

**COVER SHEET**

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S.E.C. Registration Number

D D M P R E I T , I N C .

(Company's Full Name)

D D M E R I D I A N P A R K A R E A C O R .

M A C A P A G A L A V E . A N D E D S A E X T .

B L V D . S A N R A F A E L , P A S A Y C I T Y

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

Rizza Marie Joy Sia

Contact Person

(02) 8856-7111

Company Telephone Number

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Month

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Day

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FORM TYPE

1 1

Month

1 1

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

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Cashier

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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-O for the Second Quarter of 2021**  
(Form Type)

**N/A**  
Amendment Designation

**N/A**  
Period Ended Date

**N/A**  
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended **June 30, 2021**
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
<b><u>Common Shares</u></b>	<b><u>17,827,465,406</u></b>

11. Are any or all of the securities listed on a Stock Exchange?  
Yes  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  No  N/A

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

Yes  No  N/A

## **PART I--FINANCIAL INFORMATION**

### **Item 1. Financial Statements.**

The following financial statements are submitted as part of this report:

- a) Unaudited Condensed Consolidated Interim Statements of Comprehensive Income for the three months ended June 30, 2021 and June 30, 2020; Unaudited Condensed Consolidated Interim Statements of Comprehensive Income for the six months ended June 30, 2021 and June 30, 2020;
- b) Notes to the Unaudited Condensed Consolidated Interim Financial Statement
- c) Unaudited Condensed Consolidated Interim Statements of Financial Position as of June 30, 2021 and December 31, 2020 (audited);
- d) Unaudited Condensed Consolidated Interim Statements of Changes in Equity for the six months ended June 30, 2021 and June 30, 2020; and
- e) Unaudited Condensed Consolidated Interim Statements of Cash Flows for the six months ended June 30, 2021 and June 30, 2020.

### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

## **PART II—OTHER INFORMATION**

### **Item 3. Summary of Real Estate transactions for 1H 2021**

### **Item 4. Property Performance and Valuation**

### **Item 5. Comparative summary of the quarterly financial performance**

- Please refer to Item 2

### **Item 6. Status of the implementation of the Reinvestment Plan**

- Please refer to the attached Application of Proceeds for the Second Quarter of 2021 generated from the Initial Public Offering (IPO) of DDMP REIT, Inc. ("DDMPR") pursuant to the Reinvestment Plan of DoubleDragon Properties Corp., Benedicto V. Yujuico and Teresita M. Yujuico, as Sponsors of DDMP REIT, Inc.

# DDMP REIT, INC.

(formerly DD-MERIDIAN PARK DEVELOPMENT CORP.)

(A Subsidiary of DoubleDragon Properties Corp.)

## **UNAUDITED CONDENSED**

## **INTERIM FINANCIAL STATEMENTS**

**As of June 30, 2021 and December 31, 2020 and**

**For the Six Months Ended June 30, 2021 and 2020**

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

**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	<b>June 30, 2021</b>	December 31, 2020
	<b>(Unaudited)</b>	<b>(Audited)</b>
	<i>Amount in PHP</i>	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	749,800,491	1,088,817,817
Receivables	2,114,183,567	1,553,569,222
Due from Parent Company	-	2,356,247
Prepaid expenses and other current assets	579,764,690	724,467,731
<b>Total Current Assets</b>	<b>3,443,748,748</b>	<b>3,369,211,017</b>
<b>Noncurrent Assets</b>		
Property and equipment – net	14,834,419	18,069,828
Investment property	40,539,881,575	41,477,970,085
Finance lease receivable	1,063,675,926	-
Deferred tax Asset	-	188,172
Other noncurrent assets	436,713,233	488,225,160
<b>Total Noncurrent Assets</b>	<b>42,055,105,153</b>	<b>41,984,453,245</b>
<b>Total Assets</b>	<b>45,498,853,901</b>	<b>45,353,664,262</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities	898,290,038	984,303,820
Due to Related Party	-	400
Income Tax Payable	-	44,923,595
<b>Total Current Liabilities</b>	<b>898,290,038</b>	<b>1,029,227,815</b>
<b>Noncurrent Liabilities</b>		
Deferred tax liability – net	6,614,546,911	7,876,959,548
Other noncurrent liabilities	957,727,020	931,164,876
<b>Total Noncurrent liabilities</b>	<b>7,572,273,931</b>	<b>8,808,124,424</b>
<b>Total Liabilities</b>	<b>8,470,563,969</b>	<b>9,837,352,239</b>
<b>Equity</b>		
Capital stock	17,827,465,406	17,827,465,406
Retained earnings	19,200,824,526	17,688,846,617
<b>Total Equity</b>	<b>37,028,289,932</b>	<b>35,516,312,023</b>
<b>Total Liabilities and Equity</b>	<b>45,498,853,901</b>	<b>45,353,664,262</b>

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

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**UNAUDITED CONDENSED INTERIM**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2021 and 2020**

	<b>June 30, 2021</b>	June 30, 2020
	<b>(Unaudited)</b>	(Unaudited)
	<i>Amount in PHP</i>	
<b>INCOME</b>		
Unrealized gains from changes in fair values of investment property	-	5,418,517,007
Rent income	<b>998,648,622</b>	984,378,775
CUSA	<b>57,639,696</b>	-
Interest income	<b>14,080,424</b>	17,337,601
Other income	<b>129,300,837</b>	29,248,653
	<b>1,199,669,579</b>	6,449,482,036
<b>COSTS AND EXPENSES</b>		
General and administrative expenses	<b>98,495,279</b>	86,321,903
Marketing expenses	<b>13,317,651</b>	18,252,958
Interest expense	<b>27,127,892</b>	14,136,892
Other expenses	<b>87,572,492</b>	-
	<b>226,513,314</b>	118,711,753
<b>INCOME BEFORE INCOME TAX</b>	<b>973,156,265</b>	6,330,770,283
<b>INCOME TAX BENEFIT (EXPENSE)</b>	<b>1,262,412,637</b>	(1,832,612,901)
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>2,235,568,902</b>	4,498,157,382

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

**UNAUDITED CONDENSED INTERIM**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED JUNE 30, 2021 and 2020**

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)
	<i>Amount in PHP</i>	
<b>INCOME</b>		
Unrealized gains from changes in fair values of investment property	-	5,418,517,007
Rent income	<b>490,058,728</b>	484,856,065
CUSA	<b>57,639,696</b>	-
Interest income	<b>4,453,839</b>	14,234,201
Other income	<b>85,543,187</b>	9,474,454
	<b>637,695,450</b>	5,927,081,727
<b>COSTS AND EXPENSES</b>		
General and administrative expenses	<b>45,354,026</b>	41,353,250
Marketing expenses	<b>7,159,270</b>	5,722,235
Interest expense	<b>18,077,296</b>	9,152,817
Other expenses	<b>87,572,492</b>	-
	<b>158,163,084</b>	56,228,302
<b>INCOME BEFORE INCOME TAX</b>	<b>479,532,366</b>	5,870,853,425
<b>INCOME TAX BENEFIT (EXPENSE)</b>	<b>1,356,390,196</b>	(1,730,492,576)
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>1,835,922,562</b>	4,140,360,849



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

**UNAUDITED CONDENSED INTERIM**  
**STATEMENTS OF CHANGES IN EQUITY**

**For the Six Months Ended June 30**

	<b>2021</b>	2020
<i>Amount in PHP</i>		
<b>CAPITAL STOCK - P1 par value</b>		
<b>Issued and outstanding</b>		
Balance at end of year	<b>17,827,465,406</b>	17,827,465,406
<b>RETAINED EARNINGS</b>		
Balance at beginning of year	<b>17,689,285,685</b>	13,526,642,281
Net income/total comprehensive income for the year	<b>2,235,568,902</b>	4,498,157,382
Dividends	<b>(724,030,061)</b>	(326,242,617)
Balance at end of year	<b>19,200,824,526</b>	17,698,557,046
	<b>37,028,289,932</b>	35,526,022,452

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

**UNAUDITED CONDENSED INTERIM**  
**SEPARATE STATEMENTS OF CASH FLOWS**

	<b>For the Six Months Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
	<i>Amount in PHP</i>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>973,156,265</b>	6,330,770,283
Adjustments for:		
Interest expense	<b>27,127,892</b>	18,252,958
Interest income	<b>(14,080,424)</b>	(17,337,601)
Depreciation and amortization	<b>3,385,410</b>	3,324,980
Unrealized gains from changes in fair values of investment property	-	(5,418,517,007)
Operating income before working capital changes	<b>989,589,143</b>	916,493,613
Decrease (increase) in:		
Receivables	<b>571,438,688</b>	(499,967,537)
Due from related parties	<b>2,983,487</b>	50,343,064
Prepaid expenses and other current assets	<b>180,690,253</b>	134,115,948
Increase (decrease) in:		
Accounts payable and other current liabilities	<b>(86,013,782)</b>	(41,387,052)
Due to related parties	<b>(400)</b>	20,867,804
Other noncurrent liabilities	<b>(565,748)</b>	31,105,953
Cash generated from operations	<b>1,658,121,641</b>	611,571,793
Interest received	<b>539,197</b>	16,830,275
Income tax paid	<b>(80,910,807)</b>	(67,662,108)
Net cash provided by operating activities	<b>1,577,750,031</b>	560,739,960
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to investment property	<b>(150,700,476)</b>	(167,250,832)
Sale of subsidiaries	<b>51,250,000</b>	-
Decrease in other noncurrent assets	<b>51,361,927</b>	74,284,019
Finance lease	<b>(1,093,398,747)</b>	-
Acquisition of property and equipment	-	(245,500)
Net cash used in investing activities	<b>(1,141,487,296)</b>	(93,212,313)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	<b>(724,030,061)</b>	(800,061,034)
Net cash used in financing activities	<b>(724,030,061)</b>	(800,061,034)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(287,767,326)</b>	(332,533,387)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,037,567,817</b>	2,211,941,451
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>749,800,491</b>	1,879,408,064

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

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**NOTES TO THE UNAUDITED CONDENSED  
INTERIM FINANCIAL STATEMENTS**

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**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.

As at June 30, 2021 and December 31, 2020, 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.

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

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 six months ended June 30, 2021 and 2020 refers to the individual financial statements of the Parent Company.

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.

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## 2. Basis of Preparation

The condensed consolidated interim financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2020. The condensed interim financial statements do not include all the information required for a complete set of financial statements in accordance with Philippine Financial Reporting Standards (PFRS), and should be read in conjunction with the audited consolidated financial statements of DDMP REIT, INC. as at and for the year ended December 31, 2020. The audited financial statements are available upon request from the Group’s registered office at DD Meridian Park Bay Area, Corner Macapagal Avenue and EDSA Extension Boulevard, Brgy. 76 Zone 10, San Rafael, Pasay City, Metro Manila.

The condensed interim financial statements are presented in Philippine peso and all values are rounded off to the nearest peso, except when otherwise indicated.

### Basis of Consolidation

The financial statements include the accounts of the Parent Company and the Subsidiaries as December 31, 2020.

The equity interests of the Parent Company in the Subsidiaries as at June 30, 2021 and December 31, 2020 are as follows:

Subsidiaries	Percentage of Ownership	
	June 30, 2021	December 31, 2020
DRFMI <sup>(a)</sup>	-	100
DRPMI <sup>(a)</sup>	-	100

(a) Incorporated on November 19, 2020

The financial statements include the accounts of the Parent Company and the Subsidiaries as December 31, 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.

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### 3. Summary of Significant Accounting Policies

Except as described below, the accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its consolidated financial statements as of and for the year ended December 31, 2020. The following changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as of and for the year ended December 31, 2021.

#### 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 PFRS is not expected to have any material effect on the separate financial statements of the Company.

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#### 4. Use of Judgments and Estimates

In preparing the condensed interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those the applied to the consolidated financial statements as at and for the year ended December 31, 2020.

##### 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.

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#### 5. Cash and Cash Equivalents

This account consists of:

	June 30, 2021	December 31, 2020
Cash on hand and in banks	P749,800,491	P579,784,386
Short-term placements	-	509,033,431
	<b>P749,800,491</b>	<b>P1,088,817,817</b>

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 P539,197 and P17,337,601 for the six months ending June 30, 2021 and in 2020 respectively.

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#### 6. Receivables

This account consists of:

	June 30, 2021	December 31, 2020
Rent receivable	P2,063,020,560	P1,342,123,223
Finance lease receivable	31,764,048	-
Receivables from tenants	18,164,303	17,792,480
Non-trade receivable	-	192,219,259
Accrued interest	-	120,188
Others	1,234,656	1,314,072
	<b>P2,114,183,567</b>	<b>P1,553,569,222</b>

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 P773,658,591 and P747,440,316, as at June 30, 2021 and December 31, 2020, respectively.



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## 7. Prepaid Expenses and Other Current Assets

This account consists of:

	<b>June 30, 2021</b>	December 31, 2020
Input VAT – net	<b>P385,377,648</b>	P474,723,081
Prepaid real property taxes	<b>97,626,681</b>	207,560,850
Prepaid tax	<b>96,025,019</b>	35,470,056
Other current asset	<b>735,342</b>	6,713,744
	<b>P579,764,690</b>	P724,467,731

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 June 30, 2021 and December 31, 2020 for real property taxes of building and machinery and equipment applicable to the subsequent periods.

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## 8. Investment Property

The Group's investment property mainly relates to the Group's DD Meridian Park property.

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 June 30, 2021 and December 31, 2020:

	<b>Level 2</b>	
	<b>June 30, 2021</b>	December 31, 2020
Land	<b>P11,768,624,224</b>	P11,768,624,224
Building	<b>28,771,257,351</b>	29,709,345,861
	<b>P40,539,881,575</b>	P41,477,970,085

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## 9. Accounts Payable and Other Current Liabilities

This account consists of:

	<b>June 30, 2021</b>	December 31 2020
Trade payables	<b>P46,920,796</b>	P126,286,574
Accrued expenses:		
Project costs	<b>715,407,361</b>	725,079,841
Others	<b>14,104,835</b>	11,703,945
Retention payable - current portion	<b>87,671,830</b>	84,286,295
Construction bond	<b>34,185,216</b>	36,947,165
	<b>P898,290,038</b>	P984,303,820

Trade payables and accrued project costs are liabilities arising from services provided by the contractors and subcontractors. These are non-interest bearing and are normally settled within thirty (30) days.

Construction bond pertains to the cash deposit made by the tenants which function as security during fit-out period. Any damage caused to the leased property during the fit-out will be deducted from the construction bond and the balance will be refunded to the tenant.

## 10. Income Taxes

The components of the income tax expense (benefit) are as follows:

	<b>Six Months Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
Current	<b>P -</b>	P103,658,797
Deferred	<b>(1,262,412,637)</b>	1,728,954,104
	<b>(P1,262,412,637)</b>	P1,832,612,901

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:

	<b>Six Months Ended June 30</b>	
	<b>2021</b>	<b>2020</b>
Income before income tax	<b>P973,156,265</b>	P6,330,770,283
Income tax at the statutory income tax rate	<b>P243,289,066</b>	P1,899,231,085
Income tax effects of:		
Optional standard deduction	<b>(192,573,711)</b>	(61,017,256)
Nondeductible expense (nontaxable income) – net	<b>(166,602)</b>	(399,648)
Interest income subjected to final tax	<b>(134,799)</b>	(5,201,280)
Adjustment due to change in tax rate	<b>(1,312,826,591)</b>	-
	<b>(P1,262,412,637)</b>	P1,832,612,901

On November 26, 2020, the Corporate Recovery and Tax Incentives for Enterprises ("CREATE") Bill was approved by the Senate of the Philippines. Under the CREATE Bill, domestic corporations will be subjected to 25% or 20% income tax depending on the amount of total assets or total amount of taxable income. In addition, MCIT shall be computed at 1% of gross income for a period of three years. The changes in the income tax rates shall retrospectively become effective beginning July 1, 2020.

President Rodrigo Duterte signed into law on March 26, 2021 the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. Republic Act (RA) 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or April 11, 2021.

Accordingly, the income tax rates used in preparing the financial statements as at and for the year ended December 31, 2020 are 30% and 2% for RCIT and MCIT, respectively.

Applying the provisions of the CREATE Act, the Company would have been subjected to lower regular corporate income tax rate of 25% effective July 1, 2020.

Based on the provisions of Revenue Regulations (RR) No.2-2021 dated April 8, 2021 issued by the BIR, the prorated CIT rate of the Company for year ended December 31, 2020 is 27.5%. The result is lower provision for current income tax for the year ended December 31, 2020 and lower income tax payable as of December 31, 2020. The reduced amounts are reflected in the Company's 2020 annual income tax return.

## 11. Equity/Earnings Per Share/Distributable Income

### Capital Stock

The composition of the Parent Company's capital stock as at June 30, 2021 and December 31, 2020 are as follows:

	June 30, 2021		December 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
<b>CAPITAL STOCK</b> - P1 par value				
Authorized - 17,830,000,000 shares				
Issued and outstanding	<b>17,827,465,406</b>	<b>P17,827,465,406</b>	17,827,465,406	P17,827,465,406

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

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

### EPS

EPS is computed as follows:

	Six Months Ended June 30	
	2021	2020
Net income attributable to the equity holders	<b>P2,235,568,902</b>	P4,498,157,382
Weighted average number of shares	<b>17,827,465,406</b>	17,827,465,406
Basic/Diluted EPS	<b>P0.1254</b>	P0.2523

As at June 30, 2021 and December 31, 2020, the Parent Company has no dilutive debt or equity instruments.

### Dividends

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

Type of Dividend	Date of Declaration	Date of Record	Date of Payment	Per Share	Amount
Cash dividend	May 14, 2021	May 28, 2021	June 10, 2021	P0.02013600	P358,973,843
Cash dividend	April 14, 2021	April 28, 2021	May 10, 2021	P0.02047718	P365,056,218

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

### Distributable Income

The computation of distributable income of the Parent Company as at June 30, 2021 is shown below:

	<b>June 30, 2021</b>
Net income of the Parent Company	<b>P2,235,568,902</b>
Fair value adjustments of investment Property resulting to gain (after tax)	-
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS	<b>(68,548,216)</b>
Adjustment in deferred tax due in change in corporate income tax rate	<b>(1,312,826,591)</b>
	<b>P854,194,095</b>

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## **12. 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.

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

	June 30 2021	December 31, 2020
Cash and cash equivalents*	<b>P749,788,491</b>	P1,088,805,817
Receivables	<b>2,114,183,567</b>	1,553,569,222
Due from related parties	-	2,356,247
Refundable deposits**	<b>15,335,239</b>	14,907,984
	<b>P2,879,307,297</b>	P2,659,639,270

\*Excluding cash on hand.

\*\*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.

#### June 30, 2021

	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not Credit Impaired	Lifetime ECL - Credit Impaired	
Cash and cash equivalents*	<b>P749,788,491</b>	P -	P -	<b>P749,788,491</b>
Receivables	<b>51,163,007</b>	<b>2,063,020,560</b>	-	<b>2,114,183,567</b>
Refundable deposits**	<b>15,335,239</b>	-	-	<b>15,335,239</b>
	<b>P816,286,737</b>	<b>P2,063,020,560</b>	P -	<b>P2,879,307,297</b>

\*Excluding cash on hand..

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

#### December 31, 2020

	Financial Assets at Amortized Cost			Total
	12-month ECL	Lifetime ECL - not Credit Impaired	Lifetime ECL - Credit Impaired	
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.

\*\*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 June 30, 2021				
	Carrying Amount	Contractual Cash Flows	1 Year or Less	1 Year - 5 Years	More than 5 Years
<b>Financial Liabilities</b>					
Accounts payable and other current liabilities	P879,949,355	P879,949,355	P879,949,355	P -	P -
Security deposits*	668,568,269	794,846,803	3,150,213	590,920,134	200,776,456
	<b>P1,548,517,624</b>	<b>P1,674,796,158</b>	<b>P883,099,568</b>	<b>P590,920,134</b>	<b>P200,776,456</b>

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

	As at December 31, 2020				
	Carrying Amount	Contractual Cash Flows	1 Year or Less	1 Year - 5 Years	More than 5 Years
<b>Financial Liabilities</b>					
Accounts payable and other current liabilities	P984,303,820	P984,303,820	P984,303,820	P -	P -
Due to related parties	400	400	400	-	-
Security deposits*	619,048,115	771,937,567	-	569,896,866	202,040,701
	<b>P1,603,352,335</b>	<b>P1,756,241,787</b>	<b>P984,304,220</b>	<b>P569,896,866</b>	<b>P202,040,701</b>

\*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.

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### **13. Other Matters**

#### Events after the Reporting Date

The following are the events after the reporting date:

- On August 16, 2021, the BOD approved a regular cash dividend to the common shareholders in the gross amount of P495.21 million or P0.0277780 per share. The regular dividends will be paid to all Common Shareholders on record as of August 31, 2021 and will be paid on September 13, 2021.

**DDMP REIT, INC.**  
(formerly DD-Meridian Park Development Corp.)  
(A Subsidiary of DoubleDragon Properties Corp.)  
**LOANS AND RECEIVABLES**  
**As at June 30, 2021**

	Total	Neither past due nor impaired	Past due but not impaired			
			1 - 90 days	91 - 180 days	181 - 360 days	> 360 days
Receivables	2,114,183,567	830,256,873	732,251,156	179,759,681	296,563,783	75,352,074

**DDMP REIT, INC.**  
(formerly DD-Meridian Park Development Corp.)  
(A Subsidiary of DoubleDragon Properties Corp.)  
**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the periods ended June 30, 2021 and June 30, 2020**

	2021	2020	2021	2020
	For the quarter ended	For the quarter ended	For the six months ended	For the six months ended
<b>INCOME</b>	<i>Amount in PHP</i>			
Unrealized gains from changes in fair values of investment property	-	5,418,517,007	-	5,418,517,007
Rent income	490,058,728	484,856,065	998,648,622	984,378,775
CUSA	57,639,696	-	57,639,696	-
Interest income	4,453,839	14,234,201	14,080,424	17,337,601
Other income	85,543,187	9,474,454	129,300,837	29,248,653
	<b>637,695,450</b>	<b>5,927,081,727</b>	<b>1,199,669,579</b>	<b>6,449,482,036</b>
<b>COSTS AND EXPENSES</b>				
General and administrative expenses	45,354,026	41,353,250	98,495,279	86,321,903
Interest expense	18,077,296	9,152,817	27,127,892	18,252,958
Marketing expenses	7,159,270	5,722,235	13,317,651	14,136,892
Other expenses	87,572,492	-	87,572,492	-
	<b>158,163,084</b>	<b>56,228,302</b>	<b>226,513,314</b>	<b>118,711,753</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>479,532,366</b>	<b>5,870,853,425</b>	<b>973,156,265</b>	<b>6,330,770,283</b>
<b>INCOME TAX BENEFIT (EXPENSE)</b>	<b>1,356,390,196</b>	<b>(1,730,492,576)</b>	<b>1,262,412,637</b>	<b>(1,832,612,901)</b>
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>	<b>1,835,922,562</b>	<b>4,140,360,849</b>	<b>2,235,568,902</b>	<b>4,498,157,382</b>



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

**RESULTS OF OPERATIONS**

**DDMP REIT, INC.**

(formerly DD-Meridian Park Development Corp.)

(A Subsidiary of DoubleDragon Properties Corp.)

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the six months ended June 30, 2021 and June 30, 2020**

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	Horizontal Analysis		Vertical Analysis	
			Increase	(Decrease)	2021	2020
<i>Amount in PHP</i>						
<b>INCOME</b>						
Unrealized gains from changes in fair values of investment property	-	5,418,517,007	(5,418,517,007)	-100.0%	0.0%	84.0%
Rent income	998,648,622	984,378,775	14,269,847	1.4%	83.2%	15.3%
CUSA	57,639,696	-	57,639,696	-	4.8%	0.0%
Interest income	14,080,424	17,337,601	(3,257,177)	-18.8%	1.2%	0.3%
Other income	129,300,837	29,248,653	100,052,184	342.1%	10.8%	0.5%
	1,199,669,579	6,449,482,036	(5,249,812,457)	-81.4%	100.0%	100.0%
<b>COSTS AND EXPENSES</b>						
General and administrative expenses	98,495,279	86,321,903	12,173,376	14.1%	8.2%	1.3%
Interest expense	27,127,892	18,252,958	8,874,934	48.6%	2.3%	0.3%
Marketing expenses	13,317,651	14,136,892	(819,241)	-5.8%	1.1%	0.2%
Other expenses	87,572,492	-	87,572,492	-	7.3%	0.0%
	226,513,314	118,711,753	107,801,561	90.8%	18.9%	1.8%
<b>INCOME BEFORE INCOME TAX</b>	973,156,265	6,330,770,283	(5,357,614,018)	-84.6%	81.1%	98.2%
<b>INCOME TAX BENEFIT (EXPENSE)</b>	1,262,412,637	(1,832,612,901)	3,095,025,538	-168.9%	105.2%	-28.4%
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>						
<b>INCOME</b>	<b>2,235,568,902</b>	<b>4,498,157,382</b>	<b>(2,262,588,480)</b>	<b>-50.3%</b>	<b>186.3%</b>	<b>69.7%</b>

**DDMP REIT, INC.**

(formerly DD-Meridian Park Development Corp.)

(A Subsidiary of DoubleDragon Properties Corp.)

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the quarter ended June 30, 2021 and June 30, 2020**

	June 30, 2021 (Unaudited)	June 30, 2020 (Unaudited)	Horizontal Analysis		Vertical Analysis	
			Increase	(Decrease)	2021	2020
<i>Amount in PHP</i>						
<b>INCOME</b>						
Unrealized gains from changes in fair values of investment property	-	5,418,517,007	(5,418,517,007)	-100.0%	0.0%	91.4%
Rent income	490,058,728	484,856,065	5,202,663	1.1%	76.8%	8.2%
CUSA	57,639,696	-	57,639,696	-	9.0%	0.0%
Interest income	4,453,839	14,234,201	(9,780,362)	-68.7%	0.7%	0.2%
Other income	85,543,187	9,474,454	76,068,733	802.9%	13.4%	0.2%
	637,695,450	5,927,081,727	(5,289,386,277)	-89.2%	100.0%	100.0%
<b>COSTS AND EXPENSES</b>						
General and administrative expenses	45,354,026	41,353,250	4,000,776	9.7%	7.1%	0.7%
Interest expense	18,077,296	9,152,817	8,924,479	97.5%	2.8%	0.2%
Marketing expenses	7,159,270	5,722,235	1,437,035	25.1%	1.1%	0.1%
Other expenses	87,572,492	-	87,572,492	-	13.7%	0.0%
	158,163,084	56,228,302	101,934,782	181.3%	24.8%	0.9%
<b>INCOME BEFORE INCOME TAX</b>	479,532,366	5,870,853,425	(5,391,321,059)	-91.8%	75.2%	99.1%
<b>INCOME TAX BENEFIT (EXPENSE)</b>	1,356,390,196	(1,730,492,576)	3,086,882,772	-178.4%	212.7%	-29.2%
<b>NET INCOME AND TOTAL COMPREHENSIVE INCOME</b>						
<b>INCOME</b>	<b>1,835,922,562</b>	<b>4,140,360,849</b>	<b>(2,304,438,287)</b>	<b>-55.7%</b>	<b>287.9%</b>	<b>69.9%</b>

### ***Revenues***

Total revenues decreased by ₱5,249.8 million, or -81.4%, from ₱6,449.5 million for the six months ended June 30, 2020 to ₱1,199.7 million for the six months ended June 30, 2021. The decrease in total revenues is due to the recognition of unrealized gain from changes in the fair values of investment property for the six months ended June 30, 2020.

Rent income increased by ₱14.3 million, or 1.4%, to ₱998.6 million for the six months ended June 30, 2021 compared to ₱984.4 million for the same period in 2020, driven by increase in occupancy and rental rates.

For the six months ended June 30, 2021, the company recognized CUSA amounting to ₱57.6 million, contributing 4.3% of the total revenue for the period. CUSA represents amount of CUSA billed to tenants less direct operating costs of the operating properties.

The Company's interest income for the six months ended June 30, 2021 decreased by ₱3.3 million or, -18.8%, to ₱14.1 million, compared to ₱17.3 million for the six months ended June 30, 2020, due to lower deposits in 2021.

Other income increased by ₱100.1 million, or 342.1% increase, to ₱129.3 million for the six months ended June 30, 2021 compared to ₱29.2 million for the same period in 2020 due to the increase in interest for the period.

### ***Costs and expenses***

The Company's costs and expenses increased by ₱107.8 million, or 90.8%, to ₱226.5 million for the six months ended June 30, 2021 compared to ₱118.7 million for the same period in 2020.

The Company's general and administrative expenses increased by ₱12.2 million, or 14.1%, to ₱98.5 million for the six months ended June 30, 2021 compared to ₱86.3 million for the same period in 2020. The increase was mainly due to increase in taxes and licenses.

Interest Expense increased by ₱8.9 million, or 48.6%, amounting ₱27.1 million for the six months ended June 30, 2021 compare to ₱18.3 million for the six months ending June 30, 2020. The increase was due to the higher interest expense from discounting of security deposits in the first half of 2021 compared to the same period in 2020.

The Company's marketing expenses decreased by ₱0.8 million, or -5.8%, to ₱13.3 million for the six months ended June 30, 2021 compared to ₱14.3 million for the same period in 2020. The decrease was mainly due to decrease in print and multimedia advertisements.

For the six months ending June 30, 2021, the Company recorded expenses amounting to ₱87.6 million for the expenses related to the listing of the company's REIT shares.

### ***Income before income tax***

The Company's income before income tax for the six months ended June 30, 2021 was ₱973.2 million, a decrease of ₱5,357.6 million or, -84.6% decrease from its income before income tax of ₱6,330.8 million recorded for the same period last year

### ***Income tax expense***

The Company's income tax benefit for the six months ended June 30, 2021 was ₱1,264.4 million, a decrease of ₱3,095.0 million, or -168.9% decrease from its income tax expense of ₱1,832.6 million recorded for the same period last year. The decrease is due to the lower taxable income in the first half of 2021 and lower income tax rate and a one-time recognition of a net tax benefit as a result of the downward adjustment in the deferred tax

liability balance as of December 31, 2020 to reflect the decrease in the corporate in the income tax rate from 30% to 25%.

### *Net Income*

As a result of the foregoing, the Company's net income for the six months ended June 30, 2021 was ₱2,235.6 million, a decrease of ₱2,262.6 million, or -50.3% decrease from its net income of ₱4,498.2 million recorded for the same period in 2020, mainly from the unrealized gain from changes in fair value of investment property recorded for the six months ended June 30, 2020.

## **STATEMENTS OF FINANCIAL POSITION**

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

(formerly DD-Meridian Park Development Corp.)

(A Subsidiary of DoubleDragon Properties Corp.)

### **UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As At June 30, 2021**

	<b>June 30, 2021</b>	<b>December 31, 2020</b>	<b>Horizontal Analysis</b>		<b>Vertical Analysis</b>	
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>Increase (Decrease)</b>		<b>2021</b>	<b>2020</b>
	<i>Amount in PHP</i>					
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	749,800,491	1,088,817,817	(339,017,326)	-31.1%	1.6%	2.4%
Receivables	2,114,183,567	1,553,569,222	560,614,345	36.1%	4.6%	3.4%
Due from Parent Company	-	2,356,247	(2,356,247)	-100.0%	0.0%	0.0%
Prepaid expenses and other current assets	579,764,690	724,467,731	(144,703,041)	-20.0%	1.3%	1.6%
<b>Total Current Assets</b>	<b>3,443,748,748</b>	<b>3,369,211,017</b>	<b>74,537,731</b>	<b>2.2%</b>	<b>7.6%</b>	<b>7.4%</b>
<b>Noncurrent Assets</b>						
Property and equipment - net	14,834,419	18,069,828	(3,235,409)	-17.9%	0.0%	0.0%
Investment property	40,539,881,575	41,477,970,085	(938,088,510)	-2.3%	89.1%	91.5%
Finance lease receivable	1,063,675,926	-	1,063,675,926	-	2.3%	0.0%
Deferred tax Asset	-	188,172	(188,172)	-100.0%	0.0%	0.0%
Other noncurrent assets	436,713,233	488,225,160	(51,511,927)	-10.6%	1.0%	1.1%
<b>Total Noncurrent Assets</b>	<b>42,055,105,153</b>	<b>41,984,453,245</b>	<b>70,651,908</b>	<b>0.2%</b>	<b>92.4%</b>	<b>92.6%</b>
<b>Total Assets</b>	<b>45,498,853,901</b>	<b>45,353,664,262</b>	<b>145,189,639</b>	<b>0.3%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Accounts payable and other current liabilities	898,290,038	984,303,820	(86,013,782)	-8.7%	2.0%	2.2%
Due to Related Party	-	400	(400)	-100.0%	0.0%	0.0%
Income Tax Payable	-	44,923,595	(44,923,595)	-100.0%	0.0%	0.1%
<b>Total Current Liabilities</b>	<b>898,290,038</b>	<b>1,029,227,815</b>	<b>(130,937,777)</b>	<b>-12.7%</b>	<b>2.0%</b>	<b>2.3%</b>
<b>Noncurrent Liabilities</b>						
Deferred tax liability - net	6,614,546,911	7,876,959,548	(1,262,412,637)	-16.0%	14.5%	17.4%
Other noncurrent liabilities	957,727,020	931,164,876	26,562,144	2.9%	2.1%	2.1%
<b>Total Noncurrent liabilities</b>	<b>7,572,273,931</b>	<b>8,808,124,424</b>	<b>(1,235,850,493)</b>	<b>-14.0%</b>	<b>16.6%</b>	<b>19.4%</b>
<b>Total Liabilities</b>	<b>8,470,563,969</b>	<b>9,837,352,239</b>	<b>(1,366,788,270)</b>	<b>-13.9%</b>	<b>18.6%</b>	<b>21.7%</b>
<b>Equity</b>						
Capital stock	17,827,465,406	17,827,465,406	-	0.0%	39.2%	39.3%
Retained earnings	19,200,824,526	17,688,846,617	1,511,977,909	8.5%	42.2%	39.0%
<b>Total Equity</b>	<b>37,028,289,932</b>	<b>35,516,312,023</b>	<b>1,511,977,909</b>	<b>4.3%</b>	<b>81.4%</b>	<b>78.3%</b>
<b>Total Liabilities and Equity</b>	<b>45,498,853,901</b>	<b>45,353,664,262</b>	<b>145,189,639</b>	<b>0.3%</b>	<b>100.0%</b>	<b>100.0%</b>

## **ASSETS**

The Company's assets were at ₱45.5 billion as of June 30, 2021, an increase of ₱145.2 million, or 0.3%, from assets of ₱45.4 billion as of December 31, 2020.

### *Cash and cash equivalents*

The Company's cash and cash equivalents were ₱749.8 million as of June 30, 2021, a decrease of ₱339.0 million, or -31.1%, from cash and cash equivalents of ₱1,088.8 million as of December 31, 2020. The decrease is due to payment of dividends in 2021.

### *Receivables – net*

The Company's net receivables were ₱2,114.2 million as of June 30, 2021, a ₱560.6 million, or 36.1% increase from net receivables of ₱1,553.6 million as of December 31, 2020 due to the increase in accrued rent receivable from the straight-line rent income and rental receivable from tenants.

### *Due from Parent Company*

The Company's due from Parent Company was nil as of June 30, 2021, a ₱2.4 million, or 100.0% decrease from ₱2.4 million as of December 31, 2020 due to collection of the advances in 2021.

### *Prepaid expenses and other current assets*

The Company's prepaid expenses and other current assets were ₱579.8 million as of June 30, 2021, a ₱144.7 million, or -20.0% decrease from prepaid expenses and other current assets of ₱724.5 million as of December 31, 2020. The decrease was mainly due to the decrease in net input VAT of the Company.

### *Property and equipment - net*

The Company's property and equipment (net) were ₱14.8 million as of June 30, 2021, a ₱3.2 million, or -17.9% decrease from property and equipment (net) of ₱18.1 million as of December 31, 2020 due to depreciation for the period.

### *Investment property*

The Company's investment property amounted to ₱40.5 billion as of June 30, 2021, a ₱938.41 million, or -2.3% decrease from investment property of ₱41.5 billion as of December 31, 2020, due the derecognition of the construction in progress for DoubleDragon Tower as a result of the finance lease adjustment.

### *Finance lease receivable*

The Company reported finance lease receivable of ₱1,063.7 million as of June 30, 2021 as result of the finance lease classification of DoubleDragon Tower.

### *Other noncurrent assets*

The Company's other noncurrent assets were ₱436.7 million as of June 30, 2021, a ₱51.5 million, or -10.6% decrease from other noncurrent assets of ₱488.2 million as of December 31, 2020. The decrease was due to the decrease in noncurrent portion of advances to contractors and suppliers.

## **LIABILITIES**

The Company's liabilities were at ₱8.5 billion as of June 30, 2021, an decrease of ₱1,366.8 million, or -13.9% from liabilities of ₱9.8 billion as of December 31, 2020.

### *Accounts payable and other current liabilities*

The Company's accounts payable and other current liabilities were ₱898.3 million as of June 30, 2021, a ₱86.0 million, or -8.7% decrease from accounts payable and other current liabilities of ₱984.3 million as of December 31, 2020. The decrease was mainly due to the decrease in trade payables.

*Income tax payable*

The Company's income tax payable was nil as of June 30, 2021 due to zero current tax expense for the six months ended June 30, 2021.

*Deferred tax liability*

The Company's deferred tax liability was ₱6,614.5 million as of June 30, 2021, a ₱1,262.4 million, or -16.0% decrease from deferred tax liability of ₱7,877.0 million as of December 31, 2020. The decrease was mainly due to the adjustment in corporate income tax rate from 30% to 25% effective 2021.

*Other noncurrent liabilities*

The Company's other noncurrent liabilities were ₱957.7 million as of June 30, 2021, a ₱26.6 million, or 2.9% increase from other noncurrent liabilities of ₱931.2 million as of December 31, 2020.

**EQUITY**

The Company's equity were at ₱37.0 billion as of June 30, 2021, an increase of ₱1,512.0 million, or 4.3% increase from equity of ₱35.5 billion as of December 31, 2020, due to the net income recognized for the quarter less the dividends during the period.

**Dividend Declaration**

The Company has declared the following regular dividends for holders of Common Shares for 2021:

<b>Type of Dividend</b>	<b>Date of Declaration</b>	<b>Date of Record</b>	<b>Date of Payment</b>	<b>Per Share</b>
Cash dividend	August 16, 2021	August 31, 2021	September 13, 2021	₱0.02777800
Cash dividend	May 14, 2021	May 28, 2021	June 10, 2021	₱0.02013600
Cash dividend	April 14, 2021	April 28, 2021	May 10, 2021	₱0.02047718

**KEY PERFORMANCE INDICATORS OF THE COMPANY**

	<b>Unaudited JUNE 30, 2021</b>	<b>Audited DECEMBER 31, 2020</b>
Current Ratio	3.83	3.27
Asset to Equity	1.23	1.28
Debt to Equity Ratios	N/A (no debt)	N/A (no debt)
On Gross Basis	-	-
On Net Basis	-	-
Acid Test Ratio	3.19	2.57

	<b>Unaudited FOR THE SIX MONTHS ENDED JUNE 31, 2021</b>	<b>Unaudited FOR THE SIX MONTHS ENDED JUNE 30, 2020</b>
Return on Equity	6.16%	13.5%
Net Income to Revenue	186.35%	69.74%
Revenue Growth	-81.40%	70.90%
Income Growth	-50.30%	75.69%
EBITDA	PHP 1,003.7 million	PHP 6,352.3 million
Solvency Ratio	0.26	0.43
Interest Coverage Ratio	N/A (no debt)	N/A (no debt)

*(In compliance with SRC Rule 68, as amended on October 2011)*

The following are the formula by which the Company calculates the foregoing performance indicators are as follows:

1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2. Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$
3. Debt to Equity Ratio (Gross Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$
4. Debt to Equity Ratio (Net Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt less Cash and Cash Equivalent}}{\text{Total Equity}}$
5. Return on Equity	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$
6. Net Income to Revenue	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$
7. Revenue Growth	$\frac{\text{Total Revenue (Current Period)} - \text{Total Revenue (Prior Period)}}{\text{Total Revenue (Prior Period)}}$
8. Income Growth	$\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)} - \text{Net Income Attributable to Owners of the Parent (Prior Period)}}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}}$
9. EBITDA	Net Income + Depreciation and Amortization + Interest Expense
10. Acid Test Ratio	$\frac{\text{Cash} + \text{Accounts Receivable} + \text{Marketable Securities}}{\text{Current Liabilities}}$
11. Solvency Ratio	$\frac{\text{Net Income} + \text{Depreciation and Amortization}}{\text{Total Liabilities}}$
12. Interest Coverage Ratio	$\frac{\text{Earnings Before Interest and Taxes}}{\text{Interest Paid}}$

## OTHER DISCLOSURES

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

## PART II--OTHER INFORMATION

### ITEM 3. SUMMARY OF REAL ESTATE TRANSACTIONS FOR 1H 2021

Other than the usual lease contracts entered into with tenants, the Company entered on the following real estate transactions:

On January 1, 2021, the Company handed over DoubleDragon Tower to DD TOWER, INC. On February 17, 2021 the Company executed an Addendum to the long-term lease contract leasing such property and land to DD TOWER, INC. The addendum allocated the annual lease payments as follows:

Leased Property	Lessee	Annual Lease payments	Allocation of Annual Lease Payments	
			Building Component	Land Component
DoubleDragon Tower	DD TOWER, INC.	₱33,000,000	₱23,000,000	₱10,000,000

On January 1, 2021, the Company handed over Ascott-DD Meridian Park to DDMP SERVICED RESIDENCES, INC. On February 17, 2021 the Company executed an Addendum to the long-term lease contract leasing such property and land to DDMP SERVICED RESIDENCES, INC. The addendum allocated the annual lease payments as follows:

Leased Property	Lessee	Annual Lease payments	Allocation of Annual Lease Payments	
			Building Component	Land Component
Ascott-DD Meridian Park	DDMP SERVICED RESIDENCES, INC.	- 5.5% of rental income from retail space - 3.2% of revenues from serviced residences	70.00%	30.00%

### ITEM 4. PROPERTY PERFORMANCE

	DoubleDragon Plaza	DoubleDragon Center East	DoubleDragon Center West
Valuation	₱29,007.4 million	₱2,931.9 million	₱3,450.2 million
WALE (years)	3.37	3.03	2.70
Rental Income	₱755.9 million	₱130.6 million	₱107.1 million
Rental Contribution for the six months ended June 30, 2021	75.70%	13.08%	10.72%

DoubleDragon Plaza, DoubleDragon Center East and DoubleDragon Center West are all located in DD Meridian Park, Pasay City, with a blended occupancy rate of 97.72% as of June 30, 2021.

*Property under development*

	<b>DoubleDragon Tower</b>	<b>Ascott-DD Meridian Park</b>
Lessee	DD Tower, Inc.	DDMP Serviced Residences, Inc.
Rental income from building and land	₱16.5 million*	-
% of Completion	84.97%	14.32%
Remaining Lease Term	99 years	99 years

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

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

On August 16, 2021, the Board of Directors of DDMPR approved the declaration of cash dividends of P0.0277780 per outstanding common share from the second quarter of 2021 earnings. The cash dividends will be payable on September 13, 2021 to stockholders on record as of August 31, 2021.

**ITEM 5. COMPARATIVE SUMMARY OF THE QUARTERLY FINANCIAL PERFORMANCE**

Please refer to Item 2.

**ITEM 6. STATUS OF THE IMPLEMENTATION OF THE REINVESTMENT PLAN**

Please refer to the attached Application of Proceeds for the Second Quarter of 2021 generated from the Initial Public Offering (IPO) of DDMP REIT, Inc. ("DDMPR") pursuant to the Reinvestment Plan of DoubleDragon Properties Corp., Benedicto V. Yujuico and Teresita M. Yujuico, as Sponsors of DDMP REIT, Inc.





14 July 2021

**Securities and Exchange Commission**

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City

Attention: **Hon. Vicente Graciano P. Felizmenio, Jr.**  
Director, Markets and Securities Regulation Department

**Philippine Stock Exchange, Inc.**

6<sup>th</sup> Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

**Philippine Dealing & Exchange Corp.**

37th Floor, Tower 1, The Enterprise Center, 6766 Ayala Ave cor. Paseo de Roxas, Makati City

Attention: **Atty. Marie Rose M. Magallen-Lirio**  
Head, Issuer Compliance and Disclosures Department

Subject: **Summary of the Application of Proceeds from the Initial Public Offering of DDMP REIT, INC.**

Ladies and Gentlemen,

In line with the Initial Public Offering (IPO) of DDMP REIT, Inc. (DDMPR) on March 24, 2021, we submit herewith our report on the Application of Proceeds for the Second Quarter of 2021, duly certified by our external auditors, in compliance with the disclosure requirements of the Philippine Stock Exchange.

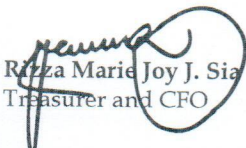
As of June 30, 2021, the remaining balance of the proceeds from DDMPR IPO is Six Billion Eight Hundred Thirty-Nine Million Four Hundred Forty-Nine Thousand Four Hundred Nineteen pesos and Ten centavos (PHP 6,839,449,419.10).

For the second quarter of 2021, details of the disbursement are as follows:

Balance as of March 31, 2021	8,072,431,482.61
Less:	
Disbursements for Documentary stamp taxes	31,198,102.50
Disbursements for CentralHub Industrial Centers Inc.	967,630,219.00
Disbursements for Jollibee Tower	234,153,742.01
<hr/> Total Disbursements (Annex A)	<hr/> 1,232,982,063.51
<hr/> Remaining Proceeds as of June 30, 2021	<hr/> 6,839,449,419.10

Thank you.

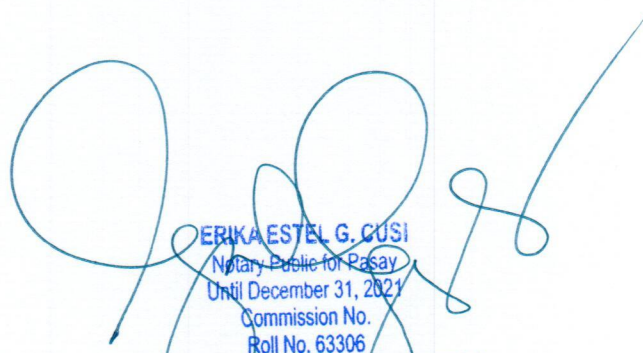
Very truly yours,

  
Rizza Marie Joy J. Sia  
Treasurer and CFO

SUBSCRIBED AND SWORN to before me on this JUL 15 2021 **PASAY CITY**, Philippines, affiant exhibited to me his/her identification:

Name	ID Number	Issued at/Expiry Date
Rizza Marie Joy J. Sia		

Doc. No. 143  
Page No. 20  
Book No. 5  
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  
Double Dragon Headquarters, 10th Floor, Tower 1  
Double Dragon Plaza, DD Meridian Park  
Cor. Macapagal Avenue & EDSA Ext., Bay Area, Pasay City

## ANNEX A

Date	Project Name	Amount
5-Apr-21	Disbursement for Documentary stamp taxes related to DDMPR IPO	31,198,102.50
27-Apr-21	Jollibee Tower	118,253,182.96
14-May-21	Jollibee Tower	10,839,375.00
8-Jun-21	Jollibee Tower	104,277,426.49
9-Jun-21	Jollibee Tower	80,081.09
11-Jun-21	Jollibee Tower	703,676.47
30-Jun-21	CentralHub Industrial Centers, Inc.	967,630,219.00
<b>Total</b>		<b>1,232,982,063.51</b>

DOUBLED DRAGON PROPERTIES  
CORP.

**REPORT OF FACTUAL FINDINGS ON THE  
APPLICATION OF PROCEEDS FROM SECONDARY OFFER  
RECEIVED FROM THE INITIAL PUBLIC OFFERING OF DDMP REIT,  
INC.**



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 FACTUAL FINDINGS

The Board of Directors and Stockholders  
**DoubleDragon Properties Corp.**  
DD Meridian Park Bay Area  
Corner Macapagal Avenue and EDSA Extension Boulevard  
Brgy 76 Zone 10, San Rafael, Pasay City, Metro Manila

We have performed the procedures agreed with you and enumerated below with respect to the Progress Report on the application of proceeds from the secondary offer received by DoubleDragon Properties Corp. (the "Company") from the Initial Public Offering ("IPO") of DDMP REIT, Inc. (the "DDMP REIT") on March 24, 2021. The procedures were performed solely to comply with the requirement of the Philippine Stock Exchange (PSE) for the Company to submit an external auditors' report of factual findings on the accuracy of the information being represented by the Company relating to the use of proceeds whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with Philippine Standard on Related Services (PSRS) 4400, Engagements to Perform Agreed-upon Procedures Regarding Financial Information.

The agreed-upon procedures are summarized as follows:

1. Obtain and check the mathematical accuracy of the Quarterly Progress Report from the Company.
2. Compare the list of all the disbursements in the Quarterly Progress Report with the schedule of planned use of proceeds from the IPO in the REIT Plan ("REIT Plan") and agree the amounts to the related supporting documents such as memorandum of agreements, invoices, deposit slips, passbook and letter of instructions.
3. Obtain written management representation as to any reallocation (or absences thereof) on the Company's planned use of proceeds or any change in the work program as disclosed in the REIT Plan.

The results of the procedures performed are summarized in Annex A, which is an integral part of this report.

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until November 21, 2023  
SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)  
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)  
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)





The procedures that we performed did not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), thus, we do not express any assurance on the use of proceeds from the IPO based on the said standards.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA and PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of the proceeds from the IPO and items specified above and do not extend to any financial statements of the Company taken as a whole.

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

DARWIN P. VIROCEL  
 Partner  
 CPA License No. 0094495  
 SEC Accreditation No. 94495-SEC, Group A, effective for five (5) years  
 covering the audit of 2019 to 2023 financial statements

July 15, 2021  
 Makati City, Metro Manila

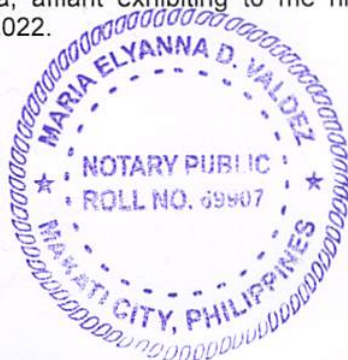
REPUBLIC OF THE PHILIPPINES )  
 Makati City ) S.S.

I, Darwin P. Virocel, a Partner of R.G. Manabat & Co., do solemnly swear that all matters set forth in the above report are true and correct to the best of my knowledge.

Darwin P. Virocel  
 Partner

SUBSCRIBED AND SWORN TO before me, this 15 day of JUL 15 2021 in Makati City, Metro Manila, affiant exhibiting to me his PRC ID No. 0094495 (CPA), which expires on 12/17/2022.

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 Page No. 15 ;  
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 Series of 2021.



**ATTY. MARIA ELYANNA D. VALDEZ**  
 Notary Public for Makati City  
 Appointment No. M-201  
 Valid until 12/31/2021  
 Roll No. 69907

PTR No. MKT 4992; Makati City  
 IBP Lifetime No. 016903; Quezon City 2  
 MCLE Compliance No. VI- 0009137 valid until 04/14/2021  
 The KPMG Center, 9/F, 6787 Ayala Ave. Makati City

**Summary of Results of Agreed-Upon Procedures Performed**  
**Annex A**

We report the results of our work as follows:

1. We have obtained and checked the mathematical accuracy of the Company's Quarterly Progress Report for the second quarter ended June 30, 2021. No exceptions noted.
2. We have compared the list of all the disbursements in the Quarterly Progress Report with the schedule of planned use of proceeds from the IPO in the REIT Plan and agreed the amounts to the related supporting documents. No exceptions noted.

As presented by the Company and based on the above procedures, the table below lists the details of the disbursements made during the second quarter ended June 30, 2021, from the P10,295.4 million Offering proceeds.

Balance as of March 31, 2021	P8,072,431,482
Less:	
Disbursements for CentralHub Industrial Centers Inc.	967,630,219
Disbursements for Jollibee Tower	234,153,742
Disbursements for Documentary stamp taxes	31,198,102
<b>Total Disbursements</b>	<b>1,232,982,063</b>
<b>Remaining Proceeds as of June 30, 2021</b>	<b>P6,839,449,419</b>

Relative to the actual disbursements for the period, we have compared and agreed the actual disbursements for the quarter ended June 30, 2021 submitted by the Company to the PSE to the related supporting documents, which includes the bank account passbooks, related check vouchers, official receipts, collection receipts and bank deposit slips. We have noted that the total of P1.2 billion was disbursed for CentralHub and Jollibee Tower and for the payment of documentary stamp taxes. No exceptions noted.

3. We have obtained written management representation and noted that there were no reallocations made on the Company's planned use of proceeds from the IPO or any changes in the work program as disclosed in the REIT Plan. Such representation was verified to be correct based on the result of work performed above.

14 July 2021

**Securities and Exchange Commission**

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City

Attention: **Hon. Vicente Graciano P. Felizmenio, Jr.**  
Director, Markets and Securities Regulation Department

**Philippine Stock Exchange, Inc.**

6<sup>th</sup> Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

**Subject: Summary of the Application of Proceeds from the Initial Public Offering of DDMP REIT Inc. (Benedicto V. Yujuico)**

Ladies and Gentlemen,

In line with the Initial Public Offering (IPO) of DDMP REIT, Inc. (DDMPR) on March 24, 2021, we submit herewith our report on the application of the proceeds coming from DDMPR Initial Public Offering.

As of June 30, 2021, the proceeds from the DDMPR IPO has been fully disbursed.

For the second quarter of 2021, the application of the proceeds is broken down as follows:

<b>Balance of IPO Proceeds as of March 31, 2021</b>	<b>PHP 1,960,482,731.40</b>
Less Disbursements from April 1 to June 30, 2021	
Disbursement for documentary stamp tax	6,792,394.50
Disbursements to CentralHub Industrial Centers Inc.	1,953,690,336.90
<hr/>	
Total Disbursements from April 1 to June 30, 2021	1,960,482,731.40
<hr/>	
<b>Balance of IPO Proceeds as of June 30, 2021</b>	<b>PHP -</b>

Thank you.

Very truly yours,

  
Benedicto V. Yujuico

SUBSCRIBED AND SWORN to before me this JUL 14 2021 at PASAY CITY, Philippines, affiant exhibited to me his/her identification:

Name	ID Number	Issued at/Expiry Date
Benedicto V. Yujuico	Passport No. P5650226B	DFA Manila/18 Oct 2030

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Book No. 5  
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**ERIKA ESTEL G. CUSI**  
Notary Public for Pasay  
Until December 31, 2021  
Commission No. \_\_\_\_\_  
Roll No. 63306  
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 C



# BENEDICTO V. YUJUICO

**REPORT OF FACTUAL FINDINGS ON THE  
APPLICATION OF PROCEEDS FROM SECONDARY OFFER  
RECEIVED FROM THE INITIAL PUBLIC OFFERING OF DDMP REIT,  
INC.**



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 FACTUAL FINDINGS

**Benedicto V. Yujuico**  
30<sup>th</sup> Floor, IBM Plaza Building, Eastwood City Cyber Park  
Bagumbayan, Quezon City  
Metro Manila, Philippines

We have performed the procedures agreed with you and enumerated below with respect to the Progress Report on the application of proceeds from the secondary offer received by Benedicto V. Yujuico (BVY) from the Initial Public Offering ("IPO") of DDMP REIT, Inc. (the "DDMP REIT") on March 24, 2021. The procedures were performed solely to comply with the requirement of the Philippine Stock Exchange (PSE) for BVY to submit an external auditors' report of factual findings on the accuracy of the information being represented by BVY relating to the use of proceeds from the Offering whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with Philippine Standard on Related Services (PSRS) 4400, Engagements to Perform Agreed-upon Procedures Regarding Financial Information.

The agreed-upon procedures are summarized as follows:

1. Obtain and check the mathematical accuracy of the Quarterly Progress Report from BVY.
2. Compare the list of all the disbursements in the Quarterly Progress Report with the schedule of planned use of proceeds from the IPO in the REIT Plan ("REIT Plan") and agree the amounts to the related supporting documents such as memorandum of agreements, invoices, deposit slips, passbook and letter of instructions.

The results of the procedures performed are summarized in Annex A, which is an integral part of this report.

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until November 21, 2023  
SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)  
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)  
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



The procedures that we performed did not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), thus, we do not express any assurance on the use of proceeds from the IPO based on the said standards.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA and PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on BVY's use of the proceeds from the IPO and items specified above and do not extend to any financial statements of BVY taken as a whole.

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

**Darwin P. Virocel**  
 Partner  
 CPA License No. 0094495  
 SEC Accreditation No. 94495-SEC, Group A, effective for five (5) years  
 covering the audit of 2019 to 2023 financial statements

July 15, 2021  
 Makati City, Metro Manila

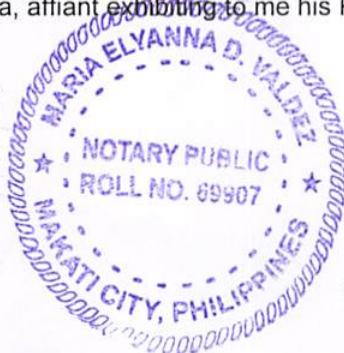
REPUBLIC OF THE PHILIPPINES )  
 Makati City ) S.S.

I, Darwin P. Virocel, a Partner of R.G. Manabat & Co., do solemnly swear that all matters set forth in the above report are true and correct to the best of my knowledge.

Darwin P. Virocel  
 Partner

SUBSCRIBED AND SWORN TO before me, this 15 day of JULY 2021 in Makati City, Metro Manila, affiant exhibiting to me his PRC ID No. 0094495 (CPA) which expires on 12/17/2022.

Doc No. 388 ;  
 Page No. 15 ;  
 Book No. III ;  
 Series of 2021.



**ATTY. MARIA ELYANNA D. VALDEZ**  
 Notary Public for Makati City  
 Appointment No. M-201  
 Valid until 12/31/2021  
 Roll No. 69907

PTR No. M128174492; Makati City  
 IBP Lifetime No. 016903; Quezon City  
 MCLE Compliance No. VI- 0009137 valid until 04/14/2021  
 The KPMG Center, 9/F, 6787 Ayala Ave. Makati City

**Summary of Results of Agreed-Upon Procedures Performed**  
**Annex A**

We report the results of our work as follows:

1. We have obtained and checked the mathematical accuracy of the BVY's Quarterly Progress Report for the second quarter ended June 30, 2021. No exceptions noted.
2. We have compared the list of all the disbursements in the Quarterly Progress Report with the schedule of planned use of proceeds from the IPO in the REIT Plan and agreed the amounts to the related supporting documents.

As presented by the BVY and based on the above procedures, the table below lists the details of the disbursements made during the second quarter ended June 30, 2021, from the P1,960.5 million net Offering proceeds.

Net proceeds as of March 31, 2021	P1,960,482,731.40
Less:	
Investment to CentralHub Industrial Centers Inc.	1,953,690,336.90
Documentary stamp tax	6,792,394.50
<b>Total</b>	<b>1,960,482,731.40</b>
Net proceeds as of June 30, 2021	P -

Relative to the actual disbursements for the period, we have compared and agreed the actual disbursements for the quarter ended June 30, 2021 submitted by BVY to the PSE to the related supporting documents, which includes the bank account passbooks, related check vouchers, official receipts, collection receipts and bank deposit slips. We have noted that the proceeds have been disbursed by BVY for its investment to CentralHub and for the payment of documentary stamp tax totaling P2.0 billion and P6.8 million, respectively. No exceptions noted.

14 July 2021

**Securities and Exchange Commission**

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City

Attention: **Hon. Vicente Graciano P. Felizmenio, Jr.**  
Director, Markets and Securities Regulation Department

**Philippine Stock Exchange, Inc.**

6<sup>th</sup> Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosure Department

**Subject: Summary of the Application of Proceeds from the Initial Public Offering of DDMP REIT Inc. (Teresita M. Yujuico)**

Ladies and Gentlemen,

In line with the Initial Public Offering (IPO) of DDMP REIT, Inc. (DDMPR) on March 24, 2021, we submit herewith our report on the application of the proceeds coming from DDMPR Initial Public Offering.

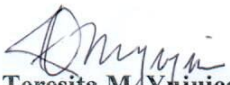
As of June 30, 2021, the proceeds from the DDMPR IPO has been fully disbursed.

For the second quarter of 2021, the application of the proceeds is broken down as follows:

<b>Balance of IPO Proceeds as of March 31, 2021</b>	<b>PHP 1,898,651,247.31</b>
Less Disbursements from April 1 to June 30, 2021	
Disbursement for documentary stamp tax	6,578,169.00
Disbursements to CentralHub Industrial Centers Inc.	1,892,073,078.31
<hr/>	
Total Disbursements from April 1 to June 30, 2021	1,898,651,247.31
<hr/>	
<b>Balance of IPO Proceeds as of June 30, 2021</b>	<b>PHP -</b>

Thank you.

Very truly yours,

  
**Teresita M. Yujuico**

SUBSCRIBED AND SWORN to before me this JUL 14 2021 at PASAY CITY, Philippines, affiant exhibited to me his/her identification:

Name	ID Number	Issued at/Expiry Date
Teresita M. Yujuico	Passport No. P5650228B	DFA Manila/18 Oct 2030

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Page No. 25  
Book No. 5  
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. Macanagal Avenue & EDSA

2 6

# TERESITA M. YUJUICO

**REPORT OF FACTUAL FINDINGS ON THE  
APPLICATION OF PROCEEDS FROM SECONDARY OFFER  
RECEIVED FROM THE INITIAL PUBLIC OFFERING OF DDMP REIT,  
INC.**



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 FACTUAL FINDINGS

**Teresita M. Yujuico**  
30<sup>th</sup> Floor, IBM Plaza Building, Eastwood City Cyber Park  
Bagumbayan, Quezon City  
Metro Manila, Philippines

We have performed the procedures agreed with you and enumerated below with respect to the Progress Report on the application of proceeds from the secondary offer received by Teresita M. Yujuico (TMY) from the Initial Public Offering ("IPO") of DDMP REIT, Inc. (the "DDMP REIT") on March 24, 2021. The procedures were performed solely to comply with the requirement of the Philippine Stock Exchange (PSE) for TMY to submit an external auditors' report of factual findings on the accuracy of the information being represented by TMY relating to the use of proceeds whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with Philippine Standard on Related Services (PSRS) 4400, Engagements to Perform Agreed-upon Procedures Regarding Financial Information.

The agreed-upon procedures are summarized as follows:

1. Obtain and check the mathematical accuracy of the Quarterly Progress Report from TMY.
2. Compare the list of all the disbursements in the Quarterly Progress Report with the schedule of planned use of proceeds from the IPO in the REIT Plan ("REIT Plan") and agree the amounts to the related supporting documents such as memorandum of agreements, invoices, deposit slips, passbook and letter of instructions.

The results of the procedures performed are summarized in Annex A, which is an integral part of this report.

Firm Regulatory Registration & Accreditation:  
PRC-BOA Registration No. 0003, valid until November 21, 2023  
SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)  
IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)  
BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024  
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)





The procedures that we performed did not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), thus, we do not express any assurance on the use of proceeds from the IPO based on the said standards.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA and PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on TMY's use of the proceeds from the IPO and items specified above and do not extend to any financial statements of TMY taken as a whole.

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

**Darwin P. Virocel**  
 Partner  
 CPA License No. 0094495  
 SEC Accreditation No. 94495-SEC, Group A, effective for five (5) years covering the audit of 2019 to 2023 financial statements

July 15, 2021  
 Makati City, Metro Manila

REPUBLIC OF THE PHILIPPINES )  
 Makati City ) S.S.

I, Darwin P. Virocel, a Partner of R.G. Manabat & Co., do solemnly swear that all matters set forth in the above report are true and correct to the best of my knowledge.

Darwin P. Virocel  
 Partner

SUBSCRIBED AND SWORN TO before me, this JUL 15 2021 day of July in Makati City, Metro Manila, affiant exhibiting to me his PRC ID No. 0094495 (CPA) which expires on 12/17/2022.

Doc No. 327 ;  
 Page No. 15 ;  
 Book No. 10 ;  
 Series of 2021.



**ATTY. MARIA ELYANNA D. VALDEZ**  
 Notary Public for Makati City  
 Appointment No. M-201  
 Valid until 12/31/2021  
 Roll No: 69907

PTR No. 1111 PSC 4493; Makati City 2  
 IBP Lifetime No. 016903; Quezon City  
 MCLE Compliance No. VI-0009137 valid until 04/14/20  
 The KPMG Center, 9/F, 6787 Ayala Ave. Makati City



**Summary of Results of Agreed-Upon Procedures Performed**  
**Annex A**

We report the results of our work as follows:

1. We have obtained and checked the mathematical accuracy of the TMY's Quarterly Progress Report for the second quarter ended June 30, 2021. No exceptions noted.
2. We have compared the list of all the disbursements in the Quarterly Progress Report with the schedule of planned use of proceeds from the IPO in the REIT Plan and agreed the amounts to the related supporting documents.

As presented by TMY and based on the above procedures, the table below lists the details of the disbursements made during the second quarter ended June 30, 2021, from the P1,898.7 million net Offering proceeds.

Net proceeds as of March 31, 2021	P1,898,651,247.31
Less:	
Investment to CentralHub Industrial Centers Inc.	1,892,073,078.31
Documentary stamp tax	6,578,169.00
<b>Total</b>	<b>1,898,651,247.31</b>
<b>Remaining Proceeds as of June 30, 2021</b>	<b>P -</b>

Relative to the actual disbursements for the period, we have compared and agreed the actual disbursements for the quarter ended June 30, 2021 submitted by TMY to the PSE to the related supporting documents, which includes the bank account passbooks, related check vouchers, official receipts, collection receipts and bank deposit slips. We have noted that the proceeds have been disbursed by TMY for its investment to CentralHub and for the payment of documentary stamp tax totaling P1.9 billion and P6.6 million, respectively. No exceptions noted.

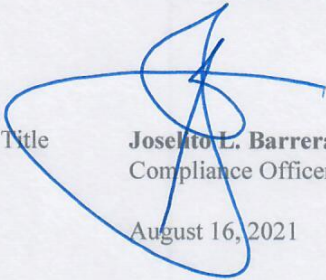
**SIGNATURES**

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

Issuer

DDMP REIT, INC.

Signature and Title



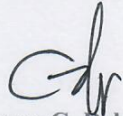
**Joseito L. Barrera, Jr.**  
Compliance Officer / Head, Legal Department

Date

August 16, 2021

Principal Financial/Accounting Officer/Controller: Gerda Grace G. Dela Victoria

Signature and Title



**Gerda Grace G. Dela Victoria**  
Head, Accounting

Date

August 16, 2021