u>Classification of Financial Instruments between Debt and Equity</u>
From the perspective of the issuer, a financial instrument is classified as debt instrument if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;

- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or

- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

<u>Offsetting Financial Instruments</u>
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the consolidated statements of financial position.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3: inputs for the asset or liability that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Prepaid Expenses and Other Current Assets

Prepaid expenses represent expenses not yet incurred but already paid in cash. These are initially recorded as assets and measured at the amount of cash paid. Subsequently, these are recognized in profit or loss as they are consumed in operations or expire with the passage of time. These typically comprise prepayments for taxes.

Prepaid expenses are classified in the consolidated statements of financial position as current assets when the cost of goods or goods related to the prepaid expenses are expected to be incurred within one year. Otherwise, prepaid expenses are classified as noncurrent assets.

Other current assets represent resources that are expected to be used up within one year after the reporting date. These typically comprise advances to contractors and suppliers, input value-added tax (VAT), etc.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment in value. Such cost includes the cost of replacing part of the property and equipment at the time the cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs in bringing the asset to its working condition and location for its intended use. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.

Depreciation and amortization, which commence when the assets are available for their intended use, are computed using the straight-line method over the following estimated useful lives of the assets:

	Useful Life in Years
Project showroom	5
Equipment	5 to 10
Furniture and fixtures	5

The remaining useful lives, residual values, and depreciation and amortization methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property and equipment.

The carrying amounts of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use.

An item of property and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal of an item of property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period of retirement and disposal.

Computer Software Licenses

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software are expensed as incurred. Capitalized costs are amortized on a straight-line basis over an estimated useful life of five years as the lives of computer software licenses are considered limited.

The carrying amount of computer software licenses is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Computer software licenses is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from the retirement and disposal (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period of retirement and disposal.

Investment Property

Investment property consists of properties held to earn rentals and/or for capital appreciation. Initially, investment property is measured at cost including certain transaction costs. Subsequent to initial recognition, investment property, is stated at fair value, which reflects market conditions at the reporting date. The fair value of investment property is determined by independent real estate valuation experts based on recent real estate transactions and listings with similar characteristics and location to those of the Group's investment property. Gains or losses arising from changes in the fair values of investment property are included in profit or loss in the period in which they arise.

Investment property of the Group is mainly composed of land, building and construction-in-progress.

Investment property is derecognized either when it is disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement and disposal of investment property is recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of the owner-occupation or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or real estate inventories, the deemed cost of property for subsequent accounting is its fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property and equipment up to the date of change in use.

Impairment of Non-financial Assets

The carrying amounts of non-financial assets reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of the asset is the greater of fair value less costs of disposal and value in use. The fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of past events; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate of the amount of the obligation can be made. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognized as a separate asset only when it is virtually certain that reimbursement will be received. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Capital Stock

Capital stock is measured at par value for all shares issued. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued. Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as deduction from equity, net of any tax effects.

Retained Earnings

Retained earnings represent the accumulated net income or losses, net of any dividend distributions and other capital adjustments.

Operating Segments

The reporting format of the Group's operating segment is determined based on the Group's risks and rates of return which are affected predominantly by differences in the services rendered. The Group has one business segment, which is related to its leasing business.

Basic and Diluted Earnings Per Common Share (EPS)

Basic EPS is computed by dividing the net income for the period attributable to equity holders of the Group by the weighted average number of issued and outstanding common shares during the period, with retroactive adjustment for any stock dividends declared. Diluted EPS is computed by dividing net income for the year attributable to common equity holders of the Group by the weighted average number of common shares issued and outstanding during the year plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares.

Revenue Recognition
The Group recognizes revenue from contracts with customers when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenues exclude value-added tax (VAT) and other fees collected on behalf of other parties.

The transfer of control can occur over time or at a point in time. Revenue is recognized at a point in time unless one of the following criteria is met, in which case it is recognized over time: (a) the customer simultaneously receives and consumes the benefits as the Group performs its obligations; (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group assesses its revenue arrangements to determine if it is acting as principal or agent. The Group has generally concluded that it is the principal in its revenue arrangements, except for the provisioning of water and electricity in its mall, retail and spaces, wherein it is acting as agent.

The following specific recognition criteria must also be met before revenue is recognized:

Mall Fees
Mall fees includes electricity and water, net of related cost, service fees and interest and penalty charges billed to tenants. Electricity and water charges are recognized when the corresponding expenses are incurred. Services fee, interest and penalty charges are recognized when earned and incurred in accordance with the terms of the agreements. Mall fees are presented as part of the "Other income" account in the consolidated statements of comprehensive income.

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 consolidated financial statements in the periods to which they relate.

Expenses are also recognized when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably has arisen. Expenses are recognized on the basis of a direct association between costs incurred and the earning of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition as an asset.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use:

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

- the Group has the right to direct the use of the identified asset.

The Group as Lessor

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

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is classified as a finance lease; if not, it is classified as an operating lease. As part of the assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the recognition exemption, it classifies the sublease as an operating lease.

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

The Group 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 Group.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

VAT

Revenues, expenses and assets are recognized net of the amount of VAT. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of “Prepaid expenses and other current assets” or “Accounts payable and other current liabilities” account in the consolidated statements of financial position.

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities.

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

Events After the Reporting Date
Post year-end events that provide evidence of conditions that existed at the end of the reporting date (adjusting events) are recognized in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported in the consolidated financial statements at the reporting date. However, uncertainty about these judgments, estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effects on the amounts recognized in the financial statements:

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

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

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

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

For the electricity and water usage, the Group determined that it is acting as an agent because the promise of the Group to the tenants is to arrange for the electricity and water supply to be provided by a utility company. The utility company, and not the real estate developer, is primary responsible for the provisioning of the utilities while the Group, administers the leased spaces and coordinates with the utility companies to ensure that tenants have access to these utilities. The Group does not have the discretion on the pricing of the services provided since the price is based on the actual rate charged by the utility providers.

For CUSA expenses such as security, maintenance and all other common area expenses, the Group acts as a principal. This is because it is the Group who retains the right to direct the service provider of CUSA as it chooses the party responsible to provide the services to the leased premises. The right to the services mentioned never transfers to the tenant and the Group has the discretion on how to price the CUSA.

Impairment on Non-financial Assets
PFRS require that an impairment review be performed on non-financial assets when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Determining the recoverable amount of assets requires estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of recoverable amounts reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the Group's financial performance.

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

The combined carrying amounts of property and equipment and computer software licenses amounted to P19,194,828 and P25,298,223 as at December 31, 2020 and 2019, respectively (Notes 8 and 10).

Distinction between Investment Property and Property and Equipment
The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Property and equipment generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately at the reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. The Group considers each property separately in making its judgment.

Provisions and Contingencies
The Group, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risk and uncertainties into account.

No provision for probable losses arising from legal contingencies was recognized in the Group's consolidated financial statements as at December 31, 2020 and 2019.

Estimates and Assumptions

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

Assessment for ECL on Receivables. The Group, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates over a two-year period for receivables, which composed of rent receivable, receivable from tenants, accrued interest and others. The Group also uses appropriate groupings if its historical credit loss experience shows significantly different loss patterns for different customer segments. The Group then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions.

The Group has assessed that the forward-looking default rate component of its ECL on rent receivable is not material because majority of receivables are normally collected within one to two months. Moreover, based on management's assessment, current conditions and forward-looking information does not indicate a significant increase in credit risk exposure of the Group from its trade and other receivables.

The assessment of the correlation between historical observed default rates, forecast economic conditions (inflation and interest rates) and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Receivables directly written-off in 2020, 2019 and 2018 amounted to P33,362,360, nil and nil, respectively. The allowance for impairment loss on receivables amounted to nil as of December 31, 2020 and 2019. The carrying amount of receivables amounted to P1,553,569,222 and P1,024,755,198 as of December 31, 2020 and 2019, respectively (Note 6).

Assessment for ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12 months unless there has been a significant increase in credit risk since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets at day one to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

The Group has assessed that the ECL on other financial assets at amortized cost is not material because majority of the transactions with respect to these financial assets were entered into by the Group only with reputable banks and counterparties with good credit standing and relatively low risk of defaults. Accordingly, no provision for ECL on other financial assets at amortized cost was recognized for the years ended December 31, 2020 and 2019.

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

	Note	**2020**	2019
Cash and cash equivalents*	*5*	**P1,037,555,817**	P2,211,607,633
Due from related parties	*15*	**2,356,247**	95,061,375
Refundable deposits**	*10*	**14,907,984**	14,907,984
		P1,054,820,048	P2,321,576,992

**Excluding cash on hand amounting to P51,262,000 and P333,818 as at December 31, 2020 and 2019, respectively.*
***This is presented as part of "Other noncurrent assets" account.*

Estimating Useful Lives of Property and Equipment and Computer Software Licenses
The Group estimates the useful lives of property and equipment and computer software licenses based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and computer software licenses are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of property and equipment and computer software licenses is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property and equipment and computer software licenses would increase recorded depreciation and amortization expenses and decrease noncurrent assets.

Property and equipment, net of accumulated depreciation, amounted to P18,069,828 and P23,873,223 as at December 31, 2020 and 2019, respectively. Accumulated depreciation of property and equipment amounted to P14,401,454 and P7,993,761 as at December 31, 2020 and 2019, respectively (Note 8).

Computer software licenses, net of accumulated amortization, amounted to P1,125,000 and P1,425,000 as at December 31, 2020 and 2019, respectively. Accumulated amortization of computer software licenses amounted to P375,000 and P75,000 as at December 31, 2020 and 2019, respectively (Note 10).

Fair Value Measurement of Investment Property
The Group carries its investment property at fair value, with changes in fair value being recognized in profit or loss. The Group engages independent valuation specialists to determine the fair value. For the investment property, the appraisers used a valuation technique based on comparable market data available for such property.

Investment property amounted to P41,477,970,085 and P37,481,401,968 as at December 31, 2020 and 2019, respectively. Unrealized gain from changes in fair values of investment property recognized in profit or loss amounted to P5,383,709,548, P7,781,063,778 and P8,193,747,644 in 2020, 2019 and 2018, respectively (Note 9).

Realizability of Deferred Taxes
The Group reviews its deferred taxes at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred taxes to be utilized. The Group reviews its projected performance in assessing the sufficiency of future taxable income.

Recognized deferred tax asset amounted to P47,236,703 and P91,451,222 as at December 31, 2020 and 2019, respectively (Note 17).

5. Cash and Cash Equivalents

This account consists of:

	Note	**2020**	2019
Cash on hand and in banks		**P579,784,386**	P411,941,451
Short-term placements		**509,033,431**	1,800,000,000
	19	**P1,088,817,817**	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 Group, and earn annual interest at the respective short-term placement rates. Interest income from cash in banks and short-term placements amounted to P20,708,383, P5,994,001 and P4,390,244 in 2020, 2019 and 2018, respectively.

6. Receivables

This account consists of:

	Note	**2020**	2019
Rent receivable	*15*	**P1,342,123,223**	P882,582,358
Non-trade receivable	*15*	**192,219,259**	125,903,085
Receivables from tenants		**17,792,480**	9,721,013
Accrued interest		**120,188**	4,985,661
Others		**1,314,072**	1,563,081
	19	**P1,553,569,222**	P1,024,755,198

Rent receivable pertains to receivables arising from the lease of office and commercial spaces relating to the Group’s operations. These are generally collectible within thirty (30) days. This account consists mainly of accrued rentals arising from the excess of rent income over rental collections made by lessees in accordance with straight-line rental recognition as mandated by PFRS 16, Leases amounting to P747,440,316 and P706,338,798, as at December 31, 2020 and 2019, respectively, and receivable from related parties amounting to P2,651,039 and P1,654,796 as at December 31, 2020 and 2019, respectively (Note 15f).

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 P180,588,928 and P121,212,342 as at December 31, 2020 and 2019. These are generally collectible within (30) days upon billing (Note 15e).

Receivables directly written-off in 2020 and 2019 amounted to P33,362,360 and nil, respectively (Note 14). These pertain to discounts and rental waivers granted to tenants due to COVID-19.

7. Prepaid Expenses and Other Current Assets

This account consists of:

	2020	2019
Input VAT - net	**P474,723,081**	P633,947,173
Prepaid real property taxes	**207,560,850**	135,410,976
Prepaid tax	**35,470,056**	20,395,221
Other current asset	**6,713,744**	2,136,896
	P724,467,731	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 December 31, 2020 and 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	349,836	604,298
December 31, 2020	**605,968**	**21,131,695**	**10,733,619**	**32,471,282**
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	121,194	4,177,455	2,109,044	6,407,693
December 31, 2020	**415,780**	**9,769,886**	**4,215,788**	**14,401,454**
Carrying Amount				
December 31, 2019	P311,382	P15,284,802	P8,277,039	P23,873,223
December 31, 2020	**P190,188**	**P11,361,809**	**P6,517,831**	**P18,069,828**

Depreciation recognized in profit and loss under "General and administrative expenses" account amounted to P6,407,693, P5,824,876 and P2,095,764 in 2020, 2019 and 2018, 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	-	605,341,277	-	605,341,277
Adjustments	-	-	(1,992,482,708)	(1,992,482,708)
Unrealized gain from changes in fair values of investment property	207,078,667	-	5,176,630,881	5,383,709,548
December 31, 2020	**P11,768,624,224**	**P1,133,356,417**	**P28,575,989,444**	**P41,477,970,085**

The Group's investment property mainly relates to the Group's DD Meridian Park property (Note 1).

The Group's investment property is stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser.

The following table provides the fair value hierarchy of the Group's investment property as at December 31, 2020 and 2019:

	Level 2	
	2020	2019
Land	**P11,768,624,224**	P11,561,545,557
Buildings	**29,709,345,861**	25,919,856,411
	P41,477,970,085	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 amounting to P5,596,594,500 and P4,132,033,336 for the years ended December 31, 2020 and 2019, respectively.

The carrying amount of the construction in-progress approximates its fair value as at December 31, 2020 and 2019. The Group expects the fair value of the construction in-progress to be reliably measurable upon completion of the construction.

The Group recognized unrealized gains from changes in fair values of investment property amounting to P5,383,709,548, P7,781,063,778 and P8,193,747,644 in 2020, 2019 and 2018, 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 P1,912,618,974, P1,777,329,973 and P1,107,541,926 in 2020, 2019 and 2018, respectively, which is shown as part of “Rent income” account in the consolidated statements of comprehensive income. The operating lease commitments of the Group as a lessor are fully disclosed in Note 16.

The total direct operating expense recognized in profit or loss arising from the Group’s investment property that generated rent income amounted to P166,341,026, P133,335,081 and P52,138,980 in 2020, 2019 and 2018, respectively.

Concentration Risk

In 2020, 2019 and 2018, rent income from Philippine Offshore Gaming Operator (POGO) and Philippine Amusement and Gaming Corp (PAGCOR)-accredited Business Process Outsourcing (BPO) businesses represents about 48%, 47% and 58% of the total rent income, respectively. As at December 31, 2020 and 2019, receivables from these businesses represents about 54% and 26% 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 Group’s rent income. As of December 31, 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	2020	2019
Advances to contractors		**P472,192,176**	P625,282,330
Refundable deposits	19	**14,907,984**	14,907,984
Computer software licenses - net		**1,125,000**	1,425,000
		P488,225,160	P641,615,314

Advances to contractors represent amounts paid as downpayments to contractors and suppliers for the construction of the Group's investment property. These advances are nonfinancial in nature and are expected to be fulfilled by delivery of goods and services.

Refundable deposits pertain to non-interest bearing deposits paid to and held by the Group'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 Group's specific requirements.

The movements and balances of the "Computer software licenses - net" account consist of:

	Note	2020	2019
Cost			
Balance at beginning of year		**P1,500,000**	P450,000
Additions		**-**	1,050,000
Balance at end of year		**1,500,000**	1,500,000
Accumulated Amortization			
Balance at beginning of year		**75,000**	-
Amortization for the year	14	**300,000**	75,000
Balance at end of year		**375,000**	75,000
		P1,125,000	P1,425,000

11. Accounts Payable and Other Current Liabilities

This account consists of:

	Note	2020	2019
Trade payables		**P126,286,574**	P116,278,076
Accrued expenses:			
Project costs		**725,079,841**	2,692,524,938
Others		**11,703,945**	458,653
Retention payable - current portion	12	**84,286,295**	-
Construction bond		**36,947,165**	116,792,298
	19	**P984,303,820**	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	2020	2019
Retention payable	*19*	**P -**	P135,451,756
Unearned rent income	*19*	**298,495,422**	483,328,698
Security deposits	*19*	**619,048,115**	581,203,466
Deferred output VAT		**13,621,339**	7,109,916
		P931,164,876	P1,207,093,836

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

Security deposits account pertains to deposits collected from tenants for the lease of the Group's investment property. These deposits are non-interest bearing and refundable at the end of the lease term. Security deposits are discounted using the effective annual interest rates ranging from 5.21% to 5.78% that are specific to the tenor of the deposits.

Interest expense for the amortization of discount on security deposits amounted to P35,635,069, P31,525,024 and P16,471,605 in 2020, 2019 and 2018, respectively.

The details of security deposits follow:

	Note	2020	2019
Security deposits		**P771,937,567**	P768,002,924
Less discount on security deposits		**152,889,452**	186,799,458
	19	**P619,048,115**	P581,203,466

The movement in the unamortized discount on security deposits follows:

	2020	2019
Balance at beginning of period	**P186,799,458**	P130,406,206
Additions - net	**1,725,063**	87,918,276
Accretion	**(35,635,069)**	(31,525,024)
Balance at end of period	**P152,889,452**	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 P41,101,518, P35,772,929 and P19,404,112 in 2020, 2019 and 2018 respectively.

13. Marketing Expenses

This account consists of:

	2020	2019	2018
Commission	**P22,853,222**	P19,630,744	P10,429,051
Marketing	**3,624,709**	14,422,316	6,150,835
	P26,477,931	P34,053,060	P16,579,886

14. General and Administrative Expenses

This account consists of:

	Note	2020	2019	2018
Taxes and licenses		**P180,631,619**	P140,735,783	P51,874,435
Impairment loss on receivables	*6*	**33,362,360**	-	-
Depreciation and amortization	*8, 10*	**6,707,693**	5,899,876	2,095,764
Insurance		**6,668,924**	4,978,690	3,640,277
Office expenses		**3,525,980**	35,472,433	20,805,049
Professional fees		**1,993,036**	1,021,250	1,213,917
Salaries and wages		**982,191**	2,051,733	1,098,950
Property maintenance		**676,454**	289,338	2,932,938
Association dues		**-**	1,131,147	1,058,213
Outsourced services		**-**	-	1,961,432
Miscellaneous		**301,516**	10,200,135	1,586,827
		P234,849,773	P201,780,385	P88,267,802

Impairment loss on receivables pertains to discounts and rental waivers granted to tenants due to COVID-19.

15. Related Party Transactions

The Group, in the normal course of business, has transactions with its related parties as follows:

				Outstanding Balance			
Category	Year	Ref	Amount of Transaction	Due from Related Parties	Due to Related Parties	Receivables	Terms and Conditions
Ultimate Parent Company							
Rent	**2020**	*a*	**P82,684,585**	**P -**	**P -**	**P26,396,307**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2019	*a*	94,589,749	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
	2018	*a*	83,709,839	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	**2020**	*b*	**-**	**-**	**-**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash; no impairment**
	2019	*b*	95,061,375	95,061,375	-	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2018	*b*	144,442,566	29,896,499	1,942,566	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment

Forward

Category	Year	Ref	Amount of Transaction	Outstanding Balance: Due from Related Parties	Outstanding Balance: Due to Related Parties	Receivables	Terms and Conditions
Entity under Common Control							
Common usage and service	**2020**	*c*	**P50,931,810**	**P -**	**P400**	**P -**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2019	*c*	85,890,980	-	129,635,483	-	Demandable; non-interest bearing; unsecured; payable in cash
	2018	*c*	43,744,503	-	43,744,503	-	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	**2020**	*d*	**59,376,586**	**-**	**-**	**180,588,928**	**Demandable; non-interest bearing; unsecured; payable in Cash; no impairment**
	2019	*d*	50,939,254	-	-	121,212,342	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2018	*d*	12,321,105	-	-	66,646,118	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
Reimbursements	**2020**	*d*	**2,983,487**	**2,356,247**	**-**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash; no impairment**
Other Related Parties							
Rent	**2020**	*e*	**19,099,774**	**-**	**-**	**2,651,039**	**Demandable; non-interest bearing; unsecured; payable in Cash; no impairment**
	2019	*e*	25,335,873	-	-	1,654,796	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
	2018	*e*	21,005,859	-	-	11,371,393	Demandable; non- interest bearing; unsecured; payable in cash; no impairment
	2020			**P2,356,247**	**P400**	**P209,636,274**	
	2019			P95,061,375	P129,635,483	P122,867,138	
	2018			P29,896,499	P45,687,069	P78,017,511	

a. *Lease of Corporate Office*
The Group entered into a lease agreement with DD for the lease of 10th and 11th floors of Tower 1 DoubleDragon Plaza, which serve as the headquarters of the Group. 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 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 Group's accounts.

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

e. *Rent Agreements*
The Group 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).

On November 19, 2020, the Group entered into 99-year lease agreements, beginning January 1, 2021, with DDMP Serviced Residences, Inc. (DDSRI) and DDMP Tower, Inc. (DDTI) 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.

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 Group were administered by DD at no cost to the Group.

There have been no guarantees/collaterals provided or received for any related party receivables or payables. For the years ended December 31, 2020 and 2019, the Group has not recorded any impairment of receivables relating to amounts owed by related parties.

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

Related Party Transactions and Balances Eliminated During Consolidation
The terms, conditions, balances and the volume of related party transactions which were eliminated during consolidation are as follows:

Intercompany Advances
Outstanding intercompany advances amounted to:

	2020	2019
Advances	**P627,240**	P -

Total advances made by the Parent Company to the subsidiaries amounted to P627,240. These advances pertain to unsecured, interest and non-interest bearing advances granted to subsidiaries for working capital requirements. These are to be settled in cash.

16. Leases

Group as Lessor

The Group leases out corporate offices and commercial spaces included in its investment property under operating lease agreements. The leases generally provide for either fixed monthly rent subject to escalation rates or a certain percentage of gross sales. The terms of the leases are for periods ranging from 5 to 10 years. The fixed monthly rent shall escalate by an average of five (5%) to ten (10%) each year.

Rent income (including aircon charges) amounted to P1,912,618,974, P1,777,329,973 and P1,107,541,926 in 2020, 2019 and 2018, respectively. Rent income based on variable considerations amounted to P13,569,949, P28,646,567 and P35,338,213 in 2020, 2019 and 2018, respectively.

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

	2020	2019
Less than one year	**P1,806,044,087**	P1,706,752,270
Between one and five years	**4,788,607,837**	5,910,277,505
More than five years	**496,646,776**	1,118,523,010
	P7,091,298,700	P8,735,552,785

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

	2020	2019
Between one to two years	**P1,810,164,319**	P1,802,034,135
Between two to three years	**1,421,327,541**	2,154,602,036
Between three to four years	**923,169,624**	1,519,324,099
Between four to five years	**633,946,353**	434,317,235
	P4,788,607,837	P5,910,277,505

Concentration Risk

As at December 31, 2020 and 2019, 42% of the total gross leasable area are leased by POGO and PAGCOR-accredited BPOs. As of December 31, 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:

	2020	2019	2018
Current	**P245,031,289**	P185,460,084	P178,626,798
Deferred	**1,729,069,254**	2,531,620,688	2,589,455,772
	P1,974,100,543	P2,717,080,772	P2,768,082,570

The current tax expense represents regular corporate income tax.

The deferred taxes, after set-offs, are reported in the consolidated statements of financial position as follows:

	2020	2019
Deferred tax assets	**(P188,172)**	P -
Deferred tax liabilities	**7,876,959,548**	6,147,702,122
	P7,876,771,376	P6,147,702,122

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

	December 31, 2020	
	Amount	**DTA (DTL)**
Unearned rent income	**P156,720,965**	**P47,016,290**
Accrued expenses	**107,469**	**32,241**
NOLCO	**627,240**	**188,172**
DTA	**157,455,674**	**47,236,703**
Unrealized gains on fair value of investment property	**(24,750,262,442)**	**(7,425,078,733)**
Accrued rent income	**(747,440,313)**	**(224,232,094)**
Depreciation expense of depreciable investment property	**(915,657,505)**	**(274,697,252)**
DTL	**(26,413,360,260)**	**(7,924,008,079)**
Net DTL	**(P26,255,904,586)**	**(P7,876,771,376)**

	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 of investment property	(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)

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:

	2020	2019	2018
Income before income tax	**P7,060,771,970**	P9,408,511,209	P9,234,129,505
Income tax at the statutory income tax rate of 30%	**P2,118,231,591**	P2,822,553,363	P2,770,238,852
Income tax effects of:			
Optional standard deduction	**(136,793,547)**	(102,400,019)	(5,821,234)
Nontaxable income	**(11,661,757)**	(10,731,879)	4,982,025
Nondeductible expense	**10,690,521**	9,457,507	(1,317,073)
Interest income subjected to final tax	**(6,212,515)**	(1,798,200)	-
Stock issuance cost	**(153,750)**	-	-
	P1,974,100,543	P2,717,080,772	P2,768,082,570

Movements in the net deferred tax liability follow:

2020

	January 1, 2020	**Charged to Profit or Loss**	**December 31, 2020**
Unearned rent income	**P91,331,222**	**(P44,314,932)**	**P47,016,290**
Accrued expenses	**120,000**	**(87,759)**	**32,241**
Unrealized gains on fair value of investment property	**(5,809,965,868)**	**(1,615,112,865)**	**(7,425,078,733)**
Accrued rent income	**(211,901,640)**	**(12,330,454)**	**(224,232,094)**
Depreciation expense of depreciable investment property	**(217,285,836)**	**(57,411,416)**	**(274,697,252)**
NOLCO	**-**	**188,172**	**188,172**
	(P6,147,702,122)	**(P1,729,069,254)**	**(P7,876,771,376)**

2019

	January 1, 2019	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 of investment property	(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)

The details of the Subsidiaries' NOLCO which are available for offsetting against future taxable income are as follows:

Year Incurred	Amount Incurred	Applied	Expired	Remaining Balance	Year of Expiration
2020	P627,240	P -	P -	P627,240	2025

18. Equity/Earnings Per Share/Distributable Income

Capital Stock

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

	2020		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

Details of the number of subscribed and outstanding shares are as follows:

	Issued and Outstanding
Balance at January 1, 2018 and December 31, 2018	5,348,274,622
Issuance of shares	12,479,190,784
Balance at December 31, 2019 and 2020	**17,827,465,406**

On October 16, 2014, DD entered into an Investment and Shareholders Agreement (ISA) with Benedicto V. Yujuico (BVY), wherein the parties would contribute cash and parcels of land (the "Property"), respectively, that would result in a 70% and 30% interests to DD and BVY. In compliance with the ISA, DD initially invested P3.12 billion and BVY contributed the Property with third-party appraised value of P7.27 billion as determined by an accredited independent appraiser, of which P5.35 billion is treated as payment for BVY's subscribed shares. DD made an additional subscription amounting to P9.36 billion to maintain its 70% equity interest.

In 2019, DD subscribed to an additional 50,000 shares to the Parent Company. The Parent Company collected subscriptions receivable from DD amounting to P2,775,025,154 in 2019 and P925,008,385 in 2019 and 2018, respectively. Upon full collection, 12,479,190,784 shares were issued to DD.

EPS

EPS is computed as follows:

	2020	2019	2018
Net income attributable to the equity holders of the Parent Company	**P5,086,671,427**	P6,691,430,437	P6,466,046,935
Weighted average number of shares	**17,827,465,406**	7,428,139,753	5,348,274,622
Basic/Diluted EPS	**P0.29**	P0.90	P1.21

As at December 31, 2020, 2019, and 2018, the Parent Company has no dilutive debt or equity instruments.

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

2020

Type of Dividend	**Date of Declaration**	**Date of Record**	**Date of Payment**	**Per Share**	**Amount**
Cash dividend	March 31, 2020	March 31, 2020	June 5, 2020	P0.02000	P326,242,617
Cash dividend	June 30, 2020	June 30, 2020	August 15, 2020	P0.01580	281,673,953
Cash dividend	November 11, 2020	September 30, 2020	November 11, 2020	P0.01773	316,038,021
Total					**P923,954,591**

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

2018

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share	Amount
Cash dividend	February 28, 2018	February 28, 2018	May 30, 2018	P0.0027	P47,325,913
Cash dividend	September 30, 2018	September 30, 2018	September 30, 2018	0.0222	396,304,556
Cash dividend	December 28, 2018	December 28, 2018	April 16, 2019	0.0146	260,699,940
Total					P704,330,409

Distributable Income
The computation of distributable income of the Parent Company as at December 31, 2020 is shown below:

	2020
Net income of the Parent Company	**P5,086,597,995**
Fair value adjustments of investment Property resulting to gain (after tax)	**(3,768,596,684)**
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	**(41,101,518)**
	P1,276,899,793

Out of the available distributable income, P923,954,591 was already declared during the year.

19. Financial Risk and Capital Management Objectives and Policies

Objectives and Policies
The Group has significant exposure to the following financial risks primarily from its use of financial instruments:

- Credit Risk
- Liquidity Risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

The main purpose of the Group's dealings in financial instruments is to fund its operations and capital expenditures.

The BOD has overall responsibility for the establishment and oversight of the Group's risk management framework. The BOD has established the Executive Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee identifies all issues affecting the operations of the Group and reports regularly to the BOD on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. All risks faced by the Group are incorporated in the annual operating budget. Mitigating strategies and procedures are also devised to address the risks that inevitably occur so as not to affect the Group's operations and forecasted results. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's principal financial assets include cash and cash equivalents, receivables, due related parties and refundable deposits. These financial assets are used to fund the Group's operations and capital expenditures.

Credit Risk

Credit risk represents the risk of loss the Group would incur if the counterparty fails to perform their contractual obligations. The risk arises principally from the Group's cash in banks and short-term placements, receivables, due from related parties and refundable deposits. The Group manages credit risk by dealing with recognized and creditworthy financial institutions. The objective is to reduce the risk of loss through default by counterparties.

As at December 31, 2020 and 2019, receivables from POGO and PAGCOR-accredited BPOs businesses represents about 54% and 26% of the total rent receivables, respectively. As of December 31, 2020 and 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 date follows:

	Note	**2020**	2019
Cash and cash equivalents*	*5*	**P1,088,805,817**	P2,211,607,633
Receivables	*6*	**1,553,569,222**	1,024,755,198
Due from related parties	*15*	**2,356,247**	95,061,375
Refundable deposits**	*10*	**14,907,984**	14,907,984
		P2,659,639,270	P3,346,332,190

**Excluding cash on hand amounting to P12,000 and P333,818 as at December 31, 2020 and 2019, respectively.*

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

The table below presents the summary of the Group's exposure to credit risk and shows the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired are separately presented.

2020

	Financial Assets at Amortized Cost			
	12-month ECL	**Lifetime ECL - not Credit Impaired**	**Lifetime ECL - Credit Impaired**	**Total**
Cash and cash equivalents*	**P1,088,805,817**	**P -**	**P -**	**P1,088,805,817**
Receivables	**211,445,999**	**1,342,123,223**	**-**	**1,553,569,222**
Due from related parties	**2,356,247**	**-**	**-**	**2,356,247**
Refundable deposits**	**14,907,984**	**-**	**-**	**14,907,984**
	P1,317,516,047	**P1,342,123,223**	**P -**	**P2,659,639,270**

**Excluding cash on hand amounting to P12,000 as at December 31, 2020.*
***This is presented as part of "Other noncurrent assets" account.*

2019

	Financial Assets at Amortized Cost			
	12-month ECL	Lifetime ECL - not Credit Impaired	Lifetime ECL - Credit Impaired	Total
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 related parties	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 Group's financial assets are neither past due nor impaired.

The Group assessed the credit quality of cash in banks and short-term placements as high grade since these are deposited in a reputable bank with low probability of insolvency.

Receivables were assessed as high grade as there is no current history of default. Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts.

The credit risk for refundable deposits is considered negligible since the counterparties are reputable entities with high quality external credit ratings.

Liquidity Risk
Liquidity risk pertains to the risk that the Group will encounter difficulty to meet payment obligations when they fall under normal and stress circumstances.

The Group manages liquidity risks by forecasting projected cash flows and maintaining balance between continuity of funding and flexibility in operations. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational working capital requirements.

Management closely monitors the Group's future and contingent obligations and set up required cash reserves as necessary in accordance with internal requirements.

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

		As at December 31, 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*	**P984,303,820**	**P984,303,820**	**P984,303,820**	**P -**	**P -**
Due to related parties	*15*	**400**	**400**	**400**	**-**	**-**
Security deposits*	*12*	**619,048,115**	**771,937,567**	**-**	**569,896,866**	**202,040,701**
		P1,603,352,335	**P1,756,241,787**	**P984,304,220**	**P569,896,866**	**P202,040,701**

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

		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 Related Parties, Accounts Payable and Other Current Liabilities and Due to Related Parties

The carrying amounts of the Group's financial assets and liabilities such as cash and cash equivalents, receivables, due from related parties, accounts payable and other current liabilities and due to related parties approximate their fair values due to the relatively short-term nature of these financial instruments.

Refundable Deposits/Retention Payable

The carrying amounts of refundable deposits and retention payable approximate their fair values since the impact of discounting is immaterial.

Security Deposits

Security deposits are reported at their present values, which approximate fair values.

Capital Management

The Group's objectives when managing capital are to increase the value of shareholders' investment and maintain high growth by applying free cash flows to selective investments. The Group sets strategies with the objective of establishing a versatile and resourceful financial management and capital structure.

The BOD has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business operations and industry.

The BOD seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group defines capital as total equity, as presented in the statements of financial position. The Group is not subject to externally-imposed capital requirements.

20. Note to Consolidated Statements of Cash Flows

Additions to investment property in 2020 include noncash additions from recoupment of advances to contractors amounting to P155,295,267.

21. Other Matters

Bayanihan Act
On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 25-2020 to implement Section 4 of RA No. 11494 ("Bayanihan to Recover as One Act"), relative to NOLCO which provides that the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

The net operating loss for the said taxable years may be carried over as a deduction even after the expiration of RA No. 11494, provided that the same is claimed within the next five consecutive taxable years following the year such loss was incurred.

CREATE Act
On March 26, 2021, the President of the Philippines has approved the Corporate Recovery and Tax Incentives for Enterprises or the CREATE Act, with nine provisions vetoed by the President. Below are the salient features of the Act that are relevant to the Group:

1. Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5.0 million and with total assets not exceeding P100.0 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. The said reductions are effective on July 1, 2020.
2. The imposition of improperly accumulated earnings tax has been repealed.

On April 8, 2021, the Bureau of Internal Revenue (BIR) issued the following implementing revenue regulations that are effective immediately upon publication:

- BIR RR No. 2-2021, amending certain provisions of Revenue Regulations (RR) No. 2-98, As Amended, to implement the amendments introduced by CREATE Act to the National Revenue Code of 1997, as Amended, relative to the final tax on certain passive income;
- BIR RR No. 3-2021, Rules and Regulations implementing section 3 of CREATE Act, amending section 20 of the National Internal Revenue Code of 1997, As Amended;
- BIR RR No. 4-2021, implementing the provisions on VAT and Percentage Tax under CREATE Act, which further amended the National Revenue Code of 1997, as Amended, as implemented by RR No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended; and
- BIR RR No. 5-2021, implementing the new income tax rates on the regular income of Corporations, on certain passive incomes, including additional allowable deductions from gross income of "Persons Engaged in Business or Practice of Profession" pursuant to CREATE Act, which further amended the National Revenue Code of 1997. The corporate income tax of the Group will be lowered from 30% to 25%, on which the Group would qualify, effective July 1, 2020.

The enactment of the CREATE Act is a non-adjusting subsequent event thus, the current and deferred income taxes as of December 31, 2020 are measured using the applicable income tax rates as of December 31, 2020.

Presented below is the estimated effect of changes in tax rates under the CREATE Act on the consolidated financial statements as of and for the year ended December 31, 2020:

	Increase (Decrease)
LIABILITIES AND EQUITY	
Income tax payable	**(P20,420,040)**
Deferred tax liabilities - net	**(288,208,040)**
Retained earnings	**308,628,080**
	P -
INCOME TAX EXPENSE	**(P308,628,080)**

Impact of Corona Virus Disease (COVID-19)
The Group believes that the COVID-19 outbreak has not materially and adversely affected its operations. The Group's properties have continued to be operational. The Group anticipates that its rent income will remain stable as a majority of its lease contracts have fixed rates, and are covered for the duration of their lease terms by postdated checks, ample security deposits and advance rentals.

In compliance with the Government's mandate to support micro, small and medium enterprises ("MSMEs") and other tenants during the COVID-19 pandemic, the Group granted concessions to its tenants: the waiver of interest and penalties during the ECQ and MECQ period; rental discounts for all food tenants and MSME retail tenants; and the deferral of rental payments in accordance with the Bayanihan Act and the Bayanihan 2 Act. These concessions were granted subject to conditions like the applicable tenant's commitment to settle any rental arrears, continuous operation of retail tenants and the receipt of post-dated checks for the rent deferral or installment payments.

The Group also granted the application of advance rents to current rental payments to certain tenants subject to the receipt of a replacement check for the replenishment of advance rental within 2021.

Despite this challenging business environment brought about by the COVID-19 pandemic, the Group 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 consolidated financial position and performance.

The Group 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 Group'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 Group's commercial and office buildings;
- temperature monitoring is conducted at the entrances of all the Group's office towers including the Group's headquarters;
- provisions were given to all the Group'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 Group'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 Group's operations have remained uninterrupted with stringent monitoring in place covering the workplace. The Group continues to remain vigilant in upholding the health and safety of its employees. The Group closely monitors updates from the Philippine Department of Health and other reliable sources publishing information regarding COVID-19 and shall continue comply with all Government-mandated measures relating to COVID-19.

Events after the Reporting Date
The following are the events after the reporting date:

- On January 1, 2021, the Group handed over DoubleDragon Tower and Ascott-DD Meridian Park to DDTI and DDSRI, respectively, in accordance with lease agreements signed with both parties.
- On February 10, 2021, the Parent Company sold all of its investments in the subsidiaries to DD and Benedicto Yujuico.
- On April 14, 2021, the BOD approved a regular cash dividend to the common shareholders in the gross amount of P365,056,218 or P0.02047718 per share. The regular dividends will be paid to all Common Shareholders on record as of April 28, 2021 and will be paid on May 10, 2021.

DDMP REIT, INC.
KEY PERFORMANCE INDICATORS

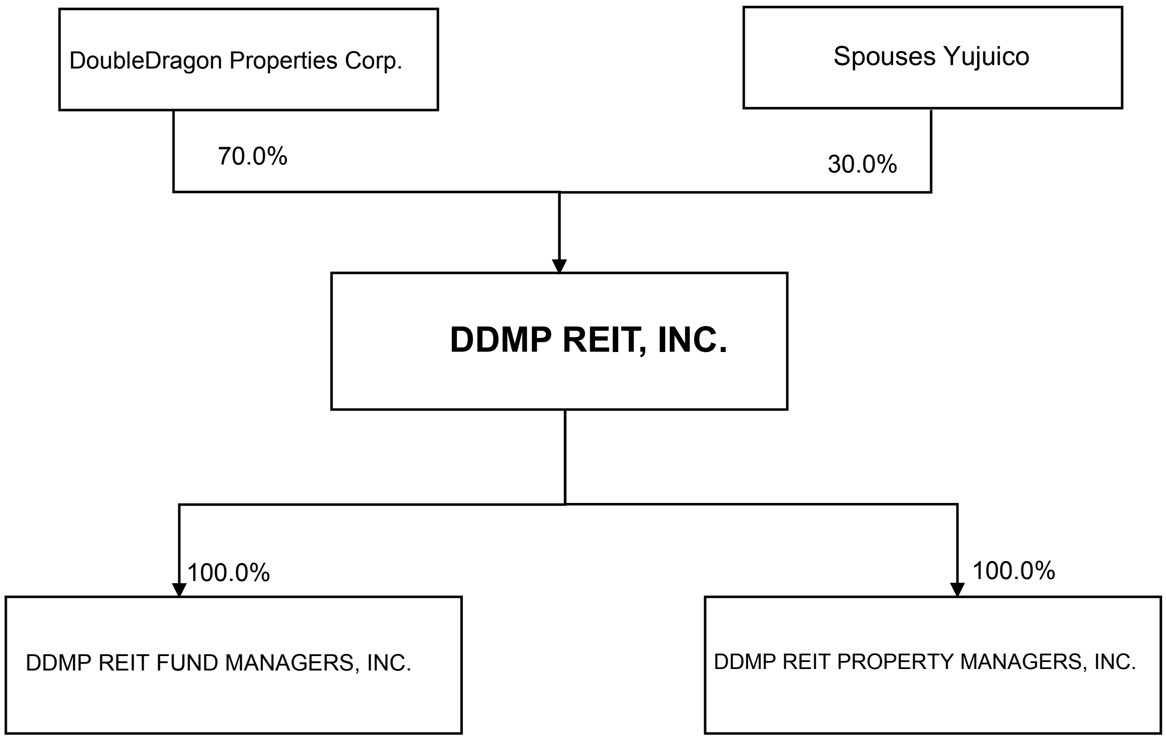
The following are the major financial ratios of the Company for the years ended December 31, 2020 and 2019.

Key Financial Ratios	**2020**	**2019**
Recurring Income (in ₱ millions)	1,912.6	1,777.3
Recurring Income Contribution(1)	26.0%	18.4%
Current Ratio(2)	3.27	1.16
Return on Assets(3)	11.2%	15.8%
Return on Equity(4)	15.2%	25.0%
Asset to Equity(5)	1.28	1.35
Solvency Ratio(6)	0.52	0.61
Earnings per share(7)	0.29	0.38
Book Value per share(8)	1.99	1.76
Debt to Equity Ratio(9)	-	-
Interest Rate Coverage Ratio(10)	-	-

Notes:

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

DDMP REIT, INC.
CONGLOMERATE MAP
December 31, 2020



DDMP REIT, INC. AND SUBSIDIARIES
SCHEDULE A - FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 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	1,088,817,817	1,088,817,817	20,708,383
Receivables	N/A	1,553,569,222	1,553,569,222	-
Due from related parties	N/A	2,356,247	2,356,247	-
Refundable deposits	N/A	14,907,984	14,907,984	-

DDMP REIT, INC. AND SUBSIDIARIES
SCHEDULE B - AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
FOR THE YEAR ENDED DECEMBER 31, 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	-	92,705,128	-	2,356,247	-	2,356,247

DDMP REIT, INC. AND SUBSIDIARIES
SCHEDULE C - AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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)
DDMP REIT Fund Managers, Inc. (Subsidiary)	-	603,350	603,350	-	603,350	-	-
DDMP REIT Property Managers, Inc. (Subsidiary)	-	23,890	23,890	-	23,890	-	-

DDMP REIT, INC. AND SUBSIDIARIES
SCHEDULE D - LONG-TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 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	-	-	-

DDMP REIT, INC. AND SUBSIDIARIES
SCHEDULE E - INDEBTEDNESS TO RELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2020

Name of related party (i)	Balance at Beginning of Period (PhP)	Balance at End of Period (ii) (PhP)
DoubleDragon Property Management Corp. (Related Party)	129,635,483	400

DDMP REIT, INC. AND SUBSIDIARIES
SCHEDULE F - GUARANTEES OF SECURITES OF OTHER ISSUERS
FOR THE YEAR ENDED DECEMBER 31, 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

DDMP REIT, INC. AND SUBSIDIARIES
SCHEDULE G- CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 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	-	17,827,465,406	10	-

RECONCILATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2020
DDMP REIT, INC.

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

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	P5,086,597,995	
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	(3,768,596,684)	
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	(41,101,517)	
Sub-total		**(3,809,698,201)**
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		**1,276,899,794**
Add (Less):		
Dividends declarations during the period	(923,954,591)	
Appropriations of Retained Earnings during the period		
Reversal of appropriations		
Effects of prior period adjustments		
Treasury shares		
Sub-Total		**(923,954,591)**
TOTAL RETAINED EARNINGS, END OF THE YEAR AVAILABLE FOR DIVIDEND		**P365,056,335**

DDMP REIT, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **DDMP REIT, INC.** (the "Company"), is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 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 (BOD) is responsible for overseeing the Company's financial reporting process.

The BOD 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, Chairman

Signature ______________________
Ferdinand J. Sia, President

Signature ______________________
Rizza Marie Joy J. Sia, Treasurer

SUBSCRIBED AND SWORN to before me by ______________ at Pasay City, Philippines on MAY 14 2021 who exhibited to me his/her ______________ expiring on ______________ and is identified by me to be the same person who executed this instrument.

ERIKA ESTEL G. CUSI
Notary Public for Pasay
Until December 31, 2021
Commission No.
Roll No. 63306
IBP Lifetime Member No. 012614 03/28/2014
PTR No. 7353012 01/04/2021/Pasay City
DoubleDragon Headquarters, 10th Floor, Tower 1
DoubleDragon Plaza, DD Meridian Park
Cor. Macapagal Avenue & EDSA Ext., Bay Area, Pasay City

Signed this 13th day of May 2021

Doc. No. 369;
Page No. 75;
Book No. 4;
Series of 2021

DDMP REIT, INC.
(formerly DD-MERIDIAN PARK DEVELOPMENT CORP.)
(A Subsidiary of DoubleDragon Properties Corp.)

SEPARATE FINANCIAL STATEMENTS
December 31, 2020 and 2019

With Independent Auditors’ Report

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

The Board of Directors and Stockholders
DDMP REIT, INC.
DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza
DD Meridian Park Corner Macapagal Avenue & EDSA Extension
Bay Area, Pasay City, Metro Manila

Opinion

We have audited the separate financial statements of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) (the “Company”), a subsidiary of DoubleDragon Properties Corp., which comprise the separate statements of financial position as at December 31, 2020 and 2019, and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as at December 31, 2020 and 2019, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended 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 Separate 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 separate 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.

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

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

In preparing the separate 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 financial reporting process.

Auditors' Responsibilities for the Audit of the Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate 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 separate 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 separate 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 separate 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 separate financial statements, including the disclosures, and whether the separate 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.

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic separate financial statements taken as a whole. The supplementary information in Note 23 to the basic separate financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic separate financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic separate financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner
CPA License No. 0094495
SEC Accreditation No. 94495-SEC, Group A, valid for five (5) years
  covering the audit of 2019 to 2023 financial statements
Tax Identification No. 912-535-864
BIR Accreditation No. 08-001987-031-2019
  Issued August 7, 2019; valid until August 6, 2022
PTR No. MKT 8533922
  Issued January 4, 2021 at Makati City

May 13, 2021
Makati City, Metro Manila

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**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING
WITH THE BUREAU OF INTERNAL REVENUE**

The Board of Directors and Stockholders
DDMP REIT, INC.
DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza
DD Meridian Park Corner Macapagal Avenue & EDSA Extension
Bay Area, Pasay City, Metro Manila

We have audited the accompanying separate financial statements of DDMP REIT, INC. (formerly DD-Meridian Park Development Corp.) (the "Company"), a subsidiary of DoubleDragon Properties Corp.as at and for the year ended December 31, 2020, on which we have rendered our report dated May 13, 2021.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholders of the Company.

R.G. MANABAT & CO.

DARWIN P. VIROCEL
Partner
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Issued January 4, 2021 at Makati City

May 13, 2021
Makati City, Metro Manila

DDMP REIT, INC.
(formerly DD-Meridian Park Development Corp.)
(A Subsidiary of DoubleDragon Properties Corp.)

SEPARATE STATEMENTS OF FINANCIAL POSITION

		December 31	
	Note	**2020**	2019
ASSETS			
Current Assets			
Cash and cash equivalents	*5*	**P1,037,567,817**	P2,211,941,451
Receivables	*6, 16*	**1,553,569,222**	1,024,755,198
Due from related parties	*16*	**2,983,487**	95,061,375
Prepaid expenses and other current assets	*7*	**724,467,731**	791,890,266
Total Current Assets		**3,318,588,257**	4,123,648,290
Noncurrent Assets			
Investments in subsidiaries	*8*	**51,250,000**	-
Property and equipment - net	*9*	**18,069,828**	23,873,223
Investment property	*10*	**41,477,970,085**	37,481,401,968
Other noncurrent assets	*11*	**488,225,160**	641,615,314
Total Noncurrent Assets		**42,035,515,073**	38,146,890,505
		P45,354,103,330	P42,270,538,795
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and other current liabilities	*12*	**P984,303,820**	P2,926,053,965
Dividends payable	*19*	**-**	473,818,417
Due to related parties	*16*	**400**	129,635,483
Income tax payable		**44,923,595**	32,127,285
Total Current Liabilities		**1,029,227,815**	3,561,635,150
Noncurrent Liabilities			
Deferred tax liabilities - net	*18*	**7,876,959,548**	6,147,702,122
Other noncurrent liabilities	*13*	**931,164,876**	1,207,093,836
Total Noncurrent Liabilities		**8,808,124,424**	7,354,795,958
Total Liabilities		**9,837,352,239**	10,916,431,108
Equity			
Capital stock	*19*	**17,827,465,406**	17,827,465,406
Retained earnings		**17,689,285,685**	13,526,642,281
Total Equity		**35,516,751,091**	31,354,107,687
		P45,354,103,330	P42,270,538,795

See Notes to the Separate Financial Statements.

DDMP REIT, INC.
(formerly DD-Meridian Park Development Corp.)
(A Subsidiary of DoubleDragon Properties Corp.)

SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	**2020**	2019
INCOME			
Unrealized gains from changes in fair values of investment property	*10*	**P5,383,709,548**	P7,781,063,778
Rent income	*10, 13, 16, 17*	**1,912,618,974**	1,777,329,973
Interest income	*5*	**20,708,383**	5,994,001
Other income	*16e*	**40,697,838**	111,481,926
		7,357,734,743	9,675,869,678
COST AND EXPENSES			
General and administrative expenses	*15*	**234,735,033**	201,780,385
Interest expense	*13*	**35,635,069**	31,525,024
Marketing expenses	*14*	**26,477,931**	34,053,060
		296,848,033	267,358,469
INCOME BEFORE INCOME TAX		**7,060,886,710**	9,408,511,209
INCOME TAX EXPENSE	*18*	**(1,974,288,715)**	(2,717,080,772)
NET INCOME AND TOTAL COMPREHENSIVE INCOME		**P5,086,597,995**	P6,691,430,437
BASIC AND DILUTED EARNINGS PER SHARE ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY	*19*	**P0.29**	P0.90

See Notes to the Separate Financial Statements.

DDMP REIT, INC.
(formerly DD-Meridian Park Development Corp.)
(A Subsidiary of DoubleDragon Properties Corp.)
SEPARATE STATEMENTS OF CHANGES IN EQUITY

		Years Ended December 31	
	Note	**2020**	2019
CAPITAL STOCK - P1 par value			
Authorized - 17,830,000,000 shares			
Issued and outstanding - 17,827,465,406 shares	*19*	**P17,827,465,406**	P17,827,465,406
RETAINED EARNINGS			
Balance at beginning of year		**13,526,642,281**	8,109,875,621
Net income/total comprehensive income for the year		**5,086,597,995**	6,691,430,437
Dividends declared	*19*	**(923,954,591)**	(1,274,663,777)
Balance at end of year		**17,689,285,685**	13,526,642,281
		P35,516,751,091	P31,354,107,687

See Notes to the Separate Financial Statements.

DDMP REIT, INC.
(formerly DD-Meridian Park Development Corp.)
(A Subsidiary of DoubleDragon Properties Corp.)
SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	**2020**	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		**P7,060,886,710**	P9,408,511,209
Adjustments for:			
Unrealized gains from changes in fair values of investment property	*10*	**(5,383,709,548)**	(7,781,063,778)
Interest expense	*13*	**35,635,069**	31,525,024
Interest income	*5*	**(20,708,383)**	(5,994,001)
Depreciation and amortization	*9, 11, 15*	**6,707,693**	5,899,876
Operating income before working capital changes		**1,698,811,541**	1,658,878,330
Decrease (increase) in:			
Receivables		**(528,814,024)**	(292,840,607)
Due from related parties		**92,077,888**	(65,164,876)
Prepaid expenses and other current assets		**67,422,535**	(81,374,674)
Increase (decrease) in:			
Accounts payable and other current liabilities		**50,732,563**	833,563,901
Due to related parties		**(129,635,083)**	83,948,414
Other noncurrent liabilities		**(311,564,029)**	197,840,319
Cash generated from operations		**939,031,391**	2,334,850,807
Interest received		**20,708,383**	1,008,340
Income tax paid		**(232,234,979)**	(119,232,118)
Net cash provided by operating activities		**727,504,795**	2,216,627,029
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to investment property	*10, 22*	**(450,046,010)**	(1,631,878,092)
Investments in subsidiaries	*8, 22*	**(51,250,000)**	-
Decrease (increase) in other noncurrent assets		**(2,205,113)**	(493,650,657)
Acquisition of:			
Property and equipment	*9*	**(604,298)**	(6,997,758)
Computer software licenses		**-**	(1,050,000)
Net cash used in investing activities		**(504,105,421)**	(2,133,576,507)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	*19*	**(1,397,773,008)**	(1,061,545,300)
Collection of subscription receivable	*19*	**-**	2,775,025,154
Net cash provided by (used in) financing activities		**(1,397,773,008)**	1,713,479,854
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,174,373,634)**	1,796,530,376
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**2,211,941,451**	415,411,075
CASH AND CASH EQUIVALENTS AT END OF YEAR	*5*	**P1,037,567,817**	P2,211,941,451

See Notes to the Separate Financial Statements.

DDMP REIT, INC.
(formerly DD-Meridian Park Development Corp.)
(A Subsidiary of DoubleDragon Properties Corp.)
NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. Reporting Entity

DDMP REIT, INC. (formerly 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 10).

As at December 31, 2020 and 2019, the Parent Company is a 70%-owned subsidiary of DoubleDragon Properties Corp. ("DD" or "Ultimate 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.

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 Parent Company filed its Registration Statement with the SEC covering its initial public offering (IPO).

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

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

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

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 separate 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 Separate Financial Statements
The separate financial statements were approved and authorized for issuance by the Board of Directors (BOD) on May 13, 2021.

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

The Company also prepares and issues consolidated financial statements for the same period as the separate financial statements presented in accordance with PFRS. Such consolidated financial statements provide information about the economic activities of the Company and its subsidiaries. The consolidated financial statements can be obtained from the Company’s business address.

Functional and Presentation Currency
The separate 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 separate 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 separate 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 separate 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 separate financial statements of the Company.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the separate 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 separate statements of financial position when it becomes a party to the contractual provisions of the instrument. In the case of a regular way purchase or sale of financial assets, recognition is done using settlement date accounting.

Initial Recognition of Financial Instruments

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

Financial Assets

The Company classifies its financial assets, at initial recognition, and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) and FVPL. The classification depends on the contractual cash flow characteristics of the financial assets and the business model of the 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 December 31, 2020 and 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 related parties and refundable deposits under "Other noncurrent assets" accounts are included in this category (Notes 5, 6, 11 and 16).

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 December 31, 2020 and 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 separate statements of comprehensive income. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

The 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 12, 13, 16 and 20).

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.

<u>Classification of Financial Instruments between Debt and Equity</u>
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.

<u>Offsetting Financial Instruments</u>
Financial assets and financial liabilities are offset and the net amount is reported in the separate 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 separate 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 separate 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 separate 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 separate 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.

Investments in Subsidiaries
The Company's investments in shares of stock of subsidiaries are accounted for under the cost method. The investments are carried in the separate statements of financial position at cost less any impairment in value. The Company recognizes dividend from a subsidiary in its separate statements of comprehensive income when its right to receive the dividend is established.

A subsidiary is an entity controlled by the Company. In accordance with PFRS 10, *Separate Financial Statements*, the Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity.

The equity interests of the Company in the subsidiaries as at December 31, 2020 and 2019 are as follows (Note 8):

	Percentage of Ownership	
Subsidiaries	**2020**	2019
DDMP REIT Fund Managers, Inc. (DRFMI)[a]	**100**	-
DDMP REIT Property Managers, Inc. (DRPMI)[a]	**100**	-

(a) Incorporated on November 19, 2020

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" account in the separate 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.

<u>Expense Recognition</u>
Expenses are recognized when they are incurred and are reported in the separate 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.

<u>Leases</u>
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 separate 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 separate financial statements. These are disclosed in the notes to the separate financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the separate financial statements but are disclosed in the notes to the separate 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 separate financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the separate financial statements when material.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the separate 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 separate 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 separate 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 separate 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 investments in subsidiaries, property and equipment and computer software licenses as at December 31, 2020 and 2019 based on management's assessment.

The combined carrying amounts of investments in subsidiaries, property and equipment and computer software licenses amounted to P70,444,828 and P25,298,223 as at December 31, 2020 and 2019, respectively (Notes 8, 9 and 11).

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 separate financial statements as at December 31, 2020 and 2019.

Estimates and Assumptions
The key estimates and assumptions used in the separate financial statements are based upon management's evaluation of relevant facts and circumstances as at the date of the Company's separate 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 in 2020 and 2019 amounted to P33,362,360 and nil, respectively (Note15). The allowance for impairment loss on receivables amounted to nil as of December 31, 2020 and 2019. The carrying amount of receivables amounted to P1,553,569,222 and P1,024,755,198 as of December 31, 2020 and 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 years ended December 31, 2020 and 2019.

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

	Note	**2020**	2019
Cash and cash equivalents*	*5*	**P1,037,555,817**	P2,211,607,633
Due from related parties	*16*	**2,983,487**	95,061,375
Refundable deposits**	*11*	**14,907,984**	14,907,984
		P1,055,447,288	P2,321,576,992

**Excluding cash on hand amounting to P12,000 and P333,818 as at December 31, 2020 and 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 P18,069,828 and P23,873,223 as at December 31, 2020 and 2019, respectively. Accumulated depreciation of property and equipment amounted to P14,401,454 and P7,993,761 as at December 31, 2020 and 2019, respectively (Note 9).

Computer software licenses, net of accumulated amortization, amounted to P1,125,000 and P1,425,000 as at December 31, 2020 and 2019, respectively. Accumulated amortization of computer software licenses amounted to P375,000 and P75,000 as at December 31, 2020 and 2019, respectively (Note 11).

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 P41,477,970,085 and P37,481,401,968 as at December 31, 2020 and 2019, respectively. Unrealized gain from changes in fair values of investment property recognized in profit or loss amounted to P5,383,709,548 and P7,781,063,778 in 2020 and 2019, respectively (Note 10).

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 P47,048,531 and P91,451,222 as at December 31, 2020 and 2019, respectively (Note 18).

5. Cash and Cash Equivalents

This account consists of:

	Note	**2020**	2019
Cash on hand and in banks		**P528,534,386**	P411,941,451
Short-term placements		**509,033,431**	1,800,000,000
	20	**P1,037,567,817**	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 P20,708,383 and P5,994,001 in 2020 and 2019, respectively.

6. Receivables

This account consists of:

	Note	**2020**	2019
Rent receivable	*16*	**P1,342,123,223**	P882,582,358
Non-trade receivable	*16*	**192,219,259**	125,903,085
Receivables from tenants		**17,792,480**	9,721,013
Accrued interest		**120,188**	4,985,661
Others		**1,314,072**	1,563,081
	20	**P1,553,569,222**	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 consists mainly of accrued rentals arising from the excess of rent income over rental collections made by lessees in accordance with straight-line rental recognition as mandated by PFRS 16, Leases amounting to P747,440,316 and P706,338,798, as at December 31, 2020 and 2019, respectively, and receivable from related parties amounting to P2,651,039 and P1,654,796 as at December 31, 2020 and 2019, respectively (Note 16f).

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 P180,588,928 and P121,212,342 as at December 31, 2020 and 2019. These are generally collectible within (30) days upon billing (Note 16e).

Receivables directly written-off in 2020 and 2019 amounted to P33,362,360 and nil, respectively (Note15). These pertain to discounts and rental waivers granted to tenants due to COVID-19.

7. Prepaid Expenses and Other Current Assets

This account consists of:

	2020	2019
Input VAT - net	**P474,723,081**	P633,947,173
Prepaid real property taxes	**207,560,850**	135,410,976
Prepaid tax	**35,470,056**	20,395,221
Other current asset	**6,713,744**	2,136,896
	P724,467,731	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 December 31, 2020 and 2019 for real property taxes of building and machinery and equipment applicable to the subsequent periods.

8. Investment in Subsidiaries

Details of the Company's investments in subsidiaries are shown below:

	2020	2019
At cost:		
DRFMI	**P50,000,000**	P -
DRPMI	**1,250,000**	-
	P51,250,000	P -

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

The summarized financial information of DRFMI follow:

	2020
Current asset	**P50,000,000**
Noncurrent asset	**181,005**
Current liability	**603,350**
Net income/Total comprehensive income	**77,655**

DRPMI
DRPMI was incorporated and registered with the SEC on November 19, 2020 primarily to engage in the business of property management, providing functions like formulate and implement leasing strategies; enforce tenancy conditions; ensure compliance with government regulations in respect to the real estate under management; perform tenancy administration work, such as managing tenant occupancy and ancillary amenities; conduct rental assessment, formulating tenancy terms, preparing tenancy agreement, rent collection and accounting; secure and administer routine management services; maintain and manage the physical structures/real properties; and formulate and implement policies and programs in respect of building management, maintenance and improvement; and initiate refurbishments and monitoring of such activities.

The summarized financial information of DRFMI follow:

	2020
Current asset	**P1,250,000**
Noncurrent asset	**7,167**
Current liability	**23,890**
Net income/Total comprehensive income	**4,223**

9. 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	349,836	604,298
December 31, 2020	**605,968**	**21,131,695**	**10,733,619**	**32,471,282**
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	121,194	4,177,455	2,109,044	6,407,693
December 31, 2020	**415,780**	**9,769,886**	**4,215,788**	**14,401,454**
Carrying Amount				
December 31, 2019	P311,382	P15,284,802	P8,277,039	P23,873,223
December 31, 2020	**P190,188**	**P11,361,809**	**P6,517,831**	**P18,069,828**

Depreciation recognized in profit and loss under “General and administrative expenses” account amounted to P6,407,693 and P5,824,876 in 2020 and 2019, respectively (Note 15).

10. 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	-	605,341,277	-	605,341,277
Adjustments	-	-	(1,992,482,708)	(1,992,482,708)
Unrealized gain from changes in fair values of investment property	207,078,667	-	5,176,630,881	5,383,709,548
December 31, 2020	**P11,768,624,224**	**P1,133,356,417**	**P28,575,989,444**	**P41,477,970,085**

The Group’s investment property mainly relates to the Group’s DD Meridian Park property (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 December 31, 2020 and 2019:

	Level 2	
	2020	2019
Land	**P11,768,624,224**	P11,561,545,557
Buildings	**29,709,345,861**	25,919,856,411
	P41,477,970,085	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. 10% increase/decrease in the sales price/listing price will result to increase/decrease in profit or loss amounting to P5,596,594,500 and P4,132,033,336 for the years ended December 31, 2020 and 2019, respectively.

The carrying amount of the construction in-progress approximates its fair value as at December 31, 2020 and 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 P5,383,709,548 and P7,781,063,778 in 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 P1,912,618,974 and P1,777,329,973 in 2020 and 2019, respectively, which is shown as part of "Rent income" account in the separate statements of comprehensive income. The operating lease commitments of the Company as a lessor are fully disclosed in Note 17.

The total direct operating expense recognized in profit or loss arising from the Company's investment property that generated rent income amounted to P166,341,026 and P133,335,081 in 2020 and 2019, respectively.

Concentration Risk

In 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 48% and 47% of the total rent income, respectively. As at December 31, 2020 and 2019, receivables from these businesses represents about 54% and 26% 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 December 31, 2020, none of the POGOs and PAGCOR-accredited BPOs pre-terminated their lease contracts, and rent receivables from these businesses are not credit-impaired.

11. Other Noncurrent Assets

This account consists of:

	Note	**2020**	2019
Advances to contractors		**P472,192,176**	P625,282,330
Refundable deposits	*20*	**14,907,984**	14,907,984
Computer software licenses - net		**1,125,000**	1,425,000
		P488,225,160	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	2020	2019
Cost			
Balance at beginning of year		**P1,500,000**	P450,000
Additions		**-**	1,050,000
Balance at end of year		**1,500,000**	1,500,000
Accumulated Amortization			
Balance at beginning of year		**75,000**	-
Amortization for the year	*14*	**300,000**	75,000
Balance at end of year		**375,000**	75,000
		P1,125,000	P1,425,000

12. Accounts Payable and Other Current Liabilities

This account consists of:

	Note	2020	2019
Trade payables		**P126,286,574**	P116,278,076
Accrued expenses:			
Project costs		**725,079,841**	2,692,524,938
Others		**11,703,945**	458,653
Retention payable - current portion	*13*	**84,286,295**	-
Construction bond		**36,947,165**	116,792,298
	20	**P984,303,820**	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.

13. Other Noncurrent Liabilities

This account consists of:

	Note	2020	2019
Retention payable	*20*	**P -**	P135,451,756
Unearned rent income		**298,495,422**	483,328,698
Security deposits	*20*	**619,048,115**	581,203,466
Deferred output VAT		**13,621,339**	7,109,916
		P931,164,876	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 P35,635,069 and P31,525,024 in 2020 and 2019, respectively.

The details of security deposits follow:

	Note	**2020**	2019
Security deposits		**P771,937,567**	P768,002,924
Less discount on security deposits		**152,889,452**	186,799,458
	20	**P619,048,115**	P581,203,466

The movement in the unamortized discount on security deposits follows:

	2020	2019
Balance at beginning of period	**P186,799,458**	P130,406,206
Additions - net	**1,725,063**	87,918,276
Accretion	**(35,635,069)**	(31,525,024)
Balance at end of period	**P152,889,452**	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 P41,101,518 and P35,772,929 in 2020 and 2019, respectively.

14. Marketing Expenses

This account consists of:

	2020	2019
Commission	**P22,853,222**	P19,630,744
Marketing	**3,624,709**	14,422,316
	P26,477,931	P34,053,060

15. General and Administrative Expenses

This account consists of:

	Note	2020	2019
Taxes and licenses		**P180,516,879**	P140,735,783
Impairment loss on receivables	6	**33,362,360**	-
Depreciation and amortization	9, 11	**6,707,693**	5,899,876
Insurance		**6,668,924**	4,978,690
Office expenses		**3,525,980**	35,472,433
Professional fees		**1,993,036**	1,021,250
Salaries and wages		**982,191**	2,051,733
Property maintenance		**676,454**	289,338
Association dues		**-**	1,131,147
Miscellaneous		**301,516**	10,200,135
		P234,735,033	P201,780,385

Impairment loss on receivables pertains to discounts and rental waivers granted to tenants due to COVID-19.

16. 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: Due from Related Parties	Outstanding Balance: Due to Related Parties	Receivables	Terms and Conditions
Parent Company							
Rent	**2020**	*a*	**P82,684,585**	**P -**	**P -**	**P26,396,307**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2019	*a*	94,589,749	-	-	-	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	**2020**	*b*	**-**	**-**	**-**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash; no impairment**
	2019	*b*	95,061,375	95,061,375	-	-	Demandable; non-interest bearing; unsecured; payable in cash; no impairment
Entity under Common Control							
Common usage and service	**2020**	*c*	**50,931,810**	**-**	**400**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2019	*c*	85,890,980	-	129,635,483	-	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	**2020**	*d*	**59,376,586**	**-**	**-**	**180,588,928**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2019	*d*	50,939,254	-	-	121,212,342	Demandable; non-interest bearing; unsecured; payable in cash
Reimbursements	**2020**	*d*	**2,983,487**	**2,983,487**	**-**	**-**	**Demandable; non-interest bearing; unsecured; payable in cash; no impairment**
Other Related Parties							
Rent	**2020**	*e*	**19,099,774**	**-**	**-**	**2,651,039**	**Demandable; non-interest bearing; unsecured; payable in cash**
	2019	*e*	25,335,873	-	-	1,654,796	Demandable; non-interest bearing; unsecured; payable in cash
	2020			**P2,983,487**	**P400**	**P209,636,274**	
	2019			P95,061,375	P129,635,483	P122,867,138	

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 17).

b. *Reimbursements*
The amount pertains to reimbursement of operating expenses initially paid by the Company for the related parties. This consists of expenses incurred on print and multimedia and transportation expenses. These are generally trade-related, noninterest-bearing and settled within one year.

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

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

e. *Rent Agreements*
The Company entered into contracts with various entities under Jollibee Foods Corporation (JFC) 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).

On November 19, 2020, the Company entered into 99-year lease agreements, beginning January 1, 2021, with DDMP Serviced Residences, Inc. (DDSRI) and DDMP Tower, Inc. (DDTI) 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.

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

On the same date, the Company entered into a property management agreement with DRPMI. The agreement is valid for five (5) years and shall automatically be renewed for successive 5-year term thereafter, until and unless earlier terminated. As property manager, DRPMI is entitled to receive a fee equivalent to 6% of the quarterly CUSA fees received from the tenants of the Properties but shall not exceed 1% of the net asset value of the properties managed.

In 2020, no fees were recognized since the Company is not yet listed in the PSE.

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

There have been no guarantees/collaterals provided or received for any related party receivables or payables. For the years ended December 31, 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.

17. 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 P1,912,618,974 and P1,777,329,973 in 2020 and 2019, respectively. Rent income based on variable considerations amounted to P13,569,949 and P28,646,567 in 2020 and 2019, respectively.

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

	2020	2019
Less than one year	**P1,806,044,087**	P1,706,752,270
Between one and five years	**4,788,607,837**	5,910,277,505
More than five years	**496,646,776**	1,118,523,010
	P7,091,298,700	P8,735,552,785

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

	2020	2019
Between one to two years	**P1,810,164,319**	P1,802,034,135
Between two to three years	**1,421,327,541**	2,154,602,036
Between three to four years	**923,169,624**	1,519,324,099
Between four to five years	**633,946,353**	434,317,235
	P4,788,607,837	P5,910,277,505

Concentration Risk
As at December 31, 2020 and 2019, 42% of the total gross leasable area are leased by POGO and PAGCOR-accredited BPOs. As of December 31, 2020, none of the POGOs and PAGCOR-accredited BPOs pre-terminated their lease contracts.

18. Income Taxes

The components of the income tax expense are as follows:

	2020	2019
Current	**P245,031,289**	P185,460,084
Deferred	**1,729,257,426**	2,531,620,688
	P1,974,288,715	P2,717,080,772

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:

	2020	2019
Income before income tax	**P7,060,886,710**	P9,408,511,209
Income tax at the statutory income tax rate of 30%	**P2,118,266,013**	P2,822,553,363
Income tax effects of:		
Optional standard deduction	**(136,793,547)**	(102,400,019)
Nontaxable income	**(11,661,757)**	(10,731,879)
Nondeductible expense	**10,690,521**	9,457,507
Interest income subjected to final tax	**(6,212,515)**	(1,798,200)
	P1,974,288,715	P2,717,080,772

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

	December 31, 2020	
	Amount	**DTA (DTL)**
Unearned rent income	**P156,720,965**	**P47,016,290**
Accrued expenses	**107,469**	**32,241**
DTA	**156,828,434**	**47,048,531**
Unrealized gains on fair value of investment property	**(24,750,262,442)**	**(7,425,078,733)**
Accrued rent income	**(747,440,313)**	**(224,232,094)**
Depreciation expense of depreciable investment property	**(915,657,505)**	**(274,697,252)**
DTL	**(26,413,360,260)**	**(7,924,008,079)**
Net DTL	**(P26,256,531,826)**	**(P7,876,959,548)**

	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 of investment property	(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:

2020

	January 1, 2020	**Charged to Profit or Loss**	**December 31, 2020**
Unearned rent income	**P91,331,222**	**(P44,314,932)**	**P47,016,290**
Accrued expenses	**120,000**	**(87,759)**	**32,241**
Unrealized gains on fair value of investment property	**(5,809,965,868)**	**(1,615,112,865)**	**(7,425,078,733)**
Accrued rent income	**(211,901,640)**	**(12,330,454)**	**(224,232,094)**
Depreciation expense of depreciable investment property	**(217,285,836)**	**(57,411,416)**	**(274,697,252)**
	(P6,147,702,122)	**(P1,729,257,426)**	**(P7,876,959,548)**

2019

	January 1, 2019	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 of investment property	(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)

19. Equity/Earnings Per Share

Capital Stock

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

	2020		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

Details of the number of subscribed and outstanding shares are as follows:

	Issued and Outstanding
Balance at January 1, 2018 and December 31, 2018	5,348,274,622
Issuance of shares	12,479,190,784
Balance at December 31, 2019 and 2020	**17,827,465,406**

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 P2,775,025,154 in 2019. Upon full collection, shares were issued to DD.

EPS

EPS is computed as follows:

	2020	2019
Net income attributable to the equity holders of the Company	**P5,086,597,995**	P6,691,430,437
Weighted average number of shares	**17,827,465,406**	7,428,139,753
Basic/Diluted EPS	**P0.29**	P0.90

As at December 31, 2020, 2019, and 2018, the Company has no dilutive debt or equity instruments.

Dividends

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

2020

Type of Dividend	**Date of Declaration**	**Date of Record**	**Date of Payment**	**Per Share**	**Amount**
Cash dividend	March 31, 2020	March 31, 2020	June 5, 2020	**P0.02000**	**P326,242,617**
Cash dividend	June 30, 2020	June 30, 2020	August 15, 2020	**P0.01580**	**281,673,953**
Cash dividend	November 11, 2020	September 30, 2020	November 11, 2020	**P0.01773**	**316,038,021**
Total					**P923,954,591**

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	December 28, 2019	0.0274	488,472,552
Total					P1,274,663,777

Distributable Income
The computation of distributable income of the Parent Company as at December 31, 2020 is shown below:

	2020
Net income of the Company	**P5,086,597,995**
Fair value adjustments of investment Property resulting to gain (after tax)	**(3,768,596,684)**
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS"	**(41,101,518)**
	P1,276,899,793

Out of the available distributable income, P923,954,591 was already declared during the year.

20. 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 related parties and refundable deposits. These financial assets are used to fund the Company's operations and capital expenditures.

Credit Risk
Credit risk represents the risk of loss the Company would incur if the counterparty fails to perform their contractual obligations. The risk arises principally from the Company's cash in banks and short-term placements, receivables, due from related parties and refundable deposits. The Company manages credit risk by dealing with recognized and creditworthy financial institutions. The objective is to reduce the risk of loss through default by counterparties.

As at December 31, 2020 and 2019, receivables from POGO and PAGCOR-accredited BPOs businesses represents about 54% and 26% of the total rent receivables, respectively. As of December 31, 2020 and 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 date follows:

	Note	**2020**	2019
Cash and cash equivalents*	*5*	**P1,037,555,817**	P2,211,607,633
Receivables	*6*	**1,553,569,222**	1,024,755,198
Due from related parties	*16*	**2,983,487**	95,061,375
Refundable deposits**	*11*	**14,907,984**	14,907,984
		P2,609,016,510	P3,346,332,190

**Excluding cash on hand amounting to P12,000 and P333,818 as at December 31, 2020 and 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.

2020

	Financial Assets at Amortized Cost			
	12-month ECL	**Lifetime ECL - not Credit Impaired**	**Lifetime ECL - Credit Impaired**	**Total**
Cash and cash equivalents*	**P1,037,555,817**	**P -**	**P -**	**P1,037,555,817**
Receivables	**211,445,999**	**1,342,123,223**	**-**	**1,553,569,222**
Due from related parties	**2,983,487**	**-**	**-**	**2,983,487**
Refundable deposits**	**14,907,984**	**-**	**-**	**14,907,984**
	P1,266,893,287	**P1,342,123,223**	**P -**	**P2,609,016,510**

**Excluding cash on hand amounting to P12,000 as at December 31, 2020.*
***This is presented as part of "Other noncurrent assets" account.*

2019

	Financial Assets at Amortized Cost			
	12-month ECL	Lifetime ECL - not Credit Impaired	Lifetime ECL - Credit Impaired	Total
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 related parties	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 December 31, 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	*12*	**P984,303,820**	**P984,303,820**	**P984,303,820**	**P -**	**P -**
Due to related parties	*16*	**400**	**400**	**400**	**-**	**-**
Security deposits*	*13*	**619,048,115**	**771,937,567**	**-**	**569,896,866**	**202,040,701**
		P1,603,352,335	**P1,756,241,787**	**P984,304,220**	**P569,896,866**	**P202,040,701**

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

		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 Related Parties, Accounts Payable and Other Current Liabilities and Due to Related Parties

The carrying amounts of the Company's financial assets and liabilities such as cash and cash equivalents, receivables, due from related parties, accounts payable and other current liabilities and due to related parties approximate their fair values due to the relatively short-term nature of these financial instruments.

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 separate statements of financial position. The Company is not subject to externally-imposed capital requirements.

21. Other Matters

Bayanihan Act
On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 25-2020 to implement Section 4 of RA No. 11494 ("Bayanihan to Recover as One Act"), relative to NOLCO which provides that the net operating losses of a business or enterprise incurred for taxable years 2020 and 2021 shall be carried over as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.

The net operating loss for the said taxable years may be carried over as a deduction even after the expiration of RA No. 11494, provided that the same is claimed within the next five consecutive taxable years following the year such loss was incurred.

CREATE Act
On March 26, 2021, the President of the Philippines has approved the Corporate Recovery and Tax Incentives for Enterprises or the CREATE Act, with nine provisions vetoed by the President. Below are the salient features of the Act that are relevant to the Company:

1. Corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5.0 million and with total assets not exceeding P100.0 million. All other domestic corporations and resident foreign corporations will be subject to 25% income tax. The said reductions are effective on July 1, 2020.

2. The imposition of improperly accumulated earnings tax has been repealed.

On April 8, 2021, the Bureau of Internal Revenue (BIR) issued the following implementing revenue regulations that are effective immediately upon publication:

- BIR RR No. 2-2021, amending certain provisions of Revenue Regulations (RR) No. 2-98, As Amended, to implement the amendments introduced by CREATE Act to the National Revenue Code of 1997, as Amended, relative to the final tax on certain passive income;

- BIR RR No. 3-2021, Rules and Regulations implementing section 3 of CREATE Act, amending section 20 of the National Internal Revenue Code of 1997, As Amended;

- BIR RR No. 4-2021, implementing the provisions on VAT and Percentage Tax under CREATE Act, which further amended the National Revenue Code of 1997, as Amended, as implemented by RR No. 16-2005 (Consolidated Value-Added Tax Regulations of 2005), As Amended; and

- BIR RR No. 5-2021, implementing the new income tax rates on the regular income of Corporations, on certain passive incomes, including additional allowable deductions from gross income of "Persons Engaged in Business or Practice of Profession" pursuant to CREATE Act, which further amended the National Revenue Code of 1997. The corporate income tax of the Company will be lowered from 30% to 25%, on which the Company would qualify, effective July 1, 2020.

The enactment of the CREATE Act is a non-adjusting subsequent event thus, the current and deferred income taxes as of December 31, 2020 are measured using the applicable income tax rates as of December 31, 2020.

Presented below is the estimated effect of changes in tax rates under the CREATE Act:

	Increase (Decrease)
LIABILITIES AND EQUITY	
Income tax payable	(P20,420,040)
Deferred tax liabilities - net	(288,208,040)
Retained earnings	308,628,080
	P -
INCOME TAX EXPENSE	(P308,628,080)

Impact of Corona Virus Disease (COVID-19)

The Company believes that the COVID-19 outbreak has not materially and adversely affected its operations. The Company's properties have continued to be operational. The Company anticipates that its rent income will remain stable as a majority of its lease contracts have fixed rates, and are covered for the duration of their lease terms by postdated checks, ample security deposits and advance rentals.

In compliance with the Government's mandate to support micro, small and medium enterprises ("MSMEs") and other tenants during the COVID-19 pandemic, the Company granted concessions to its tenants: the waiver of interest and penalties during the ECQ and MECQ period; rental discounts for all food tenants and MSME retail tenants; and the deferral of rental payments in accordance with the Bayanihan Act and the Bayanihan 2 Act. These concessions were granted subject to conditions like the applicable tenant's commitment to settle any rental arrears, continuous operation of retail tenants and the receipt of post-dated checks for the rent deferral or installment payments.

The Company also granted the application of advance rents to current rental payments to certain tenants subject to the receipt of a replacement check for the replenishment of advance rental within 2021.

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.

<u>Events after the Reporting Date</u>
The following are the events after the reporting date:

- On January 1, 2021, the Group handed over DoubleDragon Tower and Ascott-DD Meridian Park to DDTI and DDSRI, respectively, in accordance with lease agreements signed with both parties.

- On February 10, 2021, the Parent Company sold all of its investments in the subsidiaries to DD and Benedicto Yujuico.

- On April 14, 2021, the Board of Directors approved a Regular Cash Dividend to the Common Shareholders in the gross amount of P365,056,218 or P0.02047718 per share.

  The regular dividends will be paid to all Common Shareholders on record as of April 28, 2021 and will be paid on May 10, 2021.

22. Note to Consolidated Statements of Cash Flows

Additions to investment property in 2020 include noncash additions from recoupment of advances to contractors amounting to P155,295,267.

23. Supplementary Information Required by the Bureau of Internal Revenue

In addition to the disclosures mandated under PFRS, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide, in the notes to the separate financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the separate financial statements which were prepared in accordance with PFRS. The following is the tax information required by Revenue Regulations No. 15-2010 for the taxable year ended December 31, 2020:

A. Value Added Tax (VAT)

1. Output VAT	**P135,484,121**
Basis of the Output VAT:	
Vatable sales	**P1,129,034,345**
Exempt sales	**222,610**
	P1,129,256,955
2. Input VAT	
Beginning of the year	**P639,439,561**
Current year's domestic purchases:	
a. Goods other than for resale or manufacture	**121,815**
b. Services lodged under other accounts	**65,863,952**
c. Capital goods subject to amortization	**495,395**
d. Capital goods not subject to amortization	**-**
e. Input Tax on sales to gov't closed to expense	**(410,657)**
f. Input VAT allocable to exempt sales	**(378)**
g. VAT withheld on Sales to Government	**4,409,625**
	709,919,313
Output VAT application	**135,484,121**
Balance at the end of the year	**P574,435,193**

B. Withholding Taxes

Tax on compensation and benefits	**P4,238**
Creditable withholding taxes	**12,905,311**
Final withholding taxes	**32,891,581**
	P45,801,131

C. All Other Taxes (Local and National)

Other taxes paid during the year recognized under "Taxes and licenses" account under General and Administrative Expenses	
Real property tax	**P162,280,769**
License and permit fees	**17,037,644**
Documentary stamp tax	**946,357**
Others	**252,109**
	P180,516,879

Information on landed cost of imports and amount of custom duties and tariff fees paid or accrued and amount of excise taxes are not applicable since there are no transactions that the Company would be subjected to these taxes.

D. Tax Cases and Assessments

As of December 31, 2020, the Company has no pending tax cases nor has received tax assessment notices from the BIR.

AMENDED GENERAL INFORMATION SHEET (GIS)

FOR THE YEAR 2020

STOCK CORPORATION

GENERAL INSTRUCTIONS:

1. FOR USER CORPORATION: THIS GIS SHOULD BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE ANNUAL STOCKHOLDERS' MEETING. **DO NOT LEAVE ANY ITEM BLANK.** WRITE "N.A." IF THE INFORMATION REQUIRED IS NOT APPLICABLE TO THE CORPORATION OR "NONE" IF THE INFORMATION IS NON-EXISTENT. IF THE ANNUAL STOCKHOLDERS' MEETING IS HELD ON A DATE OTHER THAN THAT STATED IN THE BY-LAWS, THE GIS SHALL BE SUBMITTED WITHIN THIRTY (30) CALENDAR DAYS AFTER THE ELECTION OF THE DIRECTORS, TRUSTEES AND OFFICERS OF THE CORPORATION AT THE ANNUAL MEMBERS' MEETING.
2. IF NO MEETING IS HELD, THE CORPORATION SHALL SUBMIT THE GIS NOT LATER THAN JANUARY 30 OF THE FOLLOWING YEAR. HOWEVER, SHOULD AN ANNUAL STOCKHOLDERS' MEETING BE HELD THEREAFTER, A NEW GIS SHALL BE SUBMITTED/FILED.
3. THIS GIS SHALL BE ACCOMPLISHED IN ENGLISH AND CERTIFIED AND SWORN TO BY THE **CORPORATE SECRETARY** OF THE CORPORATION.
4. THE SEC SHOULD BE TIMELY APPRISED OF RELEVANT CHANGES IN THE SUBMITTED INFORMATION AS THEY ARISE. FOR CHANGES RESULTING FROM ACTIONS THAT AROSE BETWEEN THE ANNUAL MEETINGS, THE CORPORATION SHALL SUBMIT AMENDED GIS CONTAINING THE NEW INFORMATION TOGETHER WITH A COVER LETTER SIGNED THE CORPORATE SECRETARY OF THE CORPORATION. THE AMENDED GIS AND COVER LETTER SHALL BE SUBMITTED WITHIN SEVEN (7) DAYS AFTER SUCH CHANGE OCCURED OR BECAME EFFECTIVE.
5. SUBMIT FOUR (4) COPIES OF THE GIS TO THE RECEIVING SECTION AT THE SEC MAIN OFFICE, OR TO SEC SATELLITE OFFICES OR EXTENSION OFFICES. ALL COPIES SHALL UNIFORMLY BE ON A4 OR LETTER-SIZED PAPER. THE PAGES OF ALL COPIES SHALL USE ONLY ONE SIDE
6. **ONLY THE GIS ACCOMPLISHED IN ACCORDANCE WITH THESE INSTRUCTIONS SHALL BE CONSIDERED AS HAVING BEEN FILED.**
7. THIS GIS MAY BE USED AS EVIDENCE AGAINST THE CORPORATION AND ITS RESPONSIBLE DIRECTORS/OFFICERS FOR ANY VIOLATION OF EXISTING LAWS, RULES AND REGULATIONS

=============================== PLEASE PRINT LEGIBLY ===================================

CORPORATE NAME: DDMP REIT, INC. (FORMERLY DD-MERIDIAN PARK DEVELOPMENT CORP.)		**DATE REGISTERED:** 10/27/2014
BUSINESS/TRADE NAME: DDMP REIT, INC. (FORMERLY DD-MERIDIAN PARK DEVELOPMENT CORP.)		**FISCAL YEAR END:** December 31
SEC REGISTRATION NUMBER: CS201420992		
DATE OF ANNUAL MEETING PER BY-LAWS: Last Friday of the Month of August Each Year		**CORPORATE TAX IDENTIFICATION NUMBER (TIN)** 008-893-096
ACTUAL DATE OF ANNUAL MEETING: November 17, 2020		**WEBSITE/URL ADDRESS:** http://ddmpreit.com/
COMPLETE PRINCIPAL OFFICE ADDRESS: DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, corner Macapagal Avenue & EDSA Extension, Bay Area, Pasay City		**E-MAIL ADDRESS:** joselito.barrera@doubledragon.com.ph
COMPLETE BUSINESS ADDRESS: DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, corner Macapagal Avenue & EDSA Extension, Bay Area, Pasay City		**FAX NUMBER:** (02) 8856-9111
NAME OF EXTERNAL AUDITOR & ITS SIGNING PARTNER: R.G. Manabat & Co./Darwin P. Virocel	**SEC ACCREDITATION NUMBER (if applicable):** 1386-AR, Group A	**TELEPHONE NUMBER(S):** (02) 8856-7111
PRIMARY PURPOSE/ACTIVITY/INDUSTRY PRESENTLY ENGAGED IN: To engage in the business of real estate development, including but not limited to residential and commercial subdivisions, buildings and condominium projects in accordance with Republic Act 4726 (otherwise known as The Condominium Act) as amended; to buy and acquire by purchase; lease or otherwise, lands and interest in lands and to own, hold, impose, promote, develop, subdivide and manage any land owned, held or occupied by the Corporation or belonging to them, to construct, erect and manage or administer buildings such as condominiums, apartment hotels, restaurants, stores or other structures now or hereafter erected on any land owned, held or occupied and mortgage. Sell, lease or otherwise dispose of lands or interests in lands and buildings or other structures at anytime for such other lawful, commercial and charitable purpose as may be deem proper for the corporation. (as amended on 4 March 2011)	**INDUSTRY CLASSIFICATION:** Real Estate	**GEOGRAPHICAL CODE:** N/A

=============================== INTERCOMPANY AFFILIATIONS ======================================

PARENT COMPANY	SEC REGISTRATION NO.	ADDRESS
DoubleDragon Properties Corp.	CS200930354	DD Headquarters, 10th Floor, Tower 1, DoubleDragon Plaza, DD Meridian Park, corner Macapagal Avenue & EDSA Extension, Bay Area, Pasay City
SUBSIDIARY/AFFILIATE	**SEC REGISTRATION NO.**	**ADDRESS**

NOTE: USE ADDITIONAL SHEET IF NECESSARY

GENERAL INFORMATION SHEET

STOCK CORPORATION

================================ PLEASE PRINT LEGIBLY ================================

Corporate Name: w

A. Is the Corporation a covered person under the Anti Money Laundering Act (AMLA), as amended? (Rep. Acts. 9160/9164/10167/10365) ○ Yes ● No

Please check the appropriate box:

1.

☐ a. Banks
☐ b. Offshore Banking Units
☐ c. Quasi-Banks
☐ d. Trust Entities
☐ e. Non-Stock Savings and Loan Associations
☐ f. Pawnshops
☐ g. Foreign Exchage Dealers
☐ h. Money Changers
☐ i. Remittance Agents
☐ j. Electronic Money Issuers
☐ k. Financial Institutions which Under Special Laws are subject to Bangko Sentral ng Pilipinas' (BSP) supervision and/or regulation, including their subsidiaries and affiliates.

2.

☐ a. Insurance Companies
☐ b. Insurance Agents
☐ c. Insurance Brokers
☐ d. Professional Reinsurers
☐ e. Reinsurance Brokers
☐ f. Holding Companies
☐ g. Holding Company Systems
☐ h. Pre-need Companies
☐ i. Mutual Benefit Association
☐ j. All Other Persons and entities supervised and/or regulated by the Insurance Commission (IC)

3.

☐ a. Securities Dealers
☐ b. Securities Brokers
☐ c. Securities Salesman
☐ d. Investment Houses
☐ e. Investment Agents and Consultants
☐ f. Trading Advisors
☐ g. Other entities managing Securities or rendering similar services
☐ h. Mutual Funds or Open-end Investment Companies
☐ i. Close-end Investment Companies
☐ j. Common Trust Funds or Issuers and other similar entities
☐ k. Transfer Companies and other similar entities
☐ l. Other entities administering or otherwise dealing in currency, commodities or financial derivatives based there on
☐ m. Entities administering of otherwise dealing in valuable objects
☐ n. Entities administering or otherwise dealing in cash Substitutes and other similar monetary instruments or property supervised and/or regulated by the Securities and Exchange Commission (SEC)

4. ☐ Jewelry dealers in precious metals, who, as a business, trade in precious metals

5 ☐ Jewelry dealers in precious stones, who, as a business, trade in precious stone

6. Company service providers which, as a business, provide any of the following services to third parties:

☐ a. acting as a formation agent of juridical persons
☐ b. acting as (or arranging for another person to act as) a director or corporate secretary of a company, a partner of a partnership, or a similar position in relation to other juridical persons
☐ c. providing a registered office, business address or accommodation, correspondence or administrative address for a company, a partnership or any other legal person or arrangement
☐ d. acting as (or arranging for another person to act as) a nominee shareholder for another person

7. Persons who provide any of the following services:

☐ a. managing of client money, securities or other assets
☐ b. management of bank, savings or securities accounts
☐ c. organization of contributions for the creation, operation or management of companies
☐ d. creation, operation or management of juridical persons or arrangements, and buying and selling business entities

8. ☐ None of the above

Describe nature of business:	

B. Has the Corporation complied with the requirements on Customer Due Diligence (CDD) or Know Your Customer (KYC), record-keeping, and submission of reports under the AMLA, as amended, since the last filing of its GIS? ○ Yes ● No

GENERAL INFORMATION SHEET
STOCK CORPORATION
=================================== PLEASE PRINT LEGIBLY ===================================

CORPORATE NAME: DDMP REIT, INC. (FORMERLY DD-MERIDIAN PARK DEVELOPMENT CORP.)

CAPITAL STRUCTURE

AUTHORIZED CAPITAL STOCK

	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP) (No. of shares X Par/Stated Value)
	COMMON	17,830,000,000	1.00	17,830,000,000.00
	TOTAL	17,830,000,000	TOTAL P	17,830,000,000.00

SUBSCRIBED CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	13	COMMON	17,827,465,406		1.00	17,827,465,406.00	100%
		TOTAL	17,827,465,406	TOTAL	TOTAL P	17,827,465,406.00	100%

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	NUMBER OF SHARES IN THE HANDS OF THE PUBLIC **	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
Percentage of Foreign Equity :		TOTAL		TOTAL	TOTAL P		
					TOTAL SUBSCRIBED P	17,827,465,406.00	100%

PAID-UP CAPITAL

FILIPINO	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
	13	COMMON	17,827,405,406	1.00	17,827,465,406.00	100%
		TOTAL	17,827,405,406	TOTAL P	17,827,465,406.00	100%

FOREIGN (INDICATE BY NATIONALITY)	NO. OF STOCK-HOLDERS	TYPE OF SHARES *	NUMBER OF SHARES	PAR/STATED VALUE	AMOUNT (PhP)	% OF OWNERSHIP
0.00 %		TOTAL		TOTAL P		
				TOTAL PAID-UP P	17,827,465,406.00	100%

NOTE: USE ADDITIONAL SHEET IF NECESSARY

* Common, Preferred or other classification

** Other than Directors, Officers, Shareholders owning 10% of outstanding shares.

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: DDMP REIT, INC. (FORMERLY DD-MERIDIAN PARK DEVELOPMENT CORP.)

DIRECTORS / OFFICERS

NAME/CURRENT RESIDENTIAL ADDRESS	NATIONALITY	INC'R	BOARD	GENDER	STOCK HOLDER	OFFICER	EXEC. COMM.	TAX IDENTIFICATION NUMBER
1. **EDGAR J. SIA II** 38 B Luna Gardens, Rockwell, Makati City	Filipino	Y	C	M	Y	Chairman		192-003-450
2. **TONY TAN CAKTIONG**	Filipino	Y	M	M	Y	Co-Chairman		111-391-733
3. **FERDINAND J. SIA**	Filipino	Y	M	M	Y	President		917-782-960
4. **RIZZA MARIE JOY J. SIA**	Filipino	Y	N	F	N	Treasurer		286-871-120
5. **WILLIAM TAN UNTIONG**	Filipino	Y	M	M	Y	Corporate Secretary		111-391-779
6. **JESUS EMMANUEL YUJUICO** No. 90 10th St. North Greenhills, San Juan, Metro Manila	Filipino	N	M	M	Y	Director		136-614-744
7. **JAIME RAFAEL YUJUICO**	Filipino	N	M	M	Y	Director		228-649-060
8. **ANTONIO L. GO**	Filipino	N	Y	M	Y	Independent Director		100-929-712
9. **EDGARDO G. LACSON**	Filipino	N	Y	M	Y	Independent Director		127-418-012
10. **RENE J. BUENAVENTURA**	Filipino	N	Y	M	Y	Independent Director		123-371-000
11. **YOLYVIC L. ONATO**	Filipino	N	N	F	N	Investor Relations Officer		486-076-853
12. **JOSELITO L. BARRERA JR.**	Filipino	N	N	M	N	Compliance Officer		200-606-836
13. **nothing follows**								

INSTRUCTION:

FOR SEX COLUMN, PUT "F" FOR FEMALE, "M" FOR MALE.
FOR BOARD COLUMN, PUT "C" FOR CHAIRMAN, "M" FOR MEMBER, "I" FOR INDEPENDENT DIRECTOR.
FOR INC'R COLUMN, PUT "Y" IF AN INCORPORATOR, "N" IF NOT.
FOR STOCKHOLDER COLUMN, PUT "Y" IF A STOCKHOLDER, "N" IF NOT.
FOR OFFICER COLUMN, INDICATE PARTICULAR POSITION IF AN OFFICER, FROM VP UP INCLUDING THE POSITION OF THE TREASURER, SECRETARY, COMPLIANCE OFFICER AND/OR ASSOCIATED PERSON.
FOR EXECUTIVE COMMITTEE, INDICATE "C" IF MEMBER OF THE COMPENSATION COMMITTEE; "A" FOR AUDIT COMMITTEE; "N" FOR NOMINATION AND ELECTION COMMITTEE. ADDITIONALLY WRITE "C" AFTER SLASH IF CHAIRMAN AND "M" IF MEMBER.

GENERAL INFORMATION SHEET

STOCK CORPORATION

=============================== PLEASE PRINT LEGIBLY ===============================

CORPORATE NAME:	**DDMP REIT, INC. (FORMERLY DD-MERIDIAN PARK DEVELOPMENT CORP.)**		
TOTAL NUMBER OF STOCKHOLDERS:	**13**	**NO. OF STOCKHOLDERS WITH 100 OR MORE SH.**	3
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	**PHP 42,270,538,795**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	**SHARES SUBSCRIBED**				**AMOUNT PAID (PhP)**	**TAX IDENTIFICATION NUMBER**
	TYPE	**NUMBER**	**AMOUNT (PhP)**	**% OF OWNER-SHIP**		
1 **DOUBLEDRAGON PROPERTIES CORP.**	COMMON	12,479,240,774	12,479,240,774.00	70.00%	12,479,240,774.00	287-191-423
Filipino						
10th Floor Tower 1 DoubleDragon Plaza, DD Meridian Park Cor. Macapagal Avenue & Edsa Extension Bay Area, Pasay City						
	TOTAL	**12,479,240,774**	**12,479,240,774.00**			
2. **BENEDICTO V. YUJUICO**	COMMON	2,716,957,242	2,716,957,242.00	15.24%	2,716,957,242.00	129-389-277
Filipino						
	TOTAL	**2,716,957,242**	**2,716,957,242.00**			
3. **TERESITA M. YUJUICO**	COMMON	2,631,267,380	2,631,267,380.00	14.76%	2,631,267,380.00	172-685-894
Filipino						
	TOTAL	**2,631,267,380**	**2,631,267,380.00**			
4. **EDGAR J. SIA II**	COMMON	1	1.00	0.00%	1.00	192-003-450
Filipino						
	TOTAL	**1**	**1.00**			
5. **FERDINAND J. SIA**	COMMON	1	1.00	0.00%	1.00	917-782-960
Filipino						
	TOTAL	**1**	**1.00**			
6. **WILLIAM TAN UNTIONG**	COMMON	1	1.00	0.00%	1.00	111-391-779
Filipino						
	TOTAL	**1**	**1.00**			
7. **TONY TAN CAKTIONG**	COMMON	1	1.00	0.00%	1.00	111-391-773
Filipino						
	TOTAL	**1**	**1.00**			
TOTAL AMOUNT OF SUBSCRIBED CAPITAL						
			TOTAL AMOUNT OF PAID-UP CAPITAL			

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note:* *For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.

GENERAL INFORMATION SHEET

STOCK CORPORATION

==================================== PLEASE PRINT LEGIBLY ==================================

CORPORATE NAME:	**DDMP REIT, INC. (FORMERLY DD-MERIDIAN PARK DEVELOPMENT CORP.)**		
TOTAL NUMBER OF STOCKHOLDERS:	13	**NO. OF STOCKHOLDERS WITH 100 OR MORE SHARES EACH:**	3
TOTAL ASSETS BASED ON LATEST AUDITED FINANCIAL STATEMENTS:	**PHP 42,270,538,795**		

STOCKHOLDER'S INFORMATION

NAME, NATIONALITY AND CURRENT RESIDENTIAL ADDRESS	**SHARES SUBSCRIBED**				**AMOUNT PAID (PhP)**	**TAX IDENTIFCATION NUMBER**
	TYPE	**NUMBER**	**AMOUNT (PhP)**	**% OF OWNER-SHIP**		
8. **JAIME RAFAEL YUJUICO** Filipino	COMMON	1	1.00	0.00%	1.00	228-649-060
	TOTAL	**1**	**1.00**			
9. **JESUS EMMANUEL YUJUICO** Filipino	COMMON	1	1.00	0.00%	1.00	136-614-744
	TOTAL	**1**	**1.00**			
14. **JOHN MICHAEL FRANCIS M. YUJUICO** Filipino	COMMON	1	1.00	0.00%	1.00	136-614-744
	TOTAL	**1**	**1.00**			
11. **ANTONIO L. GO** Filipino	COMMON	1	1.00	0.00%	1.00	100-929-712
		1	**1.00**			
12. **EDGARDO G. LACSON** Filipino	COMMON	1	1.00	0.00%	1.00	127-418-012
		1	**1.00**			
13. **RENE J. BUENAVENTURA** Filipino	COMMON	1	1.00	0.00%	1.00	123-971-000
		1	**1.00**			
14. ***** NOTHING FOLLOWS *****						
	TOTAL					
TOTAL AMOUNT OF SUBSCRIBED CAPITAL			17,827,465,406	**100.00%**	**17,827,465,406.00**	
			TOTAL AMOUNT OF PAID-UP CAPITAL			

INSTRUCTION: SPECIFY THE TOP 20 STOCKHOLDERS AND INDICATE THE REST AS OTHERS

Note: ***For PDTC Nominee included in the list, please indicate further the beneficial owners owning more than 5% of any class of the company's voting securities. Attach separate sheet, if necessary.***

GENERAL INFORMATION SHEET

STOCK CORPORATION

PLEASE PRINT LEGIBLY

CORPORATE NAME: DDMP REIT, INC. (FORMERLY DD-MERIDIAN PARK DEVELOPMENT CORP.)

1. INVESTMENT OF CORPORATE FUNDS IN ANOTHER CORPORATION	AMOUNT (PhP)	DATE OF BOARD RESOLUTION
1.1 STOCKS		
1.2 BONDS/COMMERCIAL PAPER (Issued by Private Corporations)		
1.3 LOANS/ CREDITS/ ADVANCES		
1.4 GOVERNMENT TREASURY BILLS		
1.5 OTHERS		

2. INVESTMENT OF CORPORATE FUNDS IN ACTIVITIES UNDER ITS SECONDARY PURPOSES (PLEASE SPECIFY:)	DATE OF BOARD RESOLUTION	DATE OF STOCKHOLDERS RATIFICATION

3. TREASURY SHARES	NO. OF SHARES	% AS TO THE TOTAL NO. OF SHARES ISSUED

4. UNRESTRICTED/UNAPPROPRIATED RETAINED EARNINGS AS OF END OF LAST FISCAL YEAR — 13,526,642,281

5. DIVIDENDS DECLARED DURING THE IMMEDIATELY PRECEDING YEAR:

TYPE OF DIVIDEND	AMOUNT (PhP)	DATE DECLARED
5.1 CASH	217,138,529.00	March 15, 2019
	237,461,839.00	June 28, 2019
	331,590,857.00	September 30, 2019
	488,472,552.00	December 28, 2019
	326,242,617.00	March 31, 2020
	281,673,953.00	June 30, 2020
5.2 STOCK		
5.3 PROPERTY		
TOTAL	P	

6. ADDITIONAL SHARES ISSUED DURING THE PERIOD:

DATE	NO. OF SHARES	AMOUNT

SECONDARY LICENSE/REGISTRATION WITH SEC AND OTHER GOV'T AGENCY:

NAME OF AGENCY:	SEC	B S P	I C
TYPE OF LICENSE/REGN.			
DATE ISSUED:			
DATE STARTED OPERATIONS:			

TOTAL ANNUAL COMPENSATION OF DIRECTORS DURING THE PRECEDING FISCAL YEAR (in PhP)	TOTAL NO. OF OFFICERS	TOTAL NO. OF RANK & FILE EMPLOYEES	TOTAL MANPOWER COMPLEMENT

NOTE: USE ADDITIONAL SHEET IF NECESSARY

I, **WILLIAM TAN UNTIONG**, Corporate Secretary of **DDMP REIT, INC. (FORMERLY DD-MERIDIAN PARK DEVELOPMENT CORP.)** declare under penalty of perjury that all matters set forth in this GIS have been made in good faith, duly verified by me and to the best of my knowledge and belief are true and correct.

I hereby attest that all the information in this GIS are being submitted in compliance with the rules and regulations of the Securities and Exchange Commission (SEC) the collection, processing, storage and sharing of said information being necessary to carry out the functions of public authority for the performance of the constitutionally and statutorily mandated functions of the SEC as a regulatory agency.

I further attest that I have been authorized by the Board of Directors/Trustees to file this GIS with the SEC.

I understand that the Commission may place the corporation under delinquent status for failure to submit the reportorial requirements three (3) times, consecutively or intermittently, within a period of five (5) years (*Section 177, RA No. 11232*).

p

WILLIAM TAN UNTIONG
CORPORATE SECRETARY

SUBSCRIBED AND SWORN TO before me in PASAY CITY on FEB 10 2021 by affiant who personally appeared before me and exhibited to me his/her competent evidence of identity consisting of his Passort No. P4278187B issued at DFA NCR East on January 2, 2020.

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Series of 2021

NOTARY PUBLIC

ERIKA ESTEL G. CUSI
Notary Public for Pasay
Until December 31, 2021
Commission No.
Roll No. 63306
IBP Lifetime Member No. 012614 03/28/2014
PTR No. 7353012 01/04/2021/Pasay City
DoubleDragon Headquarters, 10th Floor, Tower 1
DoubleDragon Plaza, DD Meridian Park
Cor. Macapagal Avenue & EDSA Ext., Bay Area, Pasay City