103232016000071

SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	CS200930354
Company Name	DOUBLEDRAGON PROPERTIES CORP.
Industry Classification	Real Estate Activities
Company Type	Stock Corporation

Document Information

Document ID	103232016000071
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COVER SHEET

CS200930354

S.E.C. Registration Number

DOUBLEDRAGON PROPERTIES CORP. AND SUBSIDIARIES (Formerly Injap Land Corporation)

(Company's Full Name)

DD Meridian Park Bay Area Brgy 76 Zone 10, San Rafael Pasay City, Metro Manila 1302

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

Rizza Marie Joy Sia	856-7111
Contact Person	Company Telephone Number

09	30	17-Q		
Month	*Day*	FORM TYPE	*Month*	*Day*
			Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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File No. ________

DOUBLEDRAGON PROPERTIES CORP.
(Company's Full Name)

DD Meridian Park Bay Area Brgy. 76 Zone10, San Rafael, Pasay City, Metro Manila 1302
(Company's Address)

856 7111
(Telephone Number)

December 31
(Fiscal Year ending)

Amended Form 17-Q for the Third Quarter of 2015
(Form Type)

Amended the label/header of the Unaudited Consolidated Statements of Cash Flow to "Nine Months Ended September 30"
Amended MD&A on Cost and Expenses and Noncurrent Liabilities
Included the Selected Notes to the Unaudited Consolidated Financial Statements
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 **September 30, 2015**

2. Commission identification number **CS200930354** 3. BIR Tax Identification No. **287-191-423-000**

4. Exact name of issuer as specified in its charter: **DoubleDragon Properties Corp.**

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 Brgy 76 Zone10, San Rafael, Pasay City, Metro Manila 1302**

8. Issuer's telephone number, including area code: **(632) 856-7111**

9. Former name, former address and former fiscal year, if changed since last report: Former Address: **5th Floor People's Hotel Delgado St., Iloilo City 5000**

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	**2,229,730,000**

11. Are any or all of the securities listed on a Stock Exchange?
    Yes [x] No [ ]

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

12. Indicate by check mark whether the registrant:

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

    Yes [x] No [ ] N/A

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

    Yes [x] No [ ] N/A

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

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

a) Unaudited Consolidated Statements of Comprehensive Income for the three months ended September 30, 2015 and September 30, 2014;
b) Consolidated Statements of Financial Position as of September 30, 2015 (unaudited) and December 31, 2014 (audited);
c) Unaudited Consolidated Statements of Changes in Equity for the nine months ended September 30, 2015 and September 30, 2014; and
d) Unaudited Consolidated Statements of Cash Flows for the nine months ended September 30, 2015 and September 30, 2014.
e) Selected Notes to the Consolidated Financial Statements as of September 30, 2015 (unaudited) and December 31, 2014 (audited)
f) Supplementary Information Required Under SRC Rule 68

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

Quarter ended September 30, 2015 versus Quarter ended September 30, 2014 Results of Operations

DOUBLEDRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the quarter ended September 30

			Horizontal Analysis		Vertical Analysis	
	2015	2014	Increase (Decrease)		2015	2014
REVENUES						
Real estate sales	305,825,735	698,351,827	(392,526,092)	-56.2%	27.5%	94.7%
Sale of mall stall units	58,372,991	35,585,714	22,787,277	64.0%	5.3%	4.8%
Unrealized gain from change in fair values of investment property	624,060,281	-	624,060,281	0.0%	56.1%	0.0%
Rental income	16,163,168	1,439,987	14,723,181	1022.5%	1.5%	0.2%
Interest income	3,044,439	1,666,075	1,378,364	82.7%	0.3%	0.2%
Others	104,030,717	21,404	104,009,313	485934.0%	9.4%	0.0%
	1,111,497,331	**737,065,007**	**374,432,324**	**50.8%**	**100.0%**	**100.0%**
COST AND EXPENSES						
Cost of real estate sales	128,424,312	306,462,218	(178,037,906)	-58.1%	11.6%	41.6%
Cost of sale of mall stall units	10,260,514	3,790,078	6,470,436	170.7%	0.9%	0.5%
Selling and marketing expenses	12,856,018	20,582,358	(7,726,340)	-37.5%	1.2%	2.8%
General and administrative expenses	62,605,863	43,512,109	19,093,754	43.9%	5.6%	5.9%
Interest expense	40,578,753	41,559	40,537,194	97541.3%	3.7%	0.0%
	254,725,460	**374,388,322**	**(119,662,862)**	**-32.0%**	**22.9%**	**50.8%**
INCOME BEFORE INCOME TAX	**856,771,871**	**362,676,685**	**494,095,186**	**136.2%**	**77.1%**	**49.2%**
INCOME TAX EXPENSE	**267,376,391**	**108,914,554**	**158,461,837**	**145.5%**	**24.1%**	**14.8%**
NET INCOME/TOTAL COMPREHENSIVE INCOME	**589,395,480**	**253,762,131**	**335,633,349**	**132.3%**	**53.0%**	**34.4%**
Attributable to:						
Equity holders of the Parent Company	583,771,645	251,239,794	332,531,851	132.4%	52.5%	34.1%
Non-controlling interest	5,623,835	2,522,337	3,101,498	100.0%	0.5%	0.3%
	589,395,480	**253,762,131**	**335,633,349**	**132.3%**	**53.0%**	**34.4%**

Revenues

DoubleDragon Properties Corp. ("DD" or the "Company") recognized consolidated revenues of P1,111.5 million for the quarter ended September 30, 2015, resulting to an increase of P374.4 million (+50.8%) from P737.1 million posted in the same period last year due to significant contributions from existing operational commercial projects – CityMalls and Dragon8 Mall - Divisoria

Revenues from the sale of mall stall units increased by 64% to P58.3 million from P35.6 million posted in the same period last year.

Rental income increased to P16.1 million from P1.4 million of the same period last year. The Company is starting to receive revenue contribution from its operating CityMalls.

The Company is seeing significant revenue contribution from its interim projects which were strategically acquired in order to generate early year cashflow from sales while it builds up its leasing portfolio as it transitions into becoming a 90% recurring revenue Company by 2020.

The 5-year Vision of DoubleDragon is to develop 1 Million square meters of leasable space anchored by the rollout of 100 CityMalls across the provinces and through the development of DD Meridian Park, a 4.8 hectare prime commercial block in the Bay Area in Metro Manila.

Cost and Expenses

Consolidated cost of real estate sales amounted to P138.7 million for the three months ended September 30, 2015 giving the Company a healthy consolidated margin of 62% on real estate sales.

General and administrative expenses of P62.6 million increased by P19.1 million (+43.9%) due to the increase in personnel cost, business taxes, outsourced services and other costs necessary for the Company's operations and business expansion. The increase in personnel costs are expected as the Company builds up its core management team and prepares its operational back end to support the growth plans of DoubleDragon.

The members of the Board receive a standard per diem for attendance in Board meetings. This per diem paid is recognized as part of the General and administrative expenses. During the period the Group paid a total of P0.54 million and a total of P0.48 million in 2014.

Interest expense incurred for debt servicing amounting to P40.6 million was recognized for the three months ended September 30, 2015.

Net Income

The Company's consolidated net income of P589.4 million grew by P335.6 million, up by 132.3% for the three months ended September 30, 2015 versus the same period last year. This is a result of income before tax increase of 136.2% to P856.8 million from P362.7 million recorded in the same period last year.

The Company maintained its high growth trajectory for the first nine months of 2015 as income before tax rose by 112.8% to P1,034.2 million from P485.9 million posted during the first nine months of 2014. This translates to a net income after tax increase of 111.1% year-on-year to P713.6 million from P338.1 million for the first nine months of the year.

September 30, 2015 versus December 31, 2014 Statements of Financial Position

DOUBLEDRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited	Audited	Horizontal Analysis		Vertical Analysis	
	September 30, 2015	December 31, 2014	Increase (Decrease)		2015	2014
ASSETS						
Current Assets						
Cash	1,505,526,363	3,817,191,234	(2,311,664,871)	-60.6%	6.0%	20.7%
Receivables	1,388,707,156	732,366,911	656,340,245	89.6%	5.6%	4.0%
Real estate inventories	2,682,961,166	2,243,407,876	439,553,290	19.6%	10.8%	12.1%
Mall stall units for sale	186,459,470	205,115,350	(18,655,880)	-9.1%	0.7%	1.1%
Due from related parties	-	1,030,070	(1,030,070)	-100.0%	0.0%	0.0%
Prepaid expenses and other current assets	1,036,998,452	423,201,167	613,797,285	145.0%	4.2%	2.3%
Total Current Assets	**6,800,652,607**	**7,422,312,608**	**(621,660,001)**	**-8.4%**	**27.3%**	**40.2%**
Noncurrent Assets						
Noncurrent installment contracts receivable	206,412,607	206,412,607	-	0.0%	0.8%	1.1%
Property and equipment - net	125,285,351	95,859,524	29,425,827	30.7%	0.5%	0.5%
Intangible assets - net	82,050,103	68,960,899	13,089,204	19.0%	0.3%	0.4%
Investment property	17,416,686,439	10,467,018,818	6,949,667,621	66.4%	69.9%	56.7%
Other noncurrent assets	302,053,137	214,318,100	87,735,037	40.9%	1.2%	1.2%
Total Noncurrent Assets	**18,132,487,637**	**11,052,569,948**	**7,079,917,689**	**64.1%**	**72.7%**	**59.8%**
	24,933,140,244	**18,474,882,556**	**6,458,257,688**	**35.0%**	**100.0%**	**100.0%**
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other liabilities	993,017,870	840,247,846	152,770,024	18.2%	4.0%	4.5%
Short-term notes payable	2,949,000,000	649,000,000	2,300,000,000	354.4%	11.8%	3.5%
Customers' deposits	348,495,803	230,608,277	117,887,526	51.1%	1.4%	1.2%
Due to related parties	39,935,199	280,679,292	(240,744,093)	-85.8%	0.2%	1.5%
Income tax payable	64,285,215	12,223,080	52,062,135	425.9%	0.3%	0.1%
Total Current Liabilities	**4,394,734,087**	**2,012,758,495**	**2,381,975,592**	**118.3%**	**17.6%**	**10.9%**
Noncurrent Liabilities						
Long-term notes payable	10,881,197,151	7,729,243,372	3,151,953,779	40.8%	43.6%	41.8%
Customers' deposits - net of current portion	57,746,986	176,410,072	(118,663,086)	-67.3%	0.2%	1.0%
Other noncurrent payable	605,806,862	552,925,699	52,881,163	9.6%	2.4%	3.0%
Deferred tax liability - net	376,676,952	173,369,486	203,307,466	117.3%	1.5%	0.9%
Total Noncurrent Liabilities	**11,921,427,951**	**8,631,948,629**	**3,289,479,322**	**38.1%**	**47.8%**	**46.7%**
Total Liabilities	**16,316,162,038**	**10,644,707,124**	**5,671,454,914**	**53.3%**	**65.4%**	**57.6%**
Equity						
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	222,973,000	222,973,000	-	0.0%	0.9%	1.2%
Additional paid-in capital	1,358,237,357	1,358,237,357	-	0.0%	5.4%	7.4%
Retained earnings	1,258,611,229	661,823,627	596,787,602	90.2%	5.0%	3.6%
	2,839,821,586	**2,243,033,984**	**596,787,602**	**26.6%**	**11.4%**	**12.1%**
Non-controlling Interest	**5,777,156,620**	**5,587,141,448**	**190,015,172**	**3.4%**	**23.2%**	**30.2%**
Total Equity	**8,616,978,206**	**7,830,175,432**	**786,802,774**	**10.0%**	**34.6%**	**42.4%**
Total Liabilities and Equity	**24,933,140,244**	**18,474,882,556**	**6,458,257,688**	**35.0%**	**100.0%**	**100.0%**

Current Assets

Cash amounting to P1,505.5 million as of September 30, 2015 decreased by P2,311.7 million (-60.6%) from P3,817.2 million in December 31, 2014 as cash is spent for the capital expenditures for the construction of CityMalls and full blast construction of vertical and horizontal projects.

Receivables amounting to P1,388.7 million as of September 30, 2015 increased by P656.3 million (+89.6%) from P732.4 million in December 31, 2014. Incremental sales from additional construction accomplishments and sales from new buyers of existing projects contributed to the increase in receivables as well as receivable from the sale of mall stall units of Dragon8 Mall-Divisoria.

Real estate inventories amounting to P2,683.0 million as of September 30, 2015 increased by P439.6 million (+19.6%) from P2,243.4 million in December 31, 2014. Additional construction accomplishments on the Company's ongoing projects brought the increase in real estate inventories.

Mall stall units for sale amounting to P186.5 million as of September 30, 2015 decreased by P18.7 million (-9.1%) from P205.1 million in December 31, 2014 from the cost of sale of leasehold rights.

Prepaid expenses and other current assets amounting to P1,037.0 million as of September 30, 2015 increased by P613.8 million (+145.0%) from P423.2 million in December 31, 2014. Input taxes on expenditures related to construction and property development and creditable withholding taxes brought the increase in other current assets.

Noncurrent Assets

Noncurrent installment contracts receivable amounting to P206.4 million as of September 30, 2015 and December 31, 2014. Noncurrent installment contracts represent the portion of receivables from the sale of units from vertical and horizontal projects collectible in two to three years' time.

Property and equipment amounting to P125.3 million as of September 30, 2015 increased by P29.4 million (+30.7%) from P95.9 million in December 31, 2014. The net increase resulted from the acquisition of property and equipment items and recognition of depreciation expense for the period.

Intangible assets amounted to P82.1 million as of September 30, 2015 increased by P13.1 million (+19.0%) from P68.9 million in December 31, 2014. The net increase is due to the acquisition of additional software licenses and recognition of the amortization expense for the period.

Investment property amounting to P17,416.7 million as of September 30, 2015 increased by P6,949.7 million (+66.4%) from P10,467.0 million in December 31, 2014 as the Company continues to acquire additional CityMall sites. To date, CityMall has already secured 39 prime properties across the Philippines, leading towards its vision of 100 CityMalls by 2020.

CityMall is poised to become the largest branded community mall player in the Philippines as it currently constructs over 20 additional CityMall sites across the country; all located in strategic and prime locations around the different city centers of the provinces.

Current Liabilities

Accounts payable and other liabilities amounting to P993.0 million as of September 30, 2015 increased by P152.8 million (+18.2%) from P840.2 million in December 31, 2014. The increase is attributed to accruals and actual progress billings related to existing and new developmental projects.

Customers' deposits amounting to P348.5 million as of September 30, 2015 increased by P117.9 million (+51.1%) from P230.6 million in December 31, 2014. Deposits related to installment contracts and deposits from tenants due to advance rent contributed to the increase in customers' deposits.

Due to related parties amounting to P39.9 million as of September 30, 2015 decreased by P240.7 million (-85.8%) from P280.7 million in December 31, 2014 due to payment of various liabilities to the related parties.

Noncurrent Liabilities

Long-term notes payable increased by P3,151.9 million from P7,729.2 million in December 31, 2014 due to the unsecured long-term credit facility obtained from BDO Unibank, Inc. and Development Bank of the Philippines during the period. The proceeds are used to fund the additional acquisition of CityMall sites as well as capital expenditures in its various projects. The Company is focused in securing CityMall sites in advance of its rollout program to ensure prime locations for its malls in the heart of provincial cities across the country.

Financial leverage ratios remain healthy with Debt-to-Equity at 1.60x and Net Debt-to-Equity at 1.43x as of end September 30, 2015.

Customers' deposits amounting to P57.7 million as of September 30, 2015 decreased by P118.7 million (-67.3%) due to the conversion of previously unbooked sales into installment contracts receivable as the projects increase its percentage of construction completion.

Equity

Equity amounting to P8,617.0 million as of September 30, 2015 is higher by P786.8 million (+10.0%) from P7,830.2 million in December 31, 2014, due to the consolidated net income recorded for the first nine months of 2015.

PART II--OTHER INFORMATION

N/A

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	DOUBLEDRAGON PROPERTIES CORP.
Signature and Title	Joselito L. Barrera, Jr Chief information Officer/ Head, Legal Department
Date	March 23, 2016

Principal Financial/Accounting Officer/Controller : Gerda C. Galloniga

Signature and Title	Gerda C. Galloniga Head, Accounting
Date	March 23, 2016

DOUBLEDRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Unaudited September 30, 2015	Audited December 31, 2014
ASSETS		
Current Assets		
Cash	1,505,526,363	3,817,191,234
Receivables	1,388,707,156	732,366,911
Real estate inventories	2,682,961,166	2,243,407,876
Mall stall units for sale	186,459,470	205,115,350
Due from related parties	-	1,030,070
Prepaid expenses and other current assets	1,036,998,452	423,201,167
Total Current Assets	**6,800,652,607**	**7,422,312,608**
Noncurrent Assets		
Noncurrent installment contracts receivable	206,412,607	206,412,607
Property and equipment - net	125,285,351	95,859,524
Intangible assets - net	82,050,103	68,960,899
Investment property	17,416,686,439	10,467,018,818
Other noncurrent assets	302,053,137	214,318,100
Total Noncurrent Assets	**18,132,487,637**	**11,052,569,948**
	24,933,140,244	**18,474,882,556**
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other liabilities	993,017,870	840,247,846
Short-term notes payable	2,949,000,000	649,000,000
Customers' deposits	348,495,803	230,608,277
Due to related parties	39,935,199	280,679,292
Income tax payable	64,285,215	12,223,080
Total Current Liabilities	**4,394,734,087**	**2,012,758,495**
Noncurrent Liabilities		
Long-term notes payable	10,881,197,151	7,729,243,372
Customers' deposits - net of current portion	57,746,986	176,410,072
Other noncurrent payable	605,806,862	552,925,699
Deferred tax liability - net	376,676,952	173,369,486
Total Noncurrent Liabilities	**11,921,427,951**	**8,631,948,629**
Total Liabilities	**16,316,162,038**	**10,644,707,124**
Equity		
Equity Attributable to Equity Holders of the Parent Company		
Capital stock	222,973,000	222,973,000
Subscription receivable	-	-
Additional paid-in capital	1,358,237,357	1,358,237,357
Retained earnings	1,258,611,229	661,823,627
	2,839,821,586	**2,243,033,984**
Non-controlling Interest	**5,777,156,620**	**5,587,141,448**
Total Equity	**8,616,978,206**	**7,830,175,432**
Total Liabilities and Equity	**24,933,140,244**	**18,474,882,556**

DOUBLEDRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the periods ended September 30, 2015 and 2014

	2015 For the quarter ended	2014 For the quarter ended	2015 For the nine months ended	2014 For the nine months ended
REVENUES				
Real estate sales	305,825,735	698,351,827	802,907,452	984,696,349
Sale of mall stall units	58,372,991	35,585,714	134,437,723	135,608,839
Unrealized gain from change in fair values of investment property	624,060,281	-	624,060,281	-
Rental income	16,163,168	1,439,987	28,500,615	4,290,111
Interest income	3,044,439	1,666,075	15,689,247	2,664,450
Others	104,030,717	21,404	117,844,378	350,314
	1,111,497,331	737,065,007	1,723,439,696	1,127,610,063
COST AND EXPENSES				
Cost of real estate sales	128,424,312	306,462,218	401,301,541	481,911,147
Cost of sale of mall stall units	10,260,514	3,790,078	18,655,880	14,372,226
Selling and marketing expenses	12,856,018	20,582,358	48,750,534	44,422,087
General and administrative expenses	62,605,863	43,512,109	174,245,054	96,772,734
Interest expense	40,578,753	41,559	46,236,623	4,168,175
	254,725,460	374,388,322	689,189,632	641,646,369
INCOME BEFORE INCOME TAX	856,771,871	362,676,685	1,034,250,064	485,963,694
INCOME TAX EXPENSE	267,376,391	108,914,554	320,619,849	147,899,252
NET INCOME/TOTAL COMPREHENSIVE INCOME	589,395,480	253,762,131	713,630,215	338,064,442
Attributable to:				
Equity holders of the Parent Company	583,771,645	251,239,794	706,615,042	331,150,917
Non-controlling interest	5,623,835	2,522,337	7,015,173	6,913,525
	589,395,480	253,762,131	713,630,215	338,064,442
Earnings per share				
Basic	0.26433	0.11381	0.32005	0.15162
Diluted	0.26433	0.11381	0.32005	0.15162

DOUBLEDRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the nine months ended September 30, 2015 and 2014

		September 30, 2015		September 30, 2014
	Number of Shares	Amount	Number of Shares	Amount
CAPITAL STOCK				
Authorized				
Common Shares - P0.10 par value - February 10, 2014				
P1 par value - April 10, 2013; P100 par value - 2012	5,000,000,000	500,000,000	5,000,000,000	500,000,000
Issued and outstanding				
Balance at beginning of year	2,229,730,000	222,973,000	165,000,000	165,000,000
Change in par value - P1 to P0.1			1,485,000,000	
Stock issuances during the year			579,730,000	57,973,000
Balance at September 30	**2,229,730,000**	**222,973,000**	**2,229,730,000**	**222,973,000**
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		1,358,237,357		318,625,580
Stock issuances during the year				1,101,487,000
Stock issuance costs				(57,912,003)
Balance at September 30		**1,358,237,357**		**1,362,200,577**
RETAINED EARNINGS				
Balance at beginning of year		661,823,627		100,889,373
Net income for the period		706,615,043		331,150,917
Cash dividends declared		(109,827,441)		
Balance at September 30		**1,258,611,229**		**432,040,290**
NON-CONTROLLING INTEREST				
Balance at beginning of year		5,587,141,448		9,309,740
Share capital				119,370,302
Subscription receivable				(120,000)
Deposit for future stock subscription		183,000,000		
Effect of business combination				(9,162,312)
Net income for the quaretr		7,015,173		6,913,525
Balance at September 30		**5,777,156,621**		**126,311,256**
		8,616,978,207		**2,143,525,123**

DOUBLEDRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the nine months ended September 30

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**1,034,250,064**	485,963,694
Adjustments for:		
Interest expense	**46,236,623**	4,168,175
Depreciation and amortization	**5,487,132**	3,687,562
Unrealized gain from change in fair values of investment proper	**(624,060,281)**	-
Interest income	**(15,689,247)**	(2,664,450)
Operating income before working capital changes	**446,224,291**	491,154,981
Decrease (increase) in:		
Receivables	**(656,340,245)**	(385,105,999)
Real estate inventories	**(439,553,290)**	(978,858,929)
Mall stall units for sale	**18,655,880**	(13,494,079)
Prepaid expenses and other current assets	**(1,036,998,452)**	(206,222,213)
Increase (decrease) in:		
Accounts payable and other liabilities	**152,770,024**	163,899,747
Customers' deposits	**(775,560)**	343,541,171
Due to related parties	**(239,714,023)**	(37,677,427)
Cash absorbed by operations	**(1,755,731,375)**	(622,762,748)
Interest received	**15,689,247**	2,664,450
Interest paid	**(606,523,898)**	(4,168,175)
Net cash used in operating activities	**(2,346,566,026)**	(624,266,473)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	**(33,299,842)**	(1,802,717)
Additions to intangible assets	**(14,186,695)**	(610,469)
Additions to investment property	**(5,198,264,326)**	(1,308,704,474)
Increase in other noncurrent assets	**(87,735,037)**	(36,786,907)
Net cash used in investing activities	**(5,333,485,900)**	(1,347,904,567)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock	**-**	1,243,601,999
Proceeds from loans and note issuance	**5,500,000,000**	910,000,000
Payments of loans	**(74,666,667)**	-
Increasencrease in other noncurrent payable	**52,881,163**	118,177,981
Cash dividends paid	**(109,827,441)**	-
Net cash provided by financing activities	**5,368,387,055**	2,271,779,980
NET DECREASE IN CASH	**(2,311,664,871)**	299,608,940
CASH AT BEGINNING OF YEAR	**3,817,191,234**	113,304,028
CASH AT END OF YEAR	**1,505,526,363**	412,912,968

DOUBLEDRAGON PROPERTIES CORP.
Loans and Receivables
September 30, 2015

	Total	Neither past due nor impaired	Past due but not impaired			
			1 - 90 days	91 - 180 days	181 - 360 days	> 360 days
Loans and receivables	1,595,119,762	1,359,826,621	44,275,136	49,938,822	203,443,230	33,758,940

1. Reporting Entity

DoubleDragon Properties Corp., (the "Parent Company" or "DD"), formerly Injap Land Corporation, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on December 9, 2009 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 Parent Company, to construct, manage or administer buildings such as condominiums, apartments, hotels, restaurants, stores or other structures and to mortgage, sell, lease or otherwise dispose of land, interests in land and buildings or other structures at any time. The Parent Company started commercial operations in November 2010.

On August 1, 2012, the SEC approved the Parent Company's application to change its corporate name to "DoubleDragon Properties Corp."

The Parent Company's shares are listed at the Philippine Stock Exchange ("PSE") since April 7, 2014 under the stock symbol "DD" (see Note 8).

The consolidated financial statements include the accounts of DD and the following subsidiaries (collectively referred to as the "Group"):

Subsidiaries	Percentage of Ownership 2015	2014
DoubleDragon Sales Corp. (DDSC)[a]	**100**	100
One Eleven Property Management Corp. (OEPMC)[a]	**100**	100
DD-Meridian Park Development Corp. (DD-MPDC)[b]	**70**	70
Zion Land Development Ph, Inc. (ZLDPI)[c]	**70**	70
CityMall Commercial Centers Inc. (CMCCI)[d]	**66**	66
Piccadilly Circus Landing Inc. (PCLI)[e]	**50**	50

(a) *Consolidated effective January 1, 2012.*
(b) *Consolidated effective October 27, 2014.*
(c) *Consolidated effective May 23, 2014.*
(d) *Consolidated effective December 27, 2013.*
(e) *Consolidated effective August 1, 2013.*

2. Basis of Preparation

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

Basis of Measurement

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

Functional and Presentation Currency

The consolidated financial statements are presented in Philippine peso, which is also the Group's functional currency, and all financial information presented in Philippine peso has been rounded off to the nearest peso, unless otherwise stated.

Use of Estimates and Judgments

The consolidated financial statements prepared in accordance with PFRS require management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the consolidated financial statements at the reporting date. However, uncertainty about these estimates and assumptions could result in an outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

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

Determination of Functional Currency

Based on the economic substance of the underlying circumstances relevant to the Group, the functional currency has been determined to be the Philippine peso. It is the currency of the primary economic environment in which the Group operates and the currency that mainly influences its revenues and expenses.

Classifying Financial Instruments

The Group exercises judgments in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset or liability. The substance of a financial instrument, rather than its legal form, governs its classification in the consolidated statements of financial position.

In addition, the Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether the quoted prices are readily and regularly available and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial assets are classified as financial assets at fair value through profit or loss (FVPL), held-to-maturity (HTM) investments, loans and receivables and available-for-sale (AFS) financial assets. Financial liabilities, on the other hand, are classified as either financial liabilities at FVPL or other financial liabilities.

Distinction between Real Estate Inventories and Investment Property

The Group determines whether a property will be classified as real estate inventories or investment property. In making this judgment, the Group considers whether the property is held for sale in the ordinary course of business (real estate inventories) or which is held primarily to earn rental and capital appreciation and is not substantially for use by, or in the operations of the Group (investment property).

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

Property Acquisitions and Business Combinations
The Group acquires subsidiaries that own real estate properties. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made with regard to the extent to which significant processes are acquired. The significance of any process is judged with reference to the guidance in PAS 40 on ancillary services. When the acquisition of subsidiaries does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

Determination of Control
The Parent Company determines control when it is exposed, or has rights, to variable returns from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Parent Company controls an entity if and only if the Parent Company has all of the following:

a. power over the entity;

b. exposure, or rights, to variable returns from its involvement with the entity; and

c. the ability to use its power over the entity to affect the amount of the Parent Company's returns.

Collectability of the Sales Price
In determining whether the sales prices are collectable, the Group considers that initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

Assessing Lease Agreements
The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and arrangement conveys a right to use the asset.

Operating Leases - Group as a Lessee
The Group has entered into various lease agreements as a lessee. The Group has determined that the lessor retains all significant risks and rewards of ownership of these properties which are leased out under operating lease arrangements.

Operating Leases - Group as a Lessor
The Group has entered into various lease agreements as a lessor to lease out its commercial spaces to various lessees. The Group has determined that it retains all significant risks and rewards of ownership of the property which are leased out under operating lease arrangements.

Estimates
The key estimates and assumptions used in the consolidated financial statements are based on management's evaluation of relevant facts and circumstances as at the date of the Group's

consolidated financial statements. Actual results could differ from such estimates.

Revenue and Cost Recognition
The Group's revenue and cost recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenue and costs. The Group's revenue from real estate sales is recognized based on the percentage of completion. It is measured principally on the basis of the estimated completion of a physical proportion of contract work by reference to the actual costs incurred to date over the estimated total costs of the project. Changes in estimate may affect the reported amounts of revenue in real estate sales and receivables. There were no changes in the assumptions or basis for estimation during the year.

Revenue and cost recognized related to real estate contracts amounted to P802.91 million and P401.30 million, respectively, in September 30, 2015, and P1,073.01 million and P573.34 million, respectively, in 2014, and P511.07 million and P373.75 million, respectively, in 2013.

Estimating Allowance for Impairment Losses on Receivables, Due from Related Parties and Refundable Deposits
The Group performs regular review of the age and status of its receivables, due from related parties and refundable deposits, designed to identify accounts with objective evidence of impairment and provides those with the appropriate allowance for impairment losses. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behavior and known market factors. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilized different estimates. An increase in the Group's allowance for impairment losses on receivables, due from related parties and refundable deposits would increase the Group's recorded general and administrative expenses and decrease current and noncurrent assets.

No allowance for impairment losses are recognized for receivables, due from related parties and refundable deposits as at September 30, 2015 and December 31, 2014. The carrying amounts of Group's receivables, due from related parties and refundable deposits amounted to P1,657.65 million, and P978.78 million as at September 30, 2015 and December 31, 2014, respectively.

Estimating Net Realizable Value (NRV) of Real Estate Inventories and Mall Stall Units for Sale
The Group reviews its real estate inventories and mall stall units for sale for probable decline in value. This includes considering certain indications such as significant change in asset usage and plans relating to the real estate projects and mall stall units for sale. Where the carrying amount of real estate inventories and mall stall units for sale exceeds their NRV, the real estate inventories and mall stall units for sale are considered impaired and are written down to their NRV. The NRV is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. In determining the recoverability of the real estate inventories and mall stall units for sale, management considers whether those real estate inventories and mall stall units for sale are damaged or if their selling prices have declined.

No real estate inventories and mall stall units for sale were written down to their NRVs in September 30, 2015, 2014 and 2013. The carrying amounts of the Group's real estate inventories and mall stall units for sale amounted to P2,869.42 million and P2,448.52 million as at September 30, 2015 and December 31, 2014, respectively.

Estimating Useful Lives of Property and Equipment and Intangible Asset with Definite Useful Life
The Group estimates the useful lives of property and equipment and intangible asset with definite useful life (computer software license) based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and computer software license are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

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

The Group's accumulated depreciation of property and equipment amounted to P13.29 million and P8.90 million as at September 30, 2015 and December 31, 2014, respectively. The carrying amount of the Group's property and equipment amounted to P125.29 million and P95.86 million as at September 30, 2015 and December 31, 2014, respectively (see Note 4).

Fair Value Measurement of Investment Property
Starting 2013, the Group carries its investment property at fair value, with changes in fair value being recognized in profit or loss. The Group engages independent valuation specialists to determine the fair value. For the investment property, the appraisers used a valuation technique based on comparable market data available for such property.

Unrealized gains from change in fair values of investment property recognized in profit or loss amounted to P624.06 million, P455.73 million and P127.16 million in September 30, 2015, 2014 and 2013, respectively. The carrying amount of the Group's investment property amounted to P17,416.69 million and P P10,467.02 million as at September 30, 2015 and December 31, 2014, respectively (see Note 5).

Assessing Impairment on Nonfinancial Assets
PFRS requires that an impairment review be performed on property and equipment and intangible asset with definite useful life (computer software license) when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Determining the recoverable amount of assets requires estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amount and any resulting impairment loss could have a material adverse impact on the financial performance.

There were no impairment losses required to be recognized in September 30, 2015, 2014 and 2013 based on management's assessment.

Assessing Impairment of Goodwill
The Company determines whether goodwill is impaired at least annually. This requires estimation of value in use of the cash-generating units to which the goodwill is allocated. Estimating value in use requires management to make an estimate of the expected future cash flows from the cash-generating unit and to choose a suitable discount rate to calculate the present value of those cash flows.

The carrying amount of goodwill amounted to P65.40 million as at September 30, 2015 and December 31, 2014, respectively. There were no impairment losses required to be recognized in 2014, 2013, and 2012 based on management's assessment.

Estimating Realizability of Deferred Tax Asset (DTA)
The Company reviews its DTA at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the DTA to be utilized. The Company reviews its projected performance in assessing the sufficiency of future taxable income.

The carrying amount of deferred tax asset amounted to P43.17 million as at September 30, 2015 and December 31, 2014, respectively.

Provisions and Contingencies
The Group, in the ordinary course of business, sets up appropriate provisions for its present legal

or constructive obligations, if any, in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risk and uncertainties into account.

No provision for probable losses arising from legal contingencies was recognized in the Group's consolidated financial statements in September 30, 2015, 2014 and 2013.

3. Summary of Significant Accounting Policies

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

Adoption of Amendments to Standards

The Group has adopted the following amendments to standards starting January 1, 2014 and accordingly, changed its accounting policies. The adoption of these amendments to standards did not have any significant impact on the Group's consolidated financial statements.

- *Offsetting Financial Assets and Financial Liabilities (Amendments to PAS 32).* These amendments clarify that:
  - an entity currently has a legally enforceable right to set-off if that right is:
    - not contingent on a future event; and
    - enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties; and
  - gross settlement is equivalent to net settlement if and only if the gross settlement mechanism has features that:
    - eliminate or result in insignificant credit and liquidity risk; and
    - process receivables and payables in a single settlement process or cycle.

- *Recoverable Amount Disclosures for Non-financial Assets (Amendments to PAS 36).* These narrow-scope amendments to PAS 36 address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The amendments clarified that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

New and Revised Standards and Amendments to Standards Not Yet Adopted

A number of new and revised standards and amendments to standards have already been issued by the IASB that are effective for annual periods beginning after January 1, 2014. Although already issued by the FRSC, the Board of Accountancy has yet to approve these new and revised standards and amendments to standards for local adoption. However, the Group has not applied the following new and revised standards and amendments to standards in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements.

Effective July 1, 2014

- *Annual Improvements to PFRS: 2010 - 2012 and 2011 - 2013 Cycles* - Amendments were made to a total of nine standards, with changes made to the standards on business combinations and fair value measurement in both cycles. Most amendments will apply prospectively for annual periods beginning on or after July 1, 2014. Earlier application is permitted, in which case the related consequential amendments to other PFRS would also apply. Special transitional requirements have been set for amendments to the following standards: PFRS 2, PAS 16, PAS 38 and

PAS 40. The following are the said improvements or amendments to PFRS, none of which has a significant effect on the consolidated financial statements of the Group:

- *Classification and measurement of contingent consideration (Amendment to PFRS 3)*. The amendment clarifies the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to PAS 32 Financial Instruments: Presentation, rather than to any other PFRSs. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognized in profit or loss.

  Consequential amendments are also made to *PAS 39 Financial Instruments: Recognition and Measurement* and *PFRS 9 Financial Instruments* to prohibit contingent consideration from subsequently being measured at amortized cost. In addition, *PAS 37 Provisions, Contingent Liabilities and Contingent Assets* is amended to exclude provisions related to contingent consideration.

- *Disclosures on the aggregation of operating segments (Amendment to PFRS 8)*. PFRS 8 has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. The disclosures include: a brief description of the operating segments that have been aggregated; and the economic indicators that have been assessed in determining that the operating segments share similar economic characteristics. In addition, this amendment clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

- *Scope of portfolio exception (Amendment to PFRS 13)*. The scope of the PFRS 13 portfolio exception - whereby entities are exempted from measuring the fair value of a group of financial assets and financial liabilities with offsetting risk positions on a net basis if certain conditions are met - has been aligned with the scope of PAS 39 and PFRS 9.

  PFRS 13 has been amended to clarify that the portfolio exception potentially applies to contracts in the scope of PAS 39 and PFRS 9 regardless of whether they meet the definition of a financial asset or financial liability under PAS 32 - e.g. certain contracts to buy or sell non-financial items that can be settled net in cash or another financial instrument.

- *Definition of 'related party' (Amendment to PAS 24).* The definition of a 'related party' is extended to include a management entity that provides key management personnel (KMP) services to the reporting entity, either directly or through a group entity. For related party transactions that arise when KMP services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the KMP services. The reporting entity will also need to disclose other transactions with the management entity under the existing disclosure requirements of PAS 24 - e.g. loans.

- *Inter-relationship of PFRS 3 and PAS 40 (Amendment to PAS 40)*. PAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under PAS 40 and perform a separate assessment under PFRS 3 to determine whether the acquisition of the investment property constitutes a business combination. Entities will still need to use judgment to determine whether the acquisition of an investment property is an acquisition of a business under PFRS 3.

Effective January 1, 2016

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to PFRS 10 and PAS 28)*. The amendments address an inconsistency between the requirements in PFRS 10 and in PAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

  The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

  The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Early adoption is permitted.

Effective January 1, 2018

- *PFRS 9, Financial Instruments (2014)*, replaces PAS 39, *Financial Instruments: Recognition and Measurement* and supersedes the previously published versions of PFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). PFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and supplements the new general hedge accounting requirements published in 2013. PFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management.

  The new standard is to be applied retrospectively for annual periods beginning on or after January 1, 2018 with early adoption permitted.

Deferral of the Local Implementation of Philippine Interpretation IFRIC 15 Agreements for the Construction of Real Estate

- Philippine Interpretation IFRIC 15 *Agreements for the Construction of Real Estate* applies to the accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. It provides guidance on the recognition of revenue among real estate developers for sales of units, such as apartments or houses, 'off plan'; i.e., before construction is completed. It also provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of PAS 11 *Construction Contracts*, or PAS 18 *Revenue*, and the timing of revenue recognition.

  The Group will assess the impact of the above new and amendments to standards on the consolidated financial statements upon adoption in their respective effective dates.

Basis of Consolidation

Business Combinations
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair value of consideration transferred, measured at acquisition date and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree at fair value of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with PAS 39, *Financial Instruments: Recognition and Measurement,* either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports in the consolidated financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period which is no longer than one year from the acquisition date, the provisional amounts recognized at acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the Group recognizes additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date.

Subsidiaries
Subsidiaries are entities controlled by the Group. In accordance with PFRS 10, *Consolidated Financial Statements*, the Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Non-controlling Interests (NCI)
NCI represent the portion of profit or loss and net assets or liabilities not held by the Group and are presented separately in the consolidated statements of comprehensive income and within stockholders' equity in the consolidated statements of financial position, separately from equity attributable to owners of the Group. Losses applicable to the NCI in a subsidiary (including components of other comprehensive income) are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of Control
When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions Eliminated on Consolidation
All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognized in assets and liabilities, are eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered.

Financial Instruments
Financial assets comprise cash and cash equivalents, receivables, due from related parties and refundable deposits. Financial liabilities consist of accounts payable and other current liabilities, notes payable, due to related parties and security deposits.

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

Initial Recognition of Financial Instruments
Financial instruments are recognized initially at fair value which is the fair value of the consideration given or received. The initial measurement of financial instruments, except for those designated at fair value through profit or loss (FVPL), includes directly attributable transaction costs.

Subsequent to initial recognition, the Group classifies its financial assets into the following categories: held-to-maturity (HTM) investments, available-for-sale (AFS) financial assets, financial assets at FVPL and loans and receivables. The Group classifies its financial liabilities as either financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments are acquired and whether they are quoted in an active market. Management determines the classification of the Group's financial assets and liabilities at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

The Group has no HTM investments, AFS financial assets, financial assets and liabilities at FVPL as at September 30, 2015 and December 31, 2014.

Determination of Fair Value
The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments, fair value is determined by using the appropriate valuation techniques. Valuation techniques include the discounted cash flow approach, price comparison to similar instruments for which market observation prices exist, options pricing models and other relevant valuation models.

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

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

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

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

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

Loans and Receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS financial assets or financial asset at FVPL.

Subsequent to initial measurement, loans and receivables are carried at amortized cost using the effective interest rate method, less any impairment in value. Any interest earned on loans and receivables shall be recognized as part of "Interest income" in profit or loss on an accrual basis. Gains or losses are recognized in profit or loss when loans and receivables are derecognized or impaired.

The Group's cash and cash equivalents, receivables, due from related parties and refundable deposits under "Prepaid expenses and other current assets - net" and "Other noncurrent assets" accounts are included in this category.

Cash includes cash on hand and in banks which is stated at face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from the date of acquisition and are subject to an insignificant risk of changes in value.

Other Financial Liabilities
This category pertains to financial liabilities that are not designated or classified at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings. Other financial liabilities are measured initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and directly attributable transaction costs. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the amortization process.

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

<u>Debt Issue Costs</u>
Debt issue costs are considered as an adjustment to the effective yield of the related debt and are deferred and amortized using the effective interest rate method. When a loan is paid, the related unamortized debt issue costs at the date of repayment are recognized in profit or loss.

<u>Derecognition of Financial Assets and Liabilities</u>

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

- the rights to receive cash flows from the asset have expired;

- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or

- the Group has transferred its rights to receive cash flows from the asset and either: (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset the maximum amount of consideration that the Group could be required to pay.

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

Impairment of Financial Assets
The Group assesses at reporting date whether a financial asset or a group of financial assets is impaired.

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

For assets carried at amortized cost such as loans and receivables, the Group first assesses whether objective evidence of impairment exists for financial assets that are individually significant or collectively for financial assets that are not individually significant. If no objective evidence of impairment has been identified for a significant financial asset that was individually assessed, the Group includes the asset as part of a group of financial assets pooled according to their credit risk characteristics and collectively assesses the group for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in the collective assessment of impairment.

Evidence of impairment for specific impairment purposes may include indications that the borrower or a group of borrowers is experiencing financial difficulty, default or delinquency in principal or interest payments, or may enter into bankruptcy or other form of financial reorganization intended to alleviate the financial condition of the borrower. For collective impairment purposes, evidence of impairment may include observable data on existing economic conditions or industry-wide developments indicating that there is a measurable decrease in the estimated future cash flows of the related assets.

If there is objective evidence of impairment, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). Time value is generally not considered when the effect of discounting the cash flows is not material.

The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The impairment loss for the period shall be recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date.

Classification of Financial Instruments between Debt and Equity
A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

A financial instrument is an equity instrument only if: (a) the instrument includes no contractual obligation to deliver cash or another financial asset to another entity; and (b) if the instrument will or may be settled in the issuer's own equity instruments, it is either:

- a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or
- a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

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

Real Estate Inventories
Real estate inventories are properties that are acquired and developed or constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation. They consist of acquisition cost of land and other related development costs, amount paid to contractors for construction and development, capitalized borrowings and other capitalized costs.
These are carried at the lower of cost or NRV. The NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs to make the sale.

The cost of real estate inventories recognized in profit or loss is determined with reference to the specific costs incurred on the property and allocated to saleable area based on relative size.

Mall Stall Units for Sale
Mall stall units for sale are carried at the lower of cost or NRV. Cost consists of the costs incurred in the development and improvement of the property. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs to make the sale.

The cost of mall stall units for sale recognized in profit or loss is determined with reference to the specific costs incurred on the property and allocated to saleable area based on relative size.

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

Property and Equipment
Property and equipment are carried at cost less accumulated depreciation, amortization and impairment losses, if any.

Initially, an item of property and equipment is measured at its cost, which comprises its purchase price and any directly attributable costs of bringing the asset to the location and condition for its intended use. Subsequent expenditures are added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance, will flow to the Group. All other subsequent expenditures are recognized in profit or loss.

The estimated useful lives of property and equipment, exclusive of land which has an indefinite useful life, are as follows:

	Useful Life in Years
:asehold improvements	5 or lease term, whichever is shorter
quipment and showroom	5
ırniture and fixtures	5

Construction in progress represents structures under construction and is stated at cost. This includes the costs of construction and equipment and other direct costs. Borrowing costs that are directly attributed to the construction are capitalized during the construction period. Construction in progress is not depreciated until such time that the relevant assets are ready for use.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the property and equipment. Leasehold improvements are amortized over the estimated useful life of the improvements or the term of the lease, whichever is shorter.

The estimated useful lives and depreciation and amortization methods are reviewed periodically to ensure that they are consistent with the expected pattern of economic benefits from those assets.

When an asset is disposed of, or is permanently withdrawn from use and no future economic benefits are expected from its disposal, the cost and accumulated depreciation, amortization and impairment losses, if any, are removed from the accounts and any resulting gain or loss arising from the retirement or disposal is recognized in profit or loss.

Intangible Assets and Goodwill
Goodwill
Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired (bargain purchase gain), the difference is recognized in the profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Where goodwill acquired in a business combination has yet to be allocated to identifiable CGUs because the initial accounting is incomplete, such provisional goodwill is not tested for impairment unless indicators of impairment exist and the Group can reliably allocate the carrying amount of goodwill to a CGU or group of CGUs that are expected to benefit from the synergies of the business combination.

When subsidiaries are sold, the difference between the selling price and the subsidiary's net asset plus goodwill associated with the investment are recognized in profit or loss.

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

The carrying amount of intangible assets is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

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

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

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

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

Impairment of Nonfinancial Assets
The carrying amounts of the Group's nonfinancial assets excluding goodwill such as property and equipment and intangible asset with definite useful life (computer software license) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such

indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized in profit or loss whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of a nonfinancial asset is the greater of the asset's fair value less costs of disposal and its value in use. The fair value less costs of disposal is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date while value in use is the present value of estimated future cash flows expected to be generated from continuing use and from its disposal at the end of its useful life. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash flows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized. Reversals of impairment are recognized in profit or loss.

Capital Stock

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity, net of any tax effects.

Additional Paid-in Capital

Additional paid-in capital represents the amount received in excess of the par value of the capital stock issued.

Stock issuance costs are transaction costs that are directly attributable to the issuance of new shares accounted for as a deduction from equity, net of any related income tax benefit. Such costs are deducted from additional paid-in capital arising from the share issuance. If the additional paid-in capital is insufficient to absorb such expenses, the excess shall be charged to stock issuance costs to be reported as a contra equity account as a deduction from the following in the order of priority: (1) additional paid-in capital from previous stock issuance; (2) retained earnings.

Retained Earnings

Retained earnings consist of the cumulative income and loss from current and previous years' operations.

Revenue Recognition

Real Estate Sales

Revenue is measured at the fair value of the consideration received or receivable, net of discounts. Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Income from Sale of Real Estate. For financial reporting purposes, revenue is recognized using the percentage of completion method as permitted by the Philippine Interpretations Committee and FRSC when all the following conditions are met:

- Equitable interest is transferred to the buyer;

- The Group is obliged to perform significant acts;
- The amount of revenue can be measured reliably; and
- It is probable that the economic benefits will flow to the Group.

Under this method, revenue is recognized as the related obligation is fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work.

Nonrefundable reservation fees paid by prospective buyers which are to be applied against the receivable upon recognition of revenue and the excess collections from buyers over the related revenue recognized based on the percentage of completion method are included in the "Customers' deposits" account in the consolidated statements of financial position.
For income tax reporting purposes, income is recognized in full upon collection of at least 25% of the total contract price in the year of sale. Otherwise, revenue from sale is deferred and recognized as income based on collection of installments.

Revenues and costs relative to forfeited or back out sales are reversed in the current year as they occur.

Estimated loss on unsold units is recognized immediately when it is probable that the total project cost will exceed total contract price.

Sale of Mall Stall Units
Revenue from sale of mall stall units in the Dragon8 Shopping Center (the "Dragon8") is recognized on the accrual basis when the collectability of sales price is reasonably assured.

Interest Income
Interest income is recognized as it accrues using the effective interest method. On the other hand, interest income from banks which is presented net of final tax is recognized when earned.

Rental Income
Rental income on investment property is recognized in profit or loss on a straight-line basis over the lease term.

Other Income
Other income consists of income other than those generated in the ordinary course of business. This is recognized on an accrual basis.

Cost and Expense Recognition

Costs and expenses are recognized when they are incurred and are reported in the consolidated financial statements in the periods to which they relate.

Cost of Real Estate Sales

Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of residential land and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works.

Cost of sale of mall stall units is recognized consistent with the revenue recognition method applied. The cost of sale of mall stall units consists of the costs incurred in the development and improvement of the property.

Land and Land Development Costs

Land and land development costs represent the cost for acquiring the land and preparing it for condominium site and residential lots.

Construction Costs and Other Project Costs

Construction costs and other project costs pertain to accumulated costs for materials, labor and overhead incurred as at reporting date.

Borrowing Costs

Borrowing costs are generally expensed as incurred. Borrowing costs are capitalized if these are directly attributable to the acquisition or construction of a qualifying asset. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Borrowing costs are capitalized until the assets are substantially ready for its intended use.

Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Operating Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term, unless other systematic basis is more representative of the time pattern of the Group's benefit.

Employee Short-term Benefits

The Group recognizes a liability, net of amounts already paid, and an expense for services rendered by employees during the accounting period. Short-term benefits given by the Group to its employees include compensation, social security contributions, short-term compensated absences, bonuses and other non-contributory benefits.

Income Taxes

Current Income Tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as at the reporting date.

Deferred Income Tax
Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities (DTL) are recognized for all taxable temporary differences. DTA are recognized for all deductible temporary differences, to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

The carrying amount of DTA is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the DTA to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted as at the reporting date.

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

Current tax and deferred tax are recognized in profit or loss.

Value-added Tax
Revenues, expenses and assets are recognized net of the amount of VAT, except:

- where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of "Prepaid expenses and other current assets" or "Accounts payable and other current liabilities" accounts in the consolidated statements of financial position.

Operating Segment
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The Group has only one reportable or operating segment in which operating results are reviewed regularly by the Group's management's committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Earnings Per Share
Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during the year, after giving retroactive effect to any stock dividends declared during the year. Diluted earnings per share is consistent with the computation of the basic earnings per share while giving effect to all dilutive potential common shares that were outstanding during the period. Net income attributable to common shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential common shares.

Related Party Transactions and Relationships
Related party relationship exists when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationship also exists between and/or

among entities, which are under common control with the reporting entity, or between and/or among the reporting entity and its key management personnel, directors, or its stockholders.

Provisions and Contingencies

A provision is recognized when the Group has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Provisions are revisited at each reporting date and adjusted to reflect the current best estimate. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects the current market assessment of the time value of money, and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

Events After the Reporting Date

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

4. Property and Equipment

The movements and balances of this account consist of:

	Land*	Leasehold Improvements	Equipment and Showroom	Furniture and Fixtures	Construction in Progress	Total
Cost						
Balance, January 1, 2014	P -	P10,441,011	P7,869,779	P4,078,998	3,326,393	25,716,181
Additions	-	619,286	4,856,997	1,529,783	7,368,642	14,374,708
Transfer/reclassification	-	(5,625,000)	-	-	(10,695,035)	64,665,965
Balance, December 31, 2014	-	5,435,297	12,726,776	5,608,781	-	104,756,854
Additions	-	2,465,095	26,868,894	4,481,478	-	33,815,467
Transfer/reclassification	80,986,000	-	-	-	-	-
Balance, September 30, 2015	**80,986,000**	**7,900,392**	**39,595,670**	**10,090,259**	-	**138,572,321**
Accumulated Depreciation and Amortization					-	
Balance, January 1, 2014	-	1,967,834	2,178,096	1,130,928	-	5,276,858
Depreciation and amortization	-	945,220	2,321,271	869,606	-	4,136,097
Transfer/reclassification		(515,625)	-	-	-	(515,625)
Balance, December 31, 2014	-	2,397,429	4,499,367	2,000,534	-	8,897,330
Depreciation and amortization	-	909,379	2,463,536	1,016,725	-	4,389,640
Transfer/reclassification	-	-	-	-	-	-
Balance, September 30, 2014	**-**	**3,306,808**	**6,962,903**	**3,017,259**	**-**	**13,286,970**
Carrying Amount						
December 31, 2014	P -	P3,037,868	P8,227,409	P3,608,247	P -	P95,859,524
September 30, 2015	**P80,986,000**	**P4,593,584**	**P32,632,767**	**P7,073,000**	**P -**	**P125,285,351**

* *The "Land" account pertains to DD's investment property acquired in 2013 which is being leased out to its subsidiary, CMCCI. For consolidation purposes, the aforesaid property is recognized as part of "Property and Equipment - Land" account since it is owner-occupied. Moreover, the recognized rental income of DD in 2014 was accordingly eliminated in the consolidated statement of comprehensive income.*

5. Investment Property

This account consists of:

	Land	Building	Construction in Progress	Total
January 1, 2014	139,207,687	-	169,795,110	309,002,797
Additions/reclassifications	264,739,982	168,405,796	646,373,361	1,079,519,139
Investment property of a consolidated subsidiary*	7,642,636,573	-	847,339,783	8,489,976,356
Transfer from real estate inventories	-	193,559,789	3,894,491	197,454,280
Transfer to/from PPE	(80,986,000)	5,625,000	10,695,035	(64,665,965)
Unrealized gains from change in fair values of investment property	59,431,427	85,563,415	310,737,369	455,732,211
December 31, 2014	8,025,029,669	453,154,000	1,988,835,149	10,467,018,818
Additions/reclassifications	1,805,345,007	-	4,520,262,333	6,325,607,340
Unrealized gains from change in fair values of investment property		-	624,060,281	624,060,281
September 30, 2015	**P9,830,374,676**	**P453,154,000**	**P7,133,157,763**	**P17,416,686,439**

* *Transfer pertains to investment property of DD-MPDC, a subsidiary consolidated in 2014.*

The following table provides the fair value hierarchy of the Group's investment property as at September 30, 2015 and December 31, 2014:

	Date of Valuation	Level 2	
Land	Various	**9,830,374,676**	P8,025,029,669
Commercial	Various	**7,339,576,534**	2,195,253,920
Corporate/office	Various	**246,735,229**	246,735,229
		17,416,686,439	P10,467,018,818

The Group's investment property is stated at fair value, which has been determined based on valuations performed by an accredited independent appraiser. The fair values of the investment property were arrived at using the Market Data Approach for land and Cost Approach and Income Approach for buildings by Asian Appraisal Co., Inc., an independent Appraisal Company accredited by the Securities and Exchange Commission.

Market data approach is an approach that considers available market evidences. The aforesaid approach is based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the establishment of comparable property by reducing reasonable comparative sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sales and listings regarded as comparable. The properties used as basis of comparison are situated within the immediate vicinity of the subject property.

Cost approach is a comparative approach to the value of the building and improvements or another asset that considers as a substitute for the purchase of a given property, the possibility of constructing another property that is a replica of, or equivalent to, the original or one that could furnish equal utility with no undue cost resulting from delay. It is based on the reproduction cost (new) of the subject property or asset, less total (accrued) depreciation, plus the value of the land to which an estimate of entrepreneurial incentive or developer's profit/loss is commonly added.
Income Approach provides an indication of value by converting cash flows to a single capital value. This can be applied through a number of different methods such as discounted cash flows, capitalized cash flows and excess cash flows. The income approach relies on present-value techniques to translate future amounts to the present time and it seeks to identify the future economic benefits to be generated by an entity and to compare them with a required rate of return.

The Group recognized unrealized gain from change in fair values of investment property amounting to P624.06 million P455.73 million and P127.16 million in 2015, 2014 and 2013 respectively.

In 2014, the Group approved the change in the business model and plan for certain condominium units of Injap Tower previously intended for sale. Beginning 2014, these condominium units are no longer intended for sale but are being carried now for rental purposes. As a result of the foregoing transaction, real estate inventories with fair values of P193.56 million were transferred to "Investment property" account due to change in use.

Rent income earned from the investment property amounted to P28.50 million, P6.05 million and P4.03 million 2015, 2014 and 2013 respectively, which is shown as part of "Rent income" account in the consolidated statements of comprehensive income.

The total direct operating expense recognized in profit or loss arising from the Group's investment property that generated rental income amounted to P18.58 million P3.12 million and P0.47 million in 2015, 2014 and 2013 respectively. On the other hand, the Group recognized total direct operating expense of P21.10 million and P11.81 million for investment property that are not yet leased out in 2015 and 2014, respectively.

6. Notes Payable

This account consists of:

	Note	**Sept. 30, 2015**	2014
Balance at beginning of the year		**P8,475,000,000**	P840,000,000
Availments		**5,500,000,000**	8,685,000,000
Payments		**(50,000,000)**	(1,050,000,000)
	9	**13,925,000,000**	8,475,000,000
Less current portion		**2,949,000,000**	649,000,000
Noncurrent portion		**10,976,000,000**	7,826,000,000
Less debt issue costs		**94,802,849**	96,756,628
		P10,881,197,151	P7,729,243,372

In 2013, the Group obtained unsecured short-term and long-term borrowings from local financing institutions which are payable on various dates up to 2016. In 2015 and 2014, the Group obtained additional unsecured short-term borrowings amounting to P1.75 billion and P1.285 billion. The proceeds from these borrowings were used for working capital purposes more specifically in the development of Group's on-going projects. The interest rates on these short-term and long-term borrowings are repriced monthly based on negotiated rates or prevailing market rates.

On October 30, 2014, the Group obtained a total of P7.40 billion unsecured bilateral long-term loans from various financing institutions. The loan payments are to be made in seven consecutive annual installments to commence at the end of the 12th month after the initial borrowing date. The Group pays interest on the outstanding principal amount of the loan on each interest payment date for the interest period then ending at a fixed rate per annum determined on the interest rate setting date equal to the higher of: (i) the applicable benchmark rate as determined by the lender by reference to the PDST-R2 rate plus a spread of 2.35% or (ii) 5.25%. The proceeds from these borrowings were used by the Group to partly finance its capital expenditures, primarily for the development of The Meridian Park, the Dragon8, The SkySuites Tower and roll-out of the first 12 CityMalls and for general corporate purposes. As a result of the aforesaid transaction, the Group incurred debt issue costs amounting to P98.77 million.

On May 08, 2015, the Group obtained a total of P5.00 billion unsecured bilateral long-term loan from BDO Unibank, Inc.. The loan payments are to be made in five consecutive annual installments to commence at the end of the 36th month after the initial borrowing date. The Group pays interest on the outstanding principal amount of the loan on each interest payment date for the interest period then ending at a fixed rate per annum determined on the interest rate setting date equal to the higher of: the applicable benchmark rate as determined by the lender by reference to the PDST-R2 rate plus a spread of 2.00% or (ii) 6%. The proceeds from these borrowings were used by the Group to partly finance its capital expenditures, primarily for the development of CityMall branches. From January to September 2015, the Group has drawn a total amount of P3.00 Billion from the facility. As a result of the aforesaid transaction, the Group incurred debt issue costs amounting to P36.64 million.

On July 30, 2015, the Group obtained a total of P1.50 billion unsecured bilateral long-term loan from Development Bank of the Philippines. The loan payments are to be made in five consecutive annual installments to commence on the 36th month after the initial borrowing date. The Group pays interest on the outstanding principal amount of the loan on each interest payment date for the interest period then ending at a fixed rate per annum determined on the interest rate setting date equal to the higher of: the applicable benchmark rate as determined by the lender by reference to the PDST-R2 rate plus 175bps or (ii) floor rate based on the prevailing BSP Overnight Rate plus 125bps. The proceeds from these borrowings were used by the Group a) to partly finance the development of DoubleDragon Plaza (Phase 1 - DD Meridian Park), (b) to refinance existing short-term loans and (c) for general corporate purposes. From January to September 2015, the Group has drawn a total amount of P750 Million from the facility. As a result of the aforesaid transaction, the Group incurred debt issue costs amounting to P10.99 million.

Subject to the covenants of the long-term loans, the Group shall ensure that its Debt-to-Equity ratio does not exceed 2.33x and its Debt Service Coverage Ratio shall not be less than 1.25x.

The movements in debt issue costs are as follows:

	Sept. 30, 2015
Balance at beginning of year	**P96,756,628**
Addition	**47,628,434**
Amortization	**(6,953,778)**
Balance at end of year	**P137,431,284**

	2014
Addition	P98,773,337
Amortization	(2,016,709)
Balance at end of year	P96,756,628

Interest expense, exclusive of the capitalized borrowing costs, recognized in profit or loss amounted to P46.24 million, P37.50 million and P9.12 million in 2015, 2014, and 2013, respectively. The amount of borrowing costs capitalized amounted to P566.39 million and P89.50 million as at September 30, 2015 and December 31, 2014 using 5.7464% and 3.9510% as capitalization rates, respectively. Amounts due beyond one year are shown under "Long-term notes payable - net of debt issue costs" account in the consolidated statements of financial position.

7. Related Party Transactions

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

Category	Year	Ref	Amount of Transaction	Outstanding Receivables	Outstanding Payables	Terms and Conditions
Parent Company						
Sales	2013	*A*	P86,917,998	P -	P -	20% down payment and 80% upon turnover; non-interest bearing; unsecured
Management fees	Sept. 30, 2015	*B*	2,008,929	-	-	**Demandable; non-interest bearing; unsecured**
	2014	*B*	2,678,571	-	-	Demandable; non-interest bearing; unsecured
Rent	Sept. 30, 2015	*C*	1,862,429			**Demandable; non-interest bearing; unsecured**
	2014	*C*	3,395,181	-	-	Demandable; non-interest bearing; unsecured
Cash advances received	Sept. 30, 2015	*D*	-	-	-	**Demandable; non-interest bearing; unsecured; no impairment**
	2014	*D*	(34,118,786)	880,070	-	Demandable; non-interest bearing; unsecured
Subsidiaries						
Cash advances granted	2013	*D*	3,143,391	-	-	Demandable; non-interest bearing; unsecured
Other Related Parties						
Land acquired	Sept. 30, 2015	*E*	-	-	280,679,292	**Demandable; non-interest bearing; unsecured**
	2014	*E*	280,679,292	-	280,679,292	Demandable; non-interest bearing; unsecured
Cash advances granted	Sept. 30, 2015	*D*	-	150,000	-	**Demandable; non-interest bearing; unsecured; no impairment**
Cash advances granted	2014	*D*	150,000	150,000	-	Demandable; non-interest bearing; unsecured; no impairment
	Sept. 30, 2015			P150,000	P280,679,292	
	2014			P1,030,070	P280,679,292	

a. *Sale of Real Estate Inventories*
The Group sold condominium units to entities with control or significant influence over the Group and key management personnel amounting to nil and P30.70 million in 2014 and 2013, respectively.

b. *Executive Management Services Agreement*
The Group entered into an agreement with a shareholder for executive corporate, strategic, administrative and financial oversight services relative to the real estate business of the Group. The term of this agreement is one year effective January 1, 2012. This is renewable under the same terms and conditions upon mutual agreement of the parties. The fee, which includes staffing costs for services rendered by the shareholder, amounted to P2.68 million in 2014 and 2013.

c. *Lease of Showroom*
The Group leases showroom and sales office from III and Jollibee Foods Corporation, respectively. The terms of the lease are three to five years, renewable for the same period under the same terms and conditions. The rent shall escalate by 7% to 10% each year.

d. *Cash Advances*
The amount pertains to unsecured, non-interest bearing advances granted to and received from related parties for working capital requirements. These advances are generally settled within one year from the date of grant.

e. Land Acquisitions

The Group has outstanding liabilities to minority shareholders of PDDG and DD-MPDC for the acquisition of certain parcels of land which will be used in the on-going CityMalls and The Meridian Park.

f. Board of Directors compensation

The members of the Board receive a standard per diem for attendance in Board meetings. During the period the Group paid a total of P540,000 and a total of P480,000 2014. Except as stated above, the directors did not receive other allowances or per diems for the past and ensuing year. There are no other existing arrangements/agreements under which directors are to be compensated during the last completed fiscal year and the ensuing year.

The above-stated unsecured, non-interest bearing liabilities are to be settled in cash by the Group in 2015.

8. Earnings Per Share

Earnings per share (EPS) is computed as follows:

	Sept. 30, 2015	2014	2013
Income attributable to the equity holders of the Parent Company (a)	**P583,771,645**	P555,890,174	P106,649,057
Adjusted weighted average number of shares outstanding (b)	**2,229,730,000**	1,961,047,500	123,550,000
Basic and diluted EPS (a/b)	**P0.2618**	P0.2835	P0.8632

9. Equity

The Parent Company was originally 100%-owned by III, a domestic corporation.

On June 29, 2012, III entered into an agreement with Honeystar Holdings Corporation (HHC), a domestic corporation. HHC invested in the Parent Company by subscribing to 300,000 new common shares for a total issue price of P250.00 million or P833.33 per share. This represents 50% of the outstanding capital stock of the Parent Company as at December 31, 2012. Consequently, HHC enjoys all rights, privileges and benefits, and has all the corresponding obligations of a shareholder owning 50% of the outstanding capital stock of the Parent Company. The Parent Company is now a joint venture between III and HHC.

On March 7, 2012 and April 30, 2012, the Parent Company issued promissory notes amounting to P90.00 million and P10.00 million, respectively to a bank. The notes bear an annual interest rate of 5%. These promissory notes were assumed by III through conversion of the liability to additional paid-in capital as agreed in the ISA.

On October 10, 2013, the BOD declared cash dividends of P155 per share, amounting to P92.72 million to stockholders of record as of April 10, 2013. The dividends were paid by the Parent Company on June 10 and 20, 2013.

On April 10, 2013, the BOD approved the increase in the Parent Company's authorized capital stock from .80 million common shares at P100 par value per share to 500 million common shares at P1 par value per share. Out of the aforementioned increase in authorized capital stock, a total of 105 million common shares with aggregate par value of P105 million have been subscribed and fully paid in cash equally between III and HHC. In relation to the foregoing, the Parent Company incurred stock issuance costs amounting to P1.37 million in 2013 which is charged under "Additional paid-in capital" account in the consolidated statements of financial position. The aforesaid increase in authorized capital stock was approved by the SEC on November 25, 2013.

On November 12, 2013, the BOD approved the decrease in the Parent Company's par value of capital stock from P1 to P.10 per share. The decrease in par was approved by the SEC on February 10, 2014.

On March 24, 2014, in accordance with the certificate of permit to offer securities for sale issued by the SEC, 579,730,000 common shares of the Parent Company with par value of P0.10 per share were registered and offered for sale at an offer price of P2.00 per share. As at December 31, 2014, the Parent Company's public ownership percentage is 15.60%. The total number of shareholders of the Parent Company is 98 as at December 31, 2014.

On June 25, 2015, the BOD declared cash dividends of P0.05 per share, amounting to P111.18 million to stockholders of record as of July 13, 2015. The dividends were paid by the Parent Company on July 27, 2015.

10. 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
- Interest Rate 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 respective operations and capital expenditures. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

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 from 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 credit customers and counterparties fail to perform their contractual obligations. The risk arises principally from the Group's cash and cash equivalents, receivables, due from related parties and refundable deposits. The objective is to reduce the risk of loss through default by counterparties.

Exposure to credit risk is monitored primarily through credit reviews and analysis of receivables on a continuous basis. Customer payments are facilitated by post-dated checks. Exposure to bad debts is not significant as titles to real estate properties are not transferred to the buyers until full payment has been made. There are no large concentrations of credit risk given the Group's diverse customer base.

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

	Sept. 30, 2015	2014
Cash and cash equivalents*	**P1,504,930,360**	P3,816,449,234
Receivables***	**1,441,541,317**	758,331,373
Due from related parties	**-**	1,030,070
Refundable deposits**	**62,533,060**	38,974,130
	P3,009,004,737	P4,614,784,807

**Excluding "Cash on hand" account.*

*** This is presented as part of "Prepaid expenses and other current assets - net" and "Other noncurrent assets" accounts.*

****Excluding "Advances to contractors" account, etc.*

The following is the aging analysis per class of financial assets that are past due but not impaired as at September 30, 2015 and December 31, 2014:

2015	**Neither Past Due nor Impaired**	**Past Due but not Impaired** 1 to 30 Days	31 to 60 Days	More than 60 Days	**Total**
Cash and cash equivalents*	**P1,504,930,360**	**P -**	**P -**	**P -**	**P1,504,930,360**
Receivables***	**1,441,541,317**	-	-	-	**1,441,541,317**
Due from related parties	**-**	-	-	-	**-**
Refundable deposits**	**62,533,060**	-	-	-	**62,533,060**
	P3,009,004,737	P -	P -	P -	**P3,009,004,737**

**Excluding "Cash on hand" account.*

*** This is presented as part of "Prepaid expenses and other current assets - net" and "Other noncurrent assets" accounts.*

****Excluding "Advances to contractors" account, etc.*

2014	Neither Past Due nor Impaired	Past Due but not Impaired 1 to 30 Days	31 to 60 Days	More than 60 Days	Total
Cash and cash equivalents*	P3,816,449,234	P -	P -	P -	P3,816,449,234
Receivables***	758,331,373	-	-	-	758,331,373
Due from related parties	1,030,070	-	-	-	1,030,070
Refundable deposits**	38,974,130	-	-	-	38,974,130
	P4,614,784,807	P -	P -	P -	P4,614,784,807

**Excluding "Cash on hand" account.*

*** This is presented as part of "Prepaid expenses and other current assets - net" and "Other noncurrent assets" accounts.*

****Excluding "Advances to contractors" account, etc.*

The following is the credit quality of the Group's financial assets:

	Sept. 30, 2015			
	High Grade	**Medium Grade**	**Low Grade**	**Total**
Cash and cash equivalents*	**P1,504,930,360**	**P -**	**P -**	**P1,504,930,360**
Receivables***	**1,441,541,317**	-	-	**1,441,541,317**
Due from related parties	-	-	-	-
Refundable deposits**	**62,533,060**	-	-	**62,533,060**
	P3,009,004,737	**P -**	**P -**	**P3,009,004,737**

**Excluding "Cash on hand" account.*

*** This is presented as part of "Prepaid expenses and other current assets - net" and "Other noncurrent assets" accounts.*

****Excluding "Advances to contractors" account, etc.*

	2014			
	High Grade	Medium Grade	Low Grade	Total
Cash and cash equivalents*	P3,816,449,234	P -	P -	P3,816,449,234
Receivables***	758,331,373	-	-	758,331,373
Due from related parties	1,030,070	-	-	1,030,070
Refundable deposits**	38,974,130	-	-	38,974,130
	P4,614,784,807	P -	P -	P4,614,784,807

**Excluding "Cash on hand" account.*

*** This is presented as part of "Prepaid expenses and other current assets - net" and "Other noncurrent assets" accounts.*

****Excluding "Advances to contractors" account, etc.*

The Group assessed the credit quality of unrestricted cash as high grade since this is deposited in reputable banks with low probability of insolvency.

Receivable assessed as high grade pertains to receivable from buyer that had no default in payment; medium grade pertains to receivable from buyer who has history of being 31 to 60 days past due; and low grade pertains to receivable from buyer who has history of being over 60 days past due. Receivable balances are being monitored on a regular basis to ensure timely execution of necessary intervention efforts. The Group performs credit investigation and evaluation of each buyer to establish paying capacity and creditworthiness. The Group believes that no impairment allowance is necessary in respect of trade receivables that were past due but not impaired.

The credit risks for due from related parties and refundable deposits are considered negligible since these accounts have high probability of collection and there is no current history of default.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. 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.

Interest Rate Risk

The Group interest risk management policy is to minimize interest rate cash flow risk exposures to changes in interest rates. The Group has short-term and long-term bank borrowings with fixed interest rates. Therefore, the Group is not subject to the effect of changes in interest rates.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	As at September 30, 2015				
	Carrying Amount	**Contractual Cash Flow**	**1 Year or Less**	**1 Year - 5 Years**	**More than 5 Years**
Financial Liabilities					
Accounts payable and other current liabilities*	**P925,525,434**	**P925,525,434**	**P925,525,434**	-	-
Notes payable**	**13,925,000,000**	**13,925,000,000**	**2,949,000,000**	**1,008,500,000**	**9,967,500,000**
Due to related parties	**39,935,199**	**39,935,199**	**39,935,199**	-	-
Other noncurrent liabilities***	**602,485,478**	**602,485,478**	**100,000,000**	**400,000,000**	**102,485,478**

** Excluding statutory obligations.*

*** This includes both current and noncurrent portions of the account.*

**** Excluding "Unearned rent income" account.*

	As at December 31, 2014				
	Carrying Amount	Contractual Cash Flow	1 Year or Less	1 Year - 5 Years	More than 5 Years
Financial Liabilities					
Accounts payable and other current liabilities*	P788,736,212	P788,736,212	P788,736,212	P -	P -
Notes payable**	8,475,000,000	8,475,000,000	549,000,000	526,000,000	7,400,000,000
Due to related parties	280,679,292	280,679,292	280,679,292	-	-
Other noncurrent liabilities***	549,604,314	549,604,314	-	539,991,237	9,613,077

** Excluding statutory obligations.*

*** This includes both current and noncurrent portions of the account.*

**** Excluding "Unearned rent income" account.*

Fair Values

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents/Receivables/Due from Related Parties/Accounts Payable and Other Current Liabilities/Short-term Notes Payable/Due to Related Parties

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

Refundable Deposits/Payables to RCBC/Security Deposits

Refundable deposits, payables to RCBC and security deposits are reported at its present value, which approximates the cash amount that would fully satisfy the obligation as at reporting date. These are classified as current assets or liabilities when they become receivable or payable within a year.

Long-term Notes Payable

The carrying amount of the long-term notes payable approximates its fair value since this is an interest bearing financial liability.

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 monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity. The BOD also monitors the level of dividends to shareholders.

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 equity, which includes capital stock, additional paid-in capital and retained earnings. There were no changes in the Group's approach to capital management as at December 31, 2014 and 2013. The Group is not subject to externally-imposed capital requirements.

11. Business Combinations

There is no acquisition during the period that will qualify as business combination.

2013 Acquisition: PCLI
On May 7, 2013, the Group entered into an Investment and Shareholders Agreement (ISA) with the Aryanna Group of Investments Inc. ("Aryanna") to acquire 50% interest in PCLI. A total of P10.00 million cash was paid by the Parent Company to acquire the 50% interest in PCLI. In addition to the equity investment, the Group will extend P90.00 million loan to PCLI. The ISA provides that in case of a voting deadlock in the Board and/or at the shareholder level in respect of all matters relating the agreement, the issue shall be resolved in favor of the Parent Company, thereby providing it with the ability to exercise control over PCLI. Accordingly, the Parent Company consolidated PCLI from acquisition date.

PCLI was incorporated on October 10, 2012. It is set to develop Umbria Commercial Center, a 16,000 square meter premier lifestyle commercial center development in Binan, Laguna and is currently leasing its property to a Jollibee store in the same area. The investment in PCLI is in line with the Group's plan to increase its leasable footprint and thereby generate recurring revenues.

In 2013, the Group used preliminary fair values of the identifiable net assets in calculating the goodwill as at acquisition date amounting to P48 thousand. The amount of goodwill was not material to the Group's financial statements. In 2014, the Group finalized its purchase price allocation which resulted to a bargain purchase gain amounting to P20.18 million. The said bargain purchase gain did not have a material impact to the 2013 consolidated statement of financial position and consolidated statement of comprehensive income. Consequently, prior year's financial information was not restated.

The following summarizes the final fair market values of identifiable assets and liabilities assumed at the acquisition date:

	2013
Assets	
Cash	P19,917,387
Property and equipment - net	56,670,358
	76,587,745
Liabilities	
Accounts payable and other current liabilities	37,848
Due to related parties	16,192,904
	16,230,752

Cash	P19,917,387
Property and equipment - net	56,670,358
	76,587,745
Liabilities	
Accounts payable and other current liabilities	37,848
Due to related parties	16,192,904
	16,230,752
Net Assets	P60,356,993
Acquisition cost	P10,000,000
50% Interest in PCLI	30,178,497
Bargain purchase gain	(P20,178,497)

The summarized financial information of PCLI is as follows:

	Sept. 30, 2015	2014
Total assets	**P153,046,865**	P151,994,612
Total liabilities	**92,761,953**	92,849,213
Net income	**1,075,654**	8,665,163

2014 Acquisition: DDHHRCI

On May 23, 2014, the Group entered into an Investment and Shareholders Agreement (ISA) with DDHHRCI to acquire 70% interest of the latter. Similar with the Parent Company's line of business, DDHHRCI is also engaged in real estate development industry specifically in building horizontal residential projects. A total of P140 million cash was paid by the Parent Company to acquire the 70% interest in DDHHRCI. The ISA provides that the Parent Company shall enjoy all the rights, privileges and benefits, and have all the corresponding obligations, of a shareholder owning 70% of the outstanding capital stock of DDHHRCI, including board representation as at execution of the agreement or cut-off date. It is also explicitly written in the ISA that the Parent Company will be the managing company. Based on the foregoing, the Parent Company acquired effective control and management of DDHHRCI as at May 23, 2014. Accordingly, in accordance with PFRS 3, *Business Combination*, the Parent Company's acquisition date of DDHHRCI is May 23, 2014. However, for convenience purposes, the Group used May 31, 2014 as the cut-off date in determining the net assets of DDHHRCI. DDHHRCI was incorporated on September 15, 2011. DDHHRCI is planned to be the Parent Company's horizontal residential project arm in the Visayas region.

In 2014, the Group used preliminary fair values of the identifiable net assets in calculating the goodwill as at acquisition date amounting to P65.40 million. In 2015, the Group finalized its purchase price allocation which resulted in a goodwill amounting to P84.28 million.

The following table summarizes the final amounts of the assets acquired and liabilities assumed at the acquisition date:

Assets	
Cash	P1,520,543
Prepayments	3,810,464
Real estate inventories	232,784,000
Property and equipment - net	661,170
	238,776,177
Liabilities	
Accounts payable and other current liabilities	4,530,209
Customers' deposits	22,469,968
Advances from stockholders	132,177,981
	159,178,158
Fair value of net assets acquired	**P79,598,019**
Acquisition cost	P140,000,000
70% Interest in DDHHRCI	55,718,613
Goodwill	**P84,281,387**

The summarized financial information of DDHHRCI are as follows:

	Sept. 30, 2015	2014
Current assets	**P480,671,565**	P302,909,422
Noncurrent assets	**2,467,354**	11,330,965
Current liabilities	**204,598,480**	100,706,753
Noncurrent liabilities	**44,583,633**	7,058,238
Revenue	**104,662,912**	96,542,556
Net income	**27,481,410**	18,209,550

The NCI has been measured at the proportionate share of the value of the net identifiable assets acquired and liabilities assumed.

The Group's goodwill arising from DDHHRCI's acquisition consists largely of the synergy and economies of scale expected from combining the operations of DDHHRCI.

The Group did not incur any acquisition-related costs.

DOUBLEDRAGON PROPERTIES CORP.
Amended Form 17-Q for the Third Quarter of 2015
Supplementary Information Required Under SRC Rule 68

I. Financial Soundness Indicators

Ratio	Dec. 31, 2014	Sept. 30, 2015
Liquidity Ratios		
Quick Ratio	2.26x	0.66x
Current Ratio	3.69x	1.55x
Solvency Ratios		
Debt-to-Equity	1.07x	1.60x
Debt-to-Assets	0.45x	0.55x
Asset-to-Equity	2.36x	2.89x
Interest Coverage Ratio	4.54x	2.29x
Profitability Ratios		
Gross Profit Margin	51.00%	55.20%
Net Income Margin	32.50%	41.00%

II. Proceeds from the Initial Public Offer

A. Gross and Net Proceeds as Reflected in the Prospectus

Particulars	Amount
Gross Proceeds	1,159,500,000
Offer Expenses	
Underwriting and Selling Fees for the Offer Shares	34,800,000
Taxes to be paid by the Company	81,200,000
Philippine SEC Filing and legal research fees	900,000
PSE Listing and processing Fees	100,000
Estimated Professional Fees	8,000,000
Estimated out-of-pocket and other expenses	2,000,000
Estimated Net Proceeds	**1,032,500,000**

B. Actual Gross and Net Proceeds

Particulars	Amount
Actual Gross Proceeds	1,159,460,000
Offer Expenses	
Receiving Agency Fees	512,500
Underwriting Fees	34,210,303
Selling Commissions	2,365,298
Service Charge	200
Actual Net Proceeds	1,122,371,699

C. Actual Use of Proceeds

Particulars	Amount
Roll-out and development of CityMalls	200,000,000.00
Acquisition of land and pre-development works	
Dragon8 Shopping Center	576,661,780.00
Acquisition of Zion Land Development Ph Inc.	97,100,000.00
Downpayment for Skysuites	35,000,000.00
General working capital purposes	213,609,919.00
Total Use of proceeds	**1,122,371,699.00**