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S.E.C. Registration Number

D O U B L E D R A G O N P R O P E R T I E S C O R P .

A N D S U B S I D I A R I E S

(F o r m e r l y I n j a p L a n d

C o r p o r a t i o n)

(Company's Full Name)

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

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

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

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

Rizza Marie Joy Sia

Contact Person

856-7111

Company Telephone Number

1 2

Month

3 1

Day

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FORM TYPE

0 7

Month

2 1

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

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SEC No. 200930354

File No. _____

DOUBLEDRAGON PROPERTIES CORP.

(Company's Full Name)

**DD Meridian Park Bay Area corner Macapagal Avenue and EDSA Extension
Boulevard Brgy 76 Zone 10 San Rafael Pasay City 1302**

(Company's Address)

856 7111

(Telephone Number)

December 31

(Fiscal Year ending)

SEC Form 17-A Annual Report

(Form Type)

N/A

Amendment Designation

December 31, 2016

Period Ended Date

N/A

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended **December 31, 2016**
2. Commission ID No. **CS200930354** 3. BIR Tax ID 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 / organization: **Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office and Postal Code: **DD Meridian Park Bay Area corner Macapagal Avenue and EDSA Extension Boulevard Brgy 76 Zone 10 San Rafael Pasay City 1302**
8. Issuer's telephone number, including area code: **(632) 856-7111**
9. Former name, former address & former fiscal year if changed since last report **Former Address: 5th Floor People's Hotel Fuentes and Delgado Sts., 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
<u>Common Shares P0.10 par value</u>	<u>2,229,730,000</u>
<u>Preferred Shares P100 par value</u>	<u>100,000,000</u>

11. Are any or all of the securities listed on a Stock Exchange?
Yes No
- If yes, state the name of such Stock Exchange and the classes of securities listed:
Philippine Stock Exchange, 2,229,730,000 P0.10 par value Common Shares; 100,000,000 P100.00 par value Preferred Shares

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
Yes No

- (b) has been subject to such filing requirements for the past ninety (90) days.
Yes No

13. Aggregate market value of the voting stock held by non-affiliates: **P21,934,702,464** as of December 31, 2016.

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. Business

DoubleDragon Properties Corp. (“DD”, or “Company”), established in 2009, was originally registered with the Securities and Exchange Commission (SEC) as Injap Land Corporation to serve as the real estate development arm of Injap Investments Inc. (“Injap Investments”). The Company has undertaken several vertical and horizontal developments since it started its commercial operations in April 2010. In 2012, DoubleDragon became a 50/50 joint venture between Injap Investments Inc., headed by Mr. Edgar J. Sia II who is also the Founder of Mang Inasal Philippines, Inc. (“Mang Inasal”), and Honeystar Holdings Corporation (“Honeystar”), headed by Mr. Tony Tan Caktiong, who is also the Chairman and Founder of Jollibee Foods Corp. (“JFC”).

Honeystar, incorporated in 2012, is the holding company of the Tan and Ang Families. Injap Investments, incorporated in 2007, on the other hand, serves as the holding company of Edgar J. Sia II and his siblings. Prior to the entry of Honeystar, the Company (previously named Injap Land Corporation) served as the real estate development arm of Injap Investments. The Company was originally established to hold the Sia family’s private real estate investments all of which were focused in Iloilo City at the time. It was not until 2012, when the Company became a joint venture between Injap Investments and Honeystar Holdings and was consequently renamed to DoubleDragon Properties Corp. that the Company’s development priorities shifted towards the vision that it has today.

The Company currently has eight (8) subsidiaries, namely, DoubleDragon Sales Corp., DoubleDragon Property Management Corp., DD Happyhomes Residential Centers, Inc., DD-Meridian Park Development Corp., CityMall Commercial Centers Inc., Piccadilly Circus Landing Inc., Iloilo-Guimaras Ferry Terminal Corp. and Hotel of Asia, Inc (“HOA”).

The Company’s shares debuted at PSE’s Small and Medium Enterprise Board (“SME Board”) on April 7, 2014 under the stock symbol “DD” through an initial public offering of twenty-six percent (26%) of its outstanding common shares. On July 6, 2015, DD transferred from the SME Board and started trading in the PSE Main Board. On November 30, 2015, DD shares were included in the Morgan Stanley Capital International (MSCI) Small Cap Philippine Index. On April 14, 2016, the Company issued PhP10,000,000,000 worth of preferred shares, which were subsequently listed in the PSE Main Board on July 26, 2016.

The Company’s vision is to accumulate One Million (1,000,000) square meters of leasable space by 2020 primarily through the rollout of one hundred (100) community malls across provincial cities in the Philippines through its community mall chain brand “CityMall” under its subsidiary CityMall Commercial Centers Inc. (“CM”), and through the development of two major commercial office projects, DD Meridian Park and Jollibee Tower, both of which are located in prime properties in Metro Manila. At present, the Company has acquired a total of fifty-four (54) sites for its community malls. Ten (10) CityMalls have commenced commercial operations. Twenty-nine (29) CityMalls are under construction of which majority will be opening in 2017 while the

remaining fifteen (15) will be completed and majority thereof will be operational by 2018.

Corporate Transformation

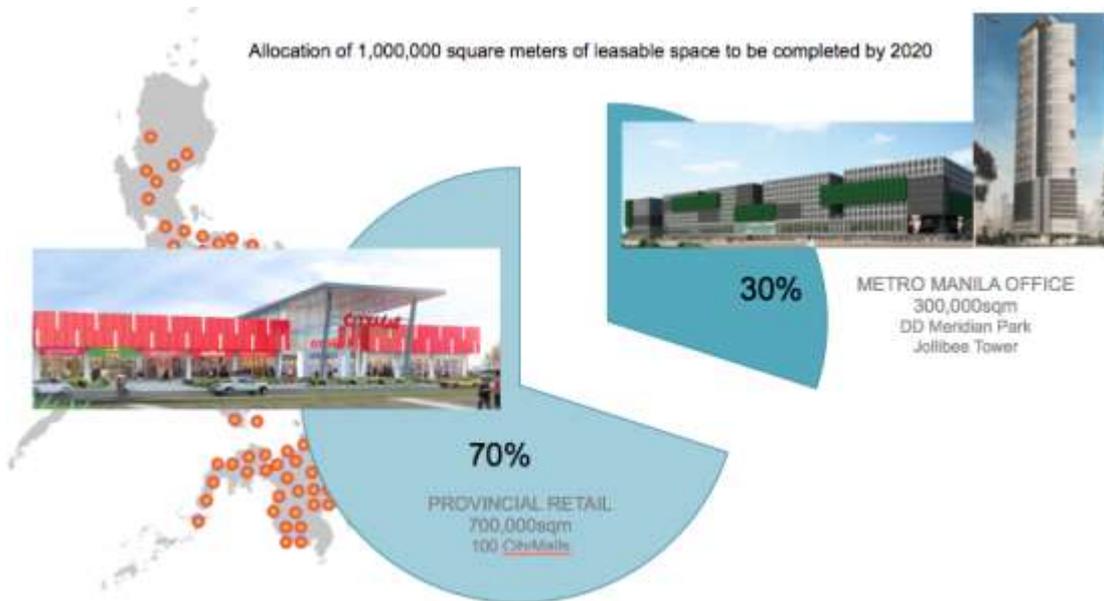
The Company, prior to the entry of Honeystar, was originally the Sia family's initial foray into real estate development. The Company's first venture, People's Condominium project, was the first condominium in Iloilo City. People's Condominium was completed in November 2011 and was fully sold a few months after the pre-selling activities started. Other projects developed by the Company in Iloilo City include Injap Tower, a 21-storey commercial and condotel tower, The Uptown Place, a 5-storey premium commercial and residential condominium, as well as horizontal developments FirstHomes and HappyHomes both located in Mandurriao – Iloilo.

It was after the entry of Honeystar and the renaming of the Company into DoubleDragon Properties Corp. that the Company's Chairman and Co-Chairman, Edgar "Injap" Sia II and Tony Tan Caktiong, both born the year of the dragon, established a clear road map for the Company. They identified a unique opportunity to capitalize on the modernization of retail in the provinces by building a chain of community malls to become the venue for this transition. In order to become the dominant leader in this space they targeted the roll out of one hundred (100) community malls across second- and third-tier provincial cities by 2020. CityMall Commercial Centers Inc. ("CM") was incorporated on December 27, 2013 to serve as the vehicle for this rollout. SM Investments Corporation ("SMIC") saw the potential of CityMall and subscribed to thirty-four percent (34%) of CM's capital through an Investment and Shareholder's Agreement signed on February 17, 2014. The one hundred (100) community malls, once fully developed, are expected to contribute seven hundred thousand (700,000) square meters of leasable space which is equivalent to seventy percent (70%) of the Company's target portfolio of one million (1,000,000) square meters of leasable space by 2020.

To further diversify its intended portfolio of recurring revenue properties, the Company decided to develop commercial office projects in Metro Manila, which would make up the remaining thirty percent (30%) of the Company's envisioned portfolio. The Company's flagship commercial office project is DD Meridian Park, a 4.75-hectare project in the Bay Area of Pasay City located at the corner of Diosdado Macapagal Boulevard and EDSA Extension. The Company's subsidiary DD-Meridian Park Development Corp. ("DDMP"), which is 70% owned by DoubleDragon and 30% owned by Carto Meridian Development Corp. ("Carto Meridian") will develop the project. DD Meridian Park will be developed in phases and will contribute a total of two hundred eighty thousand (280,000) square meters of leasable space by 2020. To complete that side of the portfolio, on August 26, 2015, the Company entered into joint venture with JFC to build a 40-storey commercial and office tower on the property of the latter located at the corner of F. Ortigas Jr. Road (formerly Emerald Avenue) and Garnet Road at the heart of the Ortigas central business district. In the Memorandum of Agreement between the Company and JFC, the Company undertook to develop a commercial and office condominium building on a parcel of land in Ortigas. JFC, on its part, will transfer ownership over the subject land to DD in exchange for condominium units and payment of PhP27.8 Million.

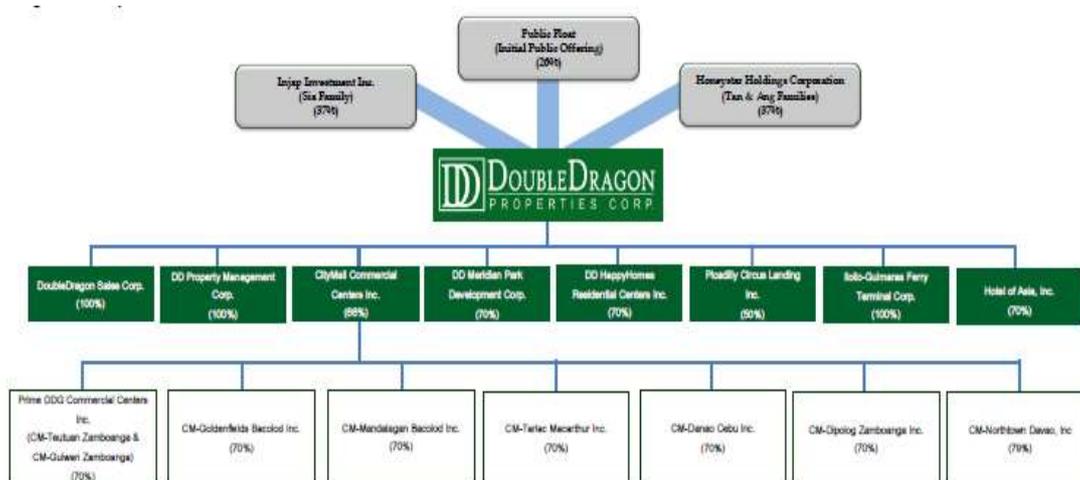
Because of the nature of developing investment properties intended for leasing, the Company anticipated that there would be a delay in recognizing profits as construction of the various projects would have to be completed before it could book leasing revenues. Because of this the Company invested in interim Metro Manila projects namely, W.H. Taft Residences, Dragon8 Mall and The SkySuites Tower, all of which were previously started and pre-sold projects, which the Company could resume development of and derive income from, based on a percentage-of-completion method.

On April 7, 2014, the authorized and outstanding shares of DD were listed on the PSE under the symbol “DD”. Through its initial public offering, the Company was able to raise PhP1.16 Billion to finance the acquisition of land and development of projects. The listing further enhanced the ability of the Company to raise substantial funding in the local debt markets. As of December 31, 2016, the Company had a market capitalization of PhP85,621,632,000 and a share price of PhP38.40.



Corporate Structure

The Company's corporate structure is presented in the diagram below:



At present, DoubleDragon has the following subsidiaries: DoubleDragon Sales Corp. (“DDSC”), DoubleDragon Property Management Corp. (“DDPMC”), CityMall Commercial Centers Inc. (“CM”), Piccadilly Circus Landing, Inc. (“Piccadilly”), DD HappyHomes Residential Centers Inc (“DDHH”), DD-Meridian Park Development Corp. (“DD-Meridian”), Iloilo-Guimaras Ferry Terminal Corp. (IGFTC) and Hotel of Asia, Inc (“HOA”). Each subsidiary was established to support DoubleDragon as the Company executes its strategies and plans. The functions of each subsidiary are discussed below.

DoubleDragon Sales Corp. (“DDSC”)

DoubleDragon Sales Corp. was incorporated on November 12, 2012, and is a wholly owned subsidiary that focuses on the selling and marketing of the Company’s real

estate projects that include condominium units, town houses, apartments, commercial spaces and other related projects. DDSC serves as the sales team of the Company's projects.

DoubleDragon Property Management Corp. (“DDPMC”)

DoubleDragon Property Management Corp. was originally incorporated on January 17, 2012 as One Eleven Property Management Corp., a wholly owned subsidiary that focuses on managing, operating and maintaining the projects of the Company. Its operations generally focus on services for the maintenance, repair and beautification of the buildings and ground. DDPMC's revenues are derived from association dues and common utilities service area (CUSA) charges collected from the Company's clients and tenants.

CityMall Community Centers Inc. (“CM”)

CityMall Community Centers Inc. was incorporated on December 27, 2013 to serve as the vehicle for the construction, development, operation and maintenance of CityMalls. CityMall is envisioned to become the largest branded community mall chain in the Philippines. CM is 66%-34% owned by the Company and SMIC, respectively.

Piccadilly Circus Landing Inc. (“Picadilly”)

The Company signed an Investment and Shareholders Agreement with the Aryanna Group to invest in Piccadilly Circus Landing, Inc., and jointly develop the sixteen thousand (16,000) square meter Umbria Commercial Center in Biñan, Laguna. Piccadilly is currently a 50-50 joint venture with the Company and the Aryanna Group. Piccadilly owns a two thousand nine hundred fifty-five (2,955) square meter property where the Umbria Commercial Center will be developed.

DD HappyHomes Residential Centers Inc. (DDHH)

On May 23, 2014, the Company signed an Investment and Shareholders Agreement to subscribe to seventy percent (70%) of DDHH (previously named Zion Land Development Ph, Inc.), a property development company based in Western Visayas. The remaining thirty percent (30%) will be retained by the then shareholders who agreed to DD's subscription to DDHH.

DDHH was incorporated in September 2011 and started its first project, HappyHomes in Mandurriao Iloilo in 2013. DDHH is the Company's horizontal housing project arm in the Visayas area and will complement the company's project portfolio by providing affordable homes in the provinces.

DD-Meridian Park Development Corp (DDMP)

On June 2, 2014, DD signed a Memorandum of Agreement to develop a 4.75 hectare lot at the corner of EDSA and Macapagal Avenue in Pasay City near the Mall of Asia Complex. The joint venture agreement was signed on October 17, 2014, and resulted to DoubleDragon owning seventy percent (70%) of DD-Meridian Park, the JV

company for the project. DD Meridian Park will have approximately two hundred and eighty thousand (280,000) square meters of leasable space once fully developed. It is envisioned to be a prominent iconic landmark in the area. Construction of the first phase started in the fourth quarter of 2014 and is targeted to be completed by 2018.

Iloilo-Guimaras Ferry Terminal Corp. (IGFTC)

IGFTC was incorporated and registered with the SEC on June 10, 2016, primarily to finance, design, construct, develop, operate and maintain Iloilo City-Guimaras Ferry Terminal and the surrounding areas and to provide a safe, efficient and modern ferry terminal for commuters going to and arriving from Guimaras Island.

Hotel of Asia, Inc. (HOA)

Hotel of Asia, Inc. was created in 2011 as a joint venture between Injap Investments Inc. (“III”), Chan C. Bros. Holdings, Inc. (“CCBHI”) of the Oishi Group, and Staniel Realty Development Corp. (“SRDC”). On August 11, 2016, the Board of Directors of the Company approved and, thus, the Company signed an agreement to acquire a majority stake of seventy percent (70%) for PhP832.17M in Hotel of Asia, Inc. (“HOA”), which will serve as the Company’s hospitality arm. HOA is a hospitality firm primarily engaged in the ownership, operation and development of hotel projects, including the Hotel 101 at the Mall of Asia Complex.

Core Projects

CityMall



CityMall is envisioned to be the first and largest branded independent community mall chain in the Philippines by opening one hundred (100) CityMalls by 2020.

The Company will be rolling out one hundred (100) community malls over the next four (4) years under its community mall chain brand “CityMall” through its sixty-six percent (66%) owned subsidiary CityMall Commercial Centers Inc. (“CM”). SM Investments Corp. (“SMIC”), the PSE-listed holding company of Henry Sy and family, owns the other thirty-four percent (34%) of CM. The partnership between DD

and SMIC in the roll out of community malls across the Philippines will bring a great combination of strong retail brands in CityMall and will further cement its position in becoming the dominant leader in this space.

CityMall will not only provide prime spaces to the top Philippine fast food brands such as Jollibee, Mang Inasal, Chowking, Greenwich, Red Ribbon and Highlands Coffee, but also to various non-food retailers including those affiliated with the SM Group brands such as Savemore, Ace Hardware, Watson’s, SM Appliance, Simply Shoes, BDO, and Chinabank Savings Bank. CityMall is poised to become a brand that every Filipino can be proud of.

All CityMalls will have a standard color, design, look and feel. They will also have the distinct feature of being “Greenergized” as each CityMall will be equipped with solar panels as their main source of energy and a rainwater collection system as a sign of the Company’s drive to help save the planet and its commitment to sustainable development.

CityMall differentiates itself from other malls by choosing prime and strategic locations in the heart of every community it aims to serve. Location and accessibility to customers is the key to the successful rollout of CityMalls in the country. Each CityMall site is meticulously chosen and negotiated by none other than DD’s Chairman, Edgar ‘Injap’ Sia II. Mr. Sia was the driving force behind the successful rollout of of fastfood chain Mang Inasal.

As of December 31, 2016, the Company has secured a total of fifty-four (54) site locations for CityMalls. It has completed the construction of the following 10 CityMalls which have all commenced business operations - CM Tetuan, CM Tagbak, CM Arnaldo Roxas, CM Imus, CM Consolacion, CM Kalibo, CM Tiaong, CM Parola, CM Cotabato and CM Mandalagan. Construction activities are being undertaken in 29 CityMalls located in the following sites:

	Site	Lot Area (sqm)
1	Kabankalan City	11,005.80
2	Victorias City	13,734.29
3	San Carlos, Negros Occidental	7,978.77
4	Boracay, Malay	10,020.85
5	Tagum City	19,384.16
6	SCTEX, Concepcion	16,083.66
7	Dau, Pampanga	5,285.88
8	GoldenFields - South Bacolod	10,940.07
9	MacArthur, Tarlac	19,937.09
10	Dumaguete City	13,356.13
11	Sta. Rosa, Nueva Ecija	12,677.63
12	Bulua, CDO	11,493.52
13	Danao, Cebu City	6,681.50
14	Koronadal City	10,001.76
15	Passi City	12,847.74

	Site	Lot Area (sqm)
16	Ungka, Pavia	15,005.32
17	Mayombo, Dagupan	12,819.87
18	Roxas Ave, Roxas City	4,679.19
19	GrandCityMall Bacalso	11,000.64
20	Iponan, CDO	12,259.63
21	San Carlos, Pangasinan	6,596.54
22	Calapan City	7,158.61
23	Manabay, Ozamiz	22,258.42
24	Dipolog City	12,833.28
25	GrandCityMall Guiwan	11,743.96
26	Calamba	10,299.61
27	Isulan	9,248.85
28	Sorsogon	5,868.07
29	Surigao	10,504.39

The business model of CityMall is premised on location at the heart of each provincial city to integrate the brand within the natural daily movement of the general population. CityMalls are intended to become the venue for modern retail concepts to thrive in the provincial setting as the transition from traditional to modern retail is envisioned to complete itself in these second & third tier cities over the next few years.

DD Meridian Park

DD Meridian Park is located in a 4.75-hectare prime commercial block located at the corner of EDSA, Roxas Boulevard and Macapagal Avenue in the Bay Area of Pasay City adjacent to SM Mall of Asia complex. DD Meridian Park is a project of DD Meridian Park Development Corp. (“DDMP”), which is seventy percent (70%) owned by the Company and thirty percent (30%) by Benedicto V. Yujuico and Teresita M Yujuico. Located in a reclamation area, the project site was acquired by DDMP from Benedicto Yujuico.

DD Meridian Park will be developed in several phases with a total leasable space area of about 280,000 square meters, all of which is scheduled to be completed and form part of the Company’s leasable portfolio by 2020.

Currently, the first phase of DD Meridian Park, DoubleDragon Plaza, is already under full-swing construction. The general construction contract of DoubleDragon Plaza was awarded to Megawide Construction Corporation last March 17, 2015. DoubleDragon Plaza will consist of four (4) office towers on top of a retail podium and is expected to contribute one hundred and thirty thousand (130,000) square meters of leasable space to the Company’s portfolio by 2018. The balance of one hundred fifty thousand (150,000) square meters of leasable space will be developed in separate phases, and is expected to be completed by 2020.



DD Meridian Park is a 4.75-hectare project in the Bay Area of Pasay City located at the corner of Diosdado Macapagal Boulevard and EDSA Extension. The Company’s subsidiary DD-Meridian Park Development Corp., which is 70% owned by DoubleDragon and 30% owned by Carto Meridian Development Corp., will develop the project.

The project will feature a commercial compound for BPOs and corporate offices and an area intended for future development. The DD Meridian Park will be constructed in four phases, and will feature the following:

Phase	Features	Expected Date of Completion
1	DoubleDragon Plaza – Commercial, BPO Towers & Parking	Q4 2017 to Q1 2018
2	DoubleDragon Center North & DoubleDragon Center West – Office Towers	Q4 2018
3-4	TBA	TBA

Phase 1 of the project will be the construction of DoubleDragon Plaza, an 11-storey complex with a mall on the ground floor and business process outsourcing (BPO) offices from the 5th to the 11th levels. DoubleDragon Plaza will provide over one hundred thirty thousand (130,000) square meters of leasable space. The Company has commenced with the construction of Phase 1 which is 57.40% complete as of December 31, 2016. The Phase 1 of the Project will be partially operational by end-2017

Phase 2 of the project will be two additional office towers, DoubleDragon Center North and DoubleDragon Center West, which will be adding roughly another thirty thousand (30,000) square meters of leasable space.



The Company intends to secure Leadership in Energy & Environmental Design (LEED) certification for DoubleDragon Plaza. To receive LEED certification, DoubleDragon Plaza must satisfy prerequisites and earn points to achieve different levels of certification. LEED is a green building certification program that recognizes best-in-class building strategies and practices. LEED certified buildings save money and resources and have a positive impact on the health of occupants, while promoting renewable, clean energy.



Above: Latest construction photo of DD Meridian Park

Jollibee Tower

On August 26, 2015, the Company signed a joint venture agreement with JFC to develop a 40-storey commercial and office tower on a three thousand and two (3,002) square meter prime commercial lot. The property is located at the corner of F. Ortigas Jr. Road (formerly Emerald Avenue) and Garnet Road in the heart of the Ortigas Central Business District.

Pursuant to the joint venture agreement, JFC will contribute the land in exchange for fifteen percent (15%) of the project's resulting leasable floor area while the Company, as the developer of the project, will have the remaining eighty-five percent (85%) of the project's resulting leasable floor area. In addition to its 15% leasable floor area, JFC is expected to lease additional office space directly from the Company to accommodate their corporate office requirements.

On February 11, 2016, the Company awarded the general construction contract for the Jollibee Tower to Monolith Construction & Development Corporation. The project is expected to contribute close to forty-eight thousand (48,000) square meters of leasable space to the Company's portfolio by 2018.



Above: Architect's Rendering of Jollibee Tower

The project is expected to contribute close to forty-eight thousand (48,000) square meters of leasable space to the Company's portfolio by 2018. The ground floor will include commercial spaces and a drive-thru store provision, while the 2nd and 3rd floors will house an event center. The rest of the floors will be leased as office space and will include sufficient parking levels to service tenant requirements. The project is 5.59% complete as of December 31 2016 and is expected to be complete by Q4 of 2018.

The Jollibee Tower will be designed as a Grade A structure and is expected to secure LEED certification in line with DD's core values in promoting sustainable developments through "green" technology. The exterior of the building will be made of double-glazed glass curtain wall for increased energy efficiency and the structure is poised to become one of the most prominent landmarks in the Ortigas skyline. Construction commenced in the 1st quarter of 2016 while completion is estimated to be within the 1st half of 2018. Once fully tenanted, the development is expected to generate about PhP350 Million in annual rental revenues to the Company. This project completes the land needed to build DoubleDragon's targeted 300,000 square meters of leasable commercial and office space in Metro Manila.

Interim Projects

Due to the amount of time needed to build a sizable portfolio of leasable space, the Company has strategically acquired existing projects that have been pre-sold and partially completed by other developers. These acquisitions have enhanced the Company's profitability in the near-term as it builds on its leasable portfolio and shifts into a ninety-percent (90%) recurring revenue business model by 2020.

The SkySuites Tower

The Company acquired The SkySuites Tower last September 1, 2014 from Rizal Commercial Banking Corporation ("RCBC"), the financial institution that foreclosed the property from its original developer four years prior. The SkySuites Tower was planned as a 38-storey commercial, office and residential tower sitting on a two thousand eight hundred and twelve (2,812) square meter prime corner lot property at the corner of EDSA and Quezon Avenue, a few meters away from the Mass Rail Transit (MRT) station.

The SkySuites Tower is divided into two structures with dedicated lobbies; one dedicated to corporate offices while the other will serve as a residential tower comprising lofts that will cater to the mid to high-end market. The Company continues with both the construction and sale of the remaining inventory of residential units and parking, but intends to retain the unsold commercial and office spaces as part of the Company's leasable portfolio.

690 of the units in The SkySuites Tower were already pre-sold prior to the acquisition and majority of the previous buyers have already executed new contracts with the Company. The Company is currently in discussions with the remainder of the previous buyers for the execution of new contracts covering the delivery of their units by DD. The Company booked revenues from these sales based on the percentage of completion method. As of December 31, 2016, the overall completion of the project stands at 82%. The commercial/office units of The SkySuites Tower will be available for occupancy within Q4 2017 while the residential units will be turned over within Q4 2018.

As of December 31, 2016, the total number of units sold is 504, equivalent to sales of around PhP 2.28 billion, while the total number of units unsold is 519, equivalent to around PhP 3.22 billion. Parking units sold total 206 slots, equivalent to PhP117 million, while there is a total of 279 parking units, equivalent to PhP139 million, which are still unsold.

Dragon8 Mall

Dragon8 Mall was a partially constructed project acquired by the Company on May 2, 2014 from its previous developer. The Company resumed the construction and renovation of the property upon acquisition and opened its doors to the public on June 30, 2015.

The project is located on a five thousand nine hundred and seventy-two (5,972) square meter prime corner lot at C.M. Recto Avenue corner Dagupan Street,

Divisoria, Manila. In line with the area being synonymous to a micro retail destination, Dragon8 Mall offers micro retailers a modern version of the mall stall units currently being offered within the vicinity at relatively the same prices.

The Company sells sixteen- (16) year leasehold rights on the mall stall units, which gives locators the exclusive right to lease the said units for the duration of the leasehold contract. A portion of the development is also being leased out directly to tenants and form part of the leasable portfolio of the Company. Dragon8 Mall has close to nine thousand eight hundred (9,800) square meters of leasable space and houses approximately three hundred (300) parking spaces for the convenience of its shoppers.

The Company resumed the construction and renovation of the property upon acquisition and opened its doors to the public on June 30, 2015, a little over a year after the acquisition. As of December 31, 2016, Dragon8 Mall is 96% occupied.

W.H. Taft Residences

The Company's first project in Metro Manila is the 31-storey W.H. Taft Residences, a condominium development ideally situated beside the De La Salle University (DLSU) in Taft Ave., Manila. W.H. Taft Residences is an ideal base for students from DLSU Manila, College of St. Benilde, and St. Scholastica's College all of which are within walking distance from the project. Residents of the project also enjoy a full range of student-inspired features and amenities such as wireless internet connection, a multi-purpose hall convertible into seminar, study, or focus group discussion areas, a swimming pool, multi-level flood free podium parking, and commercial establishments on the ground and second floors to cater to day-to-day needs of its residents. As of December 31, 2016, the project was 100% complete.

W.H. Taft Residences offers 533 low-density studios and one bedroom residential units to maintain residents' privacy and provide a conducive environment ideal for studying. The ground floor and the second floor of the project consist of a 17-unit commercial strip while the parking levels are located from the 3rd to the 6th floor. The project amenities are located on the 7th floor while the rest of the floors above consist of residential units. As of August 31, 2016, a total of 458 units have been sold and assigned with a total value of approximately PhP1.1Billion while there are still 75 units available for sale with a total value of approximately PhP369Million.

In the last quarter of 2015, the Company completed W.H. Taft Residences, a residential tower adjacent to De La Salle University (DLSU) Taft Campus, one of the more prominent universities in the country. The development primarily caters to the growing student population in the area and consists of five hundred thirty-three (533) residential units and several commercial units.

W.H. Taft Residences was originally developed by Philtown Properties, Inc. and was acquired by the Company on November 7, 2012. As of December 31, 2016, 86% of the units of W.H. Taft Residences have been sold and only 75 residential units remain in the Company's inventory.

Other Projects

Hotel of Asia (HOA)

On August 11, 2016, the Board of Directors of the Company approved and, thus, the Company signed an agreement to acquire a majority stake of seventy percent (70%) for PhP832.17M in Hotel of Asia, Inc. (“HOA”), which will serve as the Company’s hospitality arm. HOA is a hospitality firm primarily engaged in the ownership, operation and development of hotel projects, including the Hotel 101 at the Mall of Asia Complex. HOA booked PhP113.4M in net income for the year ended 2015. The stake in HOA will now allow DoubleDragon to benefit from the booming tourism prospects for the Philippines in the years to come as well as fully optimize the use and value of its string of prime properties in various strategic areas of the country.

HOA was initially created in 2011 as a joint venture between Injap Investments Inc., Chan C. Bros. Holdings, Inc. (“CCBHI”) of the Oishi Group, and Staniel Realty Development Corp. (“SRDC”). Injap Investments Inc. has fully divested its interests in HOA which will now be consolidated at the DD level, while CCBHI and SRDC will retain 15% fifteen percent each in HOA.

The consideration of Injap Investments Inc. (“III”) for its shares in HOA will be paid in DD shares priced at a 5% premium over the 30-day weighted average of the closing prices of DD common shares preceding closing date of the transaction. Injap Investments Inc. opted that the consideration would be DD shares instead of cash as a sign of its long-term solid commitment to DoubleDragon. The closing date will be set after the completion of due diligence. The Company engaged PricewaterhouseCoopers Philippines to advise it on the proper valuation of the acquisition. The Company valued HOA, taking into consideration the growth of HOA amid the continued increase in tourist arrivals in the Mall of Asia complex and in the Philippines. HOA has established its own brand called Hotel 101 and its subsidiary holds the master franchise for the Philippines of JinJiang Inn, one of the largest hotel brands in Asia. HOA currently has two (2) operating JinJiang Inns in the Philippines, the first located along San Miguel Ave. in Ortigas followed by JinJiang Inn- Makati which recently opened along Pasay Road. In totality, HOA has 866 operating hotel rooms under its wing, which also include Hotel 101 in the Bay Area near Mall of Asia, a condotel concept that was fully sold out prior to opening mid this year and Injap Tower Hotel in Iloilo City. HOA will soon be adding another 608 rooms to its portfolio with the development of Hotel 101-Fort located adjacent to C5 nearly across SM Aura and Market Market. The valuation was also compliant with applicable policies and rules on related party transactions, since III is a related party of the Company. On October 13, 2016, the Company completed the due diligence and executed the necessary documentation to complete the acquisition of a majority stake of seventy percent (70%) of Hotel of Asia, Inc.

Others

Other projects of the Company include those initially started in Iloilo City. These include People’s Condominium, FirstHomes Subdivision, Injap Tower and The Uptown Place, which have all been completed.

The development of its core projects will transition the Company from a non-recurring revenue business model to a ninety percent (90%) recurring revenue model. The remaining ten percent (10%) of revenues from non-recurring sources will include affordable housing projects which are currently under development by the Company's seventy percent (70%) owned subsidiary DD HappyHomes Residential Centers Inc. ("DDHH"). The remaining thirty percent (30%) is held by the then shareholders of Zion Land Development Phils., Inc. ("Zion Land"), who agreed to a 70-30 joint venture with the Company by increasing the authorized capital stock of Zion Land and allowing the

Injap Tower

The Company's landmark project in Iloilo, Injap Tower, is a 21-storey commercial and condotel tower located along West Diversion Road, Iloilo City. Situated right across SM Iloilo, the tower is Iloilo's first high-rise building as well as the tallest building in Western Visayas. Injap Tower features two commercial units on the ground floor, multi-level parking, and 196 fully furnished condotel units. Amenities and facilities of the tower include a swimming pool, 24-hour security, four elevators, several retail shops and the Horizon Café on the top floor. To make the Tower even more accessible, an overpass was constructed connecting Injap Tower to SM Iloilo. The Tower was completed in May 2014 and is presently fully sold.

The Uptown Place

The Uptown Place is a five-storey premium commercial and residential condominium located along General Luna Street, Iloilo City. The project is across the University of the Philippines Iloilo and consists of 236 residential units ranging from 21sqm studios up to as large as 73sqm three bedroom units with selling prices, which vary, from PhP1.85M to PhP6.79M. The ground floor consists of commercial units for lease. The project was completed in March 2014. As of December 31, 2016, 177 residential units have been sold with a total value of approximately PhP473 million while there remains 59 unsold units with a total value of approximately PhP175 million.

People's Condominium

People's Condominium is the Company's first project and is also the first condominium project ever built in Iloilo City. It is a six-storey condominium with 71 semi-furnished units. It is located at the KAPIDECO estate in Barangay San Rafael, Mandurriao, Iloilo City. Constructed on January 2011 and turned over to buyers on November 2011, all units were sold out soon after preselling activities commenced.

FirstHomes

FirstHomes Subdivision is the Company's first horizontal housing project. Located in Navais, Mandurriao, Iloilo City. FirstHomes is a gated townhouse project of 112 units within a sprawling 1.3 hectare property. The project was completed in October 2012 and is currently 90% sold with only 12 units left in inventory with a total value of approximately PhP43 million. As of December 31, 2016, the Company has sold 100 units with total contract value of approximately PhP219 million. FirstHomes offers semi-furnished two, three and four bedroom units equipped with modern utilities and

features modern minimalist design and a wide range of amenities including swimming pools, community parks, clubhouse, and CCTV security systems.

DD HappyHomes

HappyHomes-Mandurriao (“HappyHomes”) is a project of DDHH, Inc. a subsidiary of DoubleDragon. HappyHomes is an affordable community space located in the fast growing Mandurriao district of Iloilo City. There are a total of 613 lots available for development and as of December 31, 2016, the Company has sold 336 units of lots available for development. HappyHomes offers four variations of units with varying house and lot packages ranging from PhP1.2M to P 3.1M. Each unit is built upon receipt of 10% downpayment and can be turned over four to six months from start of construction. As of December 31, 2016, land development is 100% complete. Construction is on a per-block basis and commences when at least 50% of the block has been sold. Construction period is around seven to eight months. Overall, the project is 44.50% complete.

HappyHomes Tanauan is a new project of DDHH for 2016 and located in Tanauan Leyte. There are a total of 1,494 lots available for development and as of December 31, 2016, the Company has sold 162 lots available for development since the Company started formal selling on May 2016. HappyHomes offers four variations of units with varying house and lot packages ranging from PhP0.450M to PhP1.2M. Land development works for Phase 1 started on April 21, 2016 and is expected to be completed on June 2017. Similar to HappyHomes Mandurriao, construction is on a per- block basis and commences when at least 50% of the block has been sold. Construction period is around seven to eight months.

Buyers of units in HappyHomes Mandurriao and HappyHomes Tanauan may avail of financing schemes offered by the Home Development Mutual Fund.

Competitive Strengths

First Mover Advantage

The Company was the first to announce its aggressive roll out plan in the community mall space. Although there are other players and potential entrants who operate in this space, the Company placed itself in an advantageous position with the scale and time period that it has targeted for the completion of its CityMall developments. By the end of 2017, the Company is expected to have at least 30 operational CityMalls, which will make it the dominant leader in this space.

Prior to making its plans known to the public, the Company had already studied and developed the business model of CityMall to prepare for the roll out program it had set forth. In doing so, the Company maintained its competitive edge through the momentum built up from the point that it made public its roll out plan, and was already in a position to swiftly execute its plans as scheduled.

Familiarity of the Provincial Landscape

Both the Tan and Ang families through JFC and the Sia family through their initial rollout of Mang Inasal have been operating in the same provincial cities that CityMall is or will be operating in. Edgar “Injap” Sia II built the fastfood concept, Mang Inasal, from the ground up and he personally led the rollout of Mang Inasal branches from one (1) branch in Iloilo in 2003 to three hundred thirty-eight (338) branches by 2010. JFC- owned fastfood brands, which are some of the oldest and strongest brands in the Philippines, have likewise been operational, some for several decades, in the same cities where CityMall will be located.

This first hand experience and level of familiarity covering the areas of trade has given the Company an edge in being able to quickly select the key locations ideal for community malls.

Location of Sites Secured

More than two (2) years from the time of the Company’s initial public offering (IPO), the Company has already secured 54 CityMall sites despite the scarcity of one-hectare plots in the city center of provincial cities. All CityMall sites are in prime locations within the natural daily movement of the general population that it serves. Usually, there are only one or none of these locations left available for sale in the provincial cities, thus, being able to secure the last remaining one-hectare commercial lot in the respective city centers places CityMall in a leading position and becomes a natural deterrent to competitors.

The Company’s Chairman and CEO, Edgar “Injap” Sia II, leads the site selection and acquisition. Progress in acquiring the ideal sites for the Company’s projects is a key driver in the execution performance of the Company. Its Chairman and CEO holds the most experience, coming from retail background, and is best positioned to understand the elements of success for each location.

Strong Alliances

SMIC’s investment of thirty-four percent (34%) of CM further validates the strength of CityMall’s business model. Currently, SMIC’s supermarket brand “SaveMore” is the anchor tenant of majority of CityMalls. Typically, the anchor tenant occupies one-third (1/3) of the leasable space of a CityMall. In addition to SaveMore, SMIC also owns several brands that are represented in CityMalls; these include but are not limited to Ace Hardware, China Bank Savings, BDO Unibank, Simply Shoes, Watsons and SM Appliance Center. The Tan and Ang family’s JFC brands, namely, Jollibee, Chowking, Red Ribbon, Highlands Coffee, Mang Inasal and Greenwich also occupy “FoodWorld”, the foodcourt concept that is present in all CityMalls.

Business Strategy

The Company's business strategies include the following:

Identifying shifts and capitalizing on the opportunity to ride market transitions

One such transition is the ongoing evolution of traditional retail into modern retail in the provincial setting. This is particularly notable in the supermarket segment which is relevant to the Company's business model since the supermarket typically occupies one-third (1/3) of the leasable space of CityMalls. Due to natural forces of modernization, the pricing advantage of local supermarkets over branded supermarkets started to thin a few years ago allowing branded supermarkets to compete head-on-head with locally owned unbranded supermarkets.

Today the price gap between branded and locally owned unbranded supermarkets is in the low single digits and is expected to disappear completely in the near term as the branded players expand into provincial locations. This shift is inevitable and will put branded supermarkets at an even playing field with locally owned unbranded supermarkets. CityMall is poised to benefit from this by anticipating this shift and providing the ideal venue for modern retail concepts to thrive.

Building a strong base of recurring revenue

The Company aims to build a strong base of recurring revenue through the accumulation of one million (1,000,000) square meters of leasable space, which will grow organically without need of additional capitalization. This will ensure the future cash flows to the Company with minimal dependency on economic downturns or the development of new projects.

A solid portfolio of properties held for lease will provide strong annual cash flows, which will enhance the Company's position to further grow its business as opportunities arise. This will also put the Company in an ideal position to pay out a substantial amount of annual dividends to its shareholders once it has completed its hyper expansion years.

Acquiring a strong portfolio of investment properties

One of the strategies of the Company is ensuring that its projects are located in prime locations both in Metro Manila and the different provinces in the Philippines. The combination of Metro Manila and provincial assets will give the Company a good footprint across the country.

In addition to this, since properties are held for lease, and not for sale, the Company will be able to benefit from the appreciation of property areas where its assets are located. Majority of the land bank of the Company will be located in second and third tier provincial cities where land value is expected to grow at a substantially faster rate than in Metro Manila.

Focusing in preferred industries

The Company intends to focus on preferred industries like retail and office space which allow it to diversify its leasing income to high-growth areas, such as provincial retail in the community mall setting, as well as the more stable Metro Manila office space which primarily caters to the country's growing BPO Industry.

Preferred industries refer to segments that hold a robust outlook in the near and medium term period. These projects are primarily opportunity driven and are dependent on the current and future demand from the target market.

Suppliers

The Company has a broad base of suppliers of materials and services and is not dependent on any one supplier.

There is no scarcity of the Company's raw materials and they are easily sourced in the market hence the Company is not, nor is it expected to be, dependent upon one or a limited number of suppliers for its essential raw materials or any other items. Contracts of the Company with its contractors or the suppliers contain warranties for quality and requirements for timely completion. In the event of delay of or poor quality of work, the contractor or supplier may be liable to pay the Company a penalty. The Company has not had any material disputes with any of its contractors or suppliers. The Company's principal raw materials are steel and cement which are readily available in the market from a number of sources. The Company uses a standard form fixed-price contract for both its general and specialty construction contractors. The contracts typically include the following key terms: a down payment of 10%-15% is required from the contractor and is usually obtained in the form of a performance bond; progressive billing occurs on a monthly basis; and a 10% retention and warranty provision for workmanship is included and is typically covered by a guarantee bond.

The following table lists the Company's suppliers and the products and services supplied to DD:

Supplier	Products/Services
Megawide Construction Corporation	Construction
EEl Corporation	Construction
Art Builders Construction and Management, Inc.	Construction
Bon Builders Corporation	Construction
Bueno Builders and Management Corporation	Construction
Rapid Steel Corporation	Construction
Monolith Construction & Development Corporation	Construction
Brickwall Construction Corp.	Construction
N1 Phil Builders Corp.	Construction
Sta. Elena Construction & Development Corporation	Piling Works
V.V Aldaba Inc	Electrical Works

Dependence on Certain Customers

The Company and its subsidiaries are not dependent on a single or a few customer / client base. The group has a broad base of individual and corporate customers / clients.

The Company has a broad customer base and is not dependent on a single customer or few customers.

Transactions With and/or Dependence on Related Parties

The Company, in the normal course of business, enters into transactions with related companies primarily consisting of lease of properties and advances for real estate transactions, working capital requirements and other business-related purposes. Rental for leased properties are within market rates while there are no interest on advances. Related parties are able to settle their obligations in connection with transactions with the Company and the Company does not foresee risks or contingencies arising from these transactions. Additional information on related party transactions are in the Notes to the Audited Financial Statements of the Company attached hereto and incorporated herein by reference.

All transactions with related companies are done on market terms and at an arm's length basis. See Note 21 (Related Party Transactions) of the Notes to the Consolidated Financial Statements.

Patents, Trademark, and Copyrights

The operations of the Company are not dependent on any copyright, patent, trademark, license, franchise, concession or royalty agreement.

Need for Government Approval of Principal Products or Services and Effect of Existing or Probable Governmental Regulations

Philippine land use laws regarding subdivisions and condominiums include zoning laws, which regulate land use; laws which specify standards and technical requirements for the development of subdivisions; and laws requiring licenses to be obtained before the sale of real estate property.

The municipal or city authority determines whether the plans of a proposed development comply with the applicable standards and conducts a preliminary inspection of the site. Local authorities are required to monitor the progress of subdivision projects and to inspect projects following their completion to determine whether or not they comply with the approved plans.

There are essentially two different types of residential subdivision developments, which are distinguished by different development standards issued by the HLURB. The first type of subdivision, aimed at low-cost housing, must comply with Batas Pambansa Blg. 220, which allows for a higher density of building and relaxes some of the construction standards. Other subdivisions must comply with Presidential Decree No. 957, which sets out standards for lower density developments. Both types of subdivision must comply with standards regarding the suitability of the site, road

access, necessary community facilities, open spaces, water supply, the sewage disposal system, electricity supply, lot sizes, the length of the housing blocks and house construction.

Under Presidential Decree No. 957, which covers subdivision projects for residential, commercial, industrial or recreational purposes and condominium projects for residential or commercial purposes, the HLURB, together with local government units, has jurisdiction to regulate the real estate trade and business. All subdivision plans are required to be filed with and approved by the local government unit concerned, while condominium project plans are required to be filed with and approved by HLURB. Approval of such plans is conditioned on, among other things, completion of the acquisition of the project site and the developer's financial, technical and administrative capabilities. Alterations of approved plans that affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government unit. Development must comply with standards regarding the suitability of the site, road access, necessary community facilities, open spaces, water supply, the sewage disposal system, electricity supply, lot sizes and house construction.

Owners or dealers of real estate projects are required to obtain licenses to sell before making sales or other disposition of lots or real estate projects.

In general, developers of residential subdivisions are required to submit project descriptions to regional offices of the Department of Environment and Natural Resources ("DENR"). This description sets out the background of the proposed project and identifies any significant environment risks and possible alternative sites. In environmentally critical projects or at the discretion of the regional office of the DENR, a detailed Environmental Impact Assessment may be required and the developer will be required to obtain an Environmental Compliance Certificate ("ECC") to certify that the project will not cause an unacceptable environmental impact. The Company's core projects already have ECCs and respective business permits issued and the Company does not foresee any issues in continuing to secure these for the upcoming construction of the CityMalls that have not yet commenced. If the ECC is not secured, for any reason whatsoever, the subject project cannot begin construction and the relevant project timetable will have to be adjusted.

The Company routinely applies for the required governmental approvals for its projects. The Company is not aware of any pending legislation or governmental regulation that is expected to materially affect its business.

Governmental regulations and environmental laws

The Company and its subsidiaries meet all governmental, environment, health and safety requirements. The Company has not experienced significant governmental, environment, health or safety problems.

Employees

As of December 31, 2016, the Company has two hundred eighty-seven (287) direct employees. Out of these, a total of two hundred thirty-three (233) are regular employees fifty-two (52) are probationary employees and two (2) are fixed term employees. The Company has four subsidiaries that also directly employ people. Please see the table below for a complete list of employees employed by the Company and its subsidiaries:

Company Name	Total Employees	Regular Employees	Probationary Employees	Fixed Term Employees
DD	167	145	20	2
DDPMC	69	46	23	0
CM	32	28	4	0
DDSC	6	5	1	0
DDHH	13	9	4	0
DoubleDragon & Subs	287	233	52	2

The Company has no collective bargaining agreements with its employees due to the absence of organized labor organizations in the Company. Aside from complying with the minimum compensation standards mandated by law, the Company makes available to qualified personnel supplemental benefits such as health insurance, car plans, and bonuses. An employee stock option plan for selected heads was also recently implemented. The Company intends to hire two hundred eighty-nine (289) additional employees within the year 2017.

The following table presents the breakdown of employees per department or subsidiary:

Department / Subsidiary	Total Employees	Regular Employees	Probationary Employees	Fixed Term Employees
Executive Committee	4	4	0	0
Accounting / Credit & Collection (Finance)	39	36	3	0
Admin	24	17	7	0
Business Development	2	2	0	0
Corporate Planning / Treasury	9	8	1	0
Corporate Services	1	1	0	0
Customer Care	2	2	0	0
Design	6	6	0	0
Documentation	6	5	1	0
Human Resources	7	5	2	0
Internal Audit	1	1	0	0
Investor Relation	1	1	0	0
IT	4	4	0	0
Leasing	10	9	1	0
Legal	11	9	2	0
Marketing	12	11	1	0

Procurement	6	4	2	0
Security	3	3	0	0
Technical	15	15	0	2
GM- DDPMC	1	1	0	0
GM - DDHH	1	1	0	0
Head - DDSC	0	0	0	0
DDPMC	69	46	23	0
CM	32	28	4	0
DDSC	6	5	1	0
DDHH	13	9	4	0
Total	287	233	52	2

The Company plans to hire the following number of employees:

Department	Number of Employees
Human Resources	2
Finance	11
Legal	3
Technical	9
Leasing	2
Property Management	124
Administration & Logistics	3
Marketing	127
Procurement	1
Documentation & Control	0
Sales	7
Total	289

The following paragraphs discuss the various departments within the Company's organization.

Accounting and Credit and Collection

The Accounting Department is responsible for the Company's financial reporting and tax compliance. This department takes care of day-to-day recording of financial transactions. The Credit and Collection Department, on the other hand, is tasked to ensure timely collection of buyers' payments and facilitation of buyers' bank and in-house financing availments.

Administration

The Administration Department is responsible for the day-to-day administrative tasks of the Company. It provides administrative and liaison support to different departments in the Company.

Business Development

The Business Development Department is in charge of proactively searching and screening real properties for future expansion of the Company.

Corporate Planning & Treasury

The Corporate Planning Department is responsible for performing financial due diligence on prospective acquisitions, conducting financial planning for new projects and monitoring compliance with financial budget on a per project basis. The Treasury Department, on the other hand, is responsible for the Company's cash management, ensuring that cash requirements are met and receipts and disbursements are appropriately processed and recorded.

Corporate Services

The Corporate Services department is designed to support departments and business areas in what they do and to increase organizational capability. It is also responsible for leading coordination of business areas, ensuring that people, processes and resources are fit-for-purpose ad hoc projects to support the organization as a whole.

Customer Care

The Customer Care Department attends to post sales queries of buyers as well as inquiries from prospective buyers thereby providing utmost buyer satisfaction. This department is responsible in providing construction updates of the projects to its buyers.

Design

The Design Department is responsible in overseeing that the architectural design and finishing specifications of all new and existing projects are properly followed. This department also oversees project planning, site inspections, bidding, pre-construction, implementation and turn-over of DoubleDragon projects.

Documentation

The Documentation Department ensures the completeness of documentary requirements once sales are closed including buyer's information sheet, reservation agreement, and contract to sell. This department is also in charge of monitoring project sales and inventory.

Human Resources

The Human Resource Department is in charge of the Company's recruitment process, from the initial screening up to hiring and being an employee of the Company. This department is also in charge of performance management of employee, as well as records management and employee relations.

Internal Audit

The role of internal audit is to provide independent assurance that an organisation's risk management, governance and internal control processes are operating effectively. This department reports directly to the President.

Investor Relations

The Investor Relations Department is responsible for providing the stakeholders of the Company with timely and relevant information such as price sensitive information, historical and future prospects, and transparency. It is also responsible in managing the relationship of the Company with its current and potential investors.

IT

The IT Department is responsible for maintaining the Company's servers and ensures functionality of the Company's equipment including desktop computers, laptops and printers. It also oversees all technology-related projects including new programs rolled out in the CityMalls such as but not limited to the "Time In" promotion.

Leasing

The Leasing department handles all of the leasing activities needed in the various investment properties of the Company that are primarily held for lease. These include but are not limited to CityMall, DoubleDragon Plaza, Dragon8 Mall and designated leasable commercial and retail spaces in the other projects of the Company, which include The SkySuites Tower, W.H. Taft Residences, and The Uptown Place.

Legal

The Legal Department is in charge of the Company's legal affairs, including defending the Company in case of litigations, the processing of permits and licenses, coordinating with the Company's subsidiaries and affiliates regarding legal matters, custody of the Company's important documents, conducting legal due diligence on new projects and acquisitions and corporate housekeeping.

Marketing

The Marketing Department is in charge of all the marketing related activities of the Company. This department is in-charge of promotional campaign events and activities including print and media advertisements such as magazines, billboards, company websites and social media sites.

Procurement

The Procurement Department is the office responsible for the acquisition of supplies, services, and construction contracts in support of the various projects and the general requirement of the Company.

Security

The Security Department oversees the security of the projects of the Company in various locations. They analyze the security requirements of each site and are responsible for contracting and deploying the required security services from the accredited outsourced service providers of the Company.

Technical

The Technical Department is responsible in overseeing that the engineering design and specifications of all new and existing projects are properly followed. This department also oversees project planning, site inspections, bidding, pre-construction, implementation and turn-over of the Company's projects.

ITEM 2. Properties

The Company and its subsidiaries own, lease and enter into joint venture agreements covering several tracts of land for community malls, office, residential and other types of developments.

As of December 31, 2016, the Company owns several parcels of land and properties as described below. The said properties are not subject to any lien or encumbrance of any kind.

Investment Properties

The Company's investment properties comprise of projects that generate revenues through leasing to third parties. The locations and descriptions of operational malls and properties already available for leasing or have been leased as of December 31, 2016 are shown below:

Project Name	Location
CityMall	Arnaldo Avenue, Roxas City
CityMall	Consolacion, Cebu City
CityMall	Anabu, Imus, Cavite
CityMall	Tetuan, Zamboanga City
CityMall	Tagbak, Jaro Iloilo
CityMall	Kalibo, Aklan
CityMall	Tiaong, Quezon
CityMall	Parola, Iloilo
CityMall	Cotabato City
CityMall	Mandalagan, Bacolod City
Dragon8 Mall	C.M. Recto and Dagupan Sts., Manila
W.H. Taft (Commercial Units)	Taft Avenue, Manila
Injap Tower (Commercial Units)	Iloilo City
The Uptown Place (Commercial Units)	Iloilo City
Umbria Commercial Center	Binan, Laguna

The Company and its subsidiaries' investment property are 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 or income approach for buildings.

CityMall (Properties Under Development)

In line with the Company's plan to develop one hundred (100) CityMalls across the Philippines, ten (10) of which are already operational as of December 31, 2016, the Company is currently in the process of identifying locations suitable for the CityMall sites with focus on the Visayas and Mindanao regions. Upon satisfactory assessment and due diligence of the identified sites, the Company will enter into negotiations to secure these prime properties. The Company has three (3) methods of securing properties:

- Direct Acquisition: 100% ownership over the property through subsidiary CM
- Joint Venture: 70% ownership over the property through subsidiary CM; 30% ownership retained by the landowner
- Long Term Lease: Minimum of twenty-six (26) years

Of the one hundred (100) CityMalls the Company envisions to develop over the next five (5) years, the Company intends to secure at least seventy (70) CityMalls through direct acquisition while the balance of thirty (30) CityMalls will be a combination of joint venture or long-term lease.

The preference of the Company would be to directly acquire properties for CityMall in order to benefit from property appreciation in the city centers of provincial cities. Another method of securing properties is through the joint venture method will still allow the Company to benefit from property appreciation by still owning at least seventy percent (70%) of the joint venture company that owns the Landsite. However, in cases where the property location is extremely compelling for the development of a CityMall, and there is no opportunity for a direct acquisition or a joint venture with the landowner, then the Company will negotiate a long-term lease, with a minimum of twenty-six (26) year tenor with the landowner. Long-term leases include provisions such as but not limited to the Company receiving the right of first refusal over the future sale of the property, which will allow the Company to potentially directly acquire the property at a later date.

As of December 31, 2016, the Company has secured fifty-four (54) sites through the above-mentioned methods. These sites are located across provincial cities of the Philippines and have an aggregate area of over sixty-four (64) hectares. The average size of a CityMall site is 1.2 hectares of land.

Other Leases

The Company leases its office space from Ayala Land Inc. consisting of 1,392 square meters located at the 16th Floor, 6750 Ayala Avenue, Makati City. The contract also includes the lease of thirty (30) executive parking spaces.

The Company also sub-leases office spaces, to be used as showrooms and office spaces. These are:, (i) a 214.76 square meter space located at the ground floor of Jollibee Plaza Condominium, F. Ortigas Road, Ortigas Center, Pasig City, effective for a period of five (5) years commencing on October 1, 2012 and ending on September 31, 2017; and (ii) a 163 square meter space located at Injap Building, Delgado cor. Fuentes Street, Iloilo City.

Residential Developments (held for sale)

Project Name	Location
The SkySuites Tower (Residential Units)	Corner EDSA Quezon Ave, Quezon City
W.H. Taft (Residential Units)	Taft Avenue, Manila
The Uptown Place (Residential Units)	Iloilo City
First Homes	Iloilo City
DD HappyHomes Mandurriao	Iloilo City
DD HappyHomes Tanauan	Tanauan, Leyte
DD HappyHomes Zarraga	Zarraga, Iloilo

ITEM 3. Legal Proceedings

The Company is not aware of any events during the past five years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as director, executive officer, or controlling person of the Company:

- 1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- 2) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- 3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- 4) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

ITEM 4. Submission of Matters to a Vote of Security Holders

1. Approval of the 2015 Audited Financial Statements and the 2015 Annual Report

Date of Approval by Board of Directors : April 14, 2016

Date of Approval by Stockholders : July 21, 2016

2. Ratification of the Actions of the Board of Directors and Officers

Date of Approval by Stockholders : July 21, 2016

3. Election of Directors

Date of Approval by Stockholders : July 21, 2016

4. Appointment of External Auditors

Date of Approval by Stockholders : July 21, 2016

5. Investment in Hotel of Asia, Inc.

Acquiring 70% of the outstanding capital stock of Hotel of Asia, Inc. which corresponds to 70,000 common shares from its existing shareholders.

Reason: This will serve as the Corporation's hospitality arm in the country and will increase DD's leasable portfolio in line with its focus of creating recurring revenue backed by appreciating assets.

Date of Approval by Board of Directors : October 13, 2016

6. Issuance and offering of ten (10) year retail bonds

Issuance and offering of ten (10) year fixed rate bonds under shelf registration amounting to Fifteen Billion (PHP15,000,000,000.00) Pesos.

Reason: The bulk of proceeds from the issuance will finance capital expenditures for CityMalls, DD Meridian Park, and Jollibee Tower.

Date of Approval by Board of Directors : September 21, 2016

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. Market for Registrant’s Common Equity and Related Stockholders Matters

Market Information

The Company’s shares of stock are traded in the Philippine Stock Exchange and were listed on the exchange last 7 April 2014.

2014

Stock Prices	High	Low
2nd Quarter	₱9.90	₱3.00
3rd Quarter	₱9.84	₱7.24
4th Quarter	₱8.13	₱7.28

2015

Stock Prices	High	Low
1st Quarter	₱9.00	₱7.26
2nd Quarter	₱10.50	₱8.50
3rd Quarter	₱22.60	₱9.70
4th Quarter	₱25.35	₱19.60

2016

Stock Prices	High	Low
1st Quarter	PhP39.50	PhP20.00
2nd Quarter	PhP70.00	PhP36.25
3 rd Quarter	PhP63.50	PhP53.70
4 th Quarter	PhP58.30	PhP36.00

The Company's preferred shares of stock are also traded in the PSE and were listed on the exchange last 26 July 2016.

2016

Stock Prices	High	Low
3 rd Quarter	₱106.30	₱103.40
4 th Quarter	₱105.00	₱103.20

As of December 31, 2016, the closing price of the Company’s common share is PhP38.40 per share with a total market capitalization of Eighty Five Billion Six Hundred Twenty One Million Six Hundred Thirty Two Thousand Pesos (PhP85,621,632,000) and for Company’s preferred shares, the closing price is PhP103.70 per share with a total market capitalization of Ten Billion Three Hundred Seventy Million Pesos (PhP10,370,000,000).

Shareholder and Dividend Information

The number of Common Shareholders of record as of December 31, 2016 was 131. Common Stock issued and outstanding as of December 31, 2016 was 2,229,730,000 shares at par value of ₱0.10 per share. The number of Preferred Shareholders of record as of December 31, 2016 was 87. Preferred Stock issued and outstanding as of December 31, 2016 was 100,000,000 shares at par value of ₱100 per share. Foreign ownership limit for DoubleDragon is 891,892,000 or 40% of the issued and outstanding shares. Total Common shares owned by foreign shareholders as of December 31, 2016 was 283,010,300. Total Preferred shares owned by foreign shareholders as of December 31, 2016 was 585,800.

Dividend Information

The Company has entered into several term loan agreements which do not allow it to declare dividends if, in doing so, it will violate its financial covenants or if it will result into an event of default. All of the Company's long term loan agreements provide for the following financial covenant: (i) that its Debt-to-Equity Ratio does not exceed 2.33x and (ii) that its Debt Service Coverage Ratio shall not be less than 1.25x. The Debt-to-Equity Ratio, under the Bonds, is the same as what is required in such long term loan agreements. For the Debt Service Coverage Ratio, under the Bonds, the Company is required to maintain a lower ratio, at not less than 1.0x.

On April 10, 2013 the Board of Directors in a special meeting declared cash dividends in the amount of ₱92.72 Million to all stockholders of record as of April 10, 2013 and the same was paid in June 2013. On June 25, 2015 the Board of Directors in a regular meeting declared cash dividends equivalent to 20% of 2014 Net Income amounting to P111.18 Million or ₱0.05 per share to all shareholders as of record date July 13, 2015. Payment date of the said dividend was July 27, 2015.

The Company has approved a dividend policy that would entitle the stockholders to receive the dividends equivalent up to thirty percent (30%) of the prior year's net income after tax subject to (i) the availability of unrestricted earnings, (ii) implementation of business plans, (iii) contractual obligations, and (iv) working capital requirements. The declaration and payment of dividends is subject to compliance annually or as often as the Board of Directors may deem appropriate, in cash or in kind and/or in additional shares from its surplus profits. The ability of the Company to pay dividends will depend on its retained earnings level and financial condition.

With respect to its subsidiaries, the said companies intend to approve a dividend policy that would entitle its stockholders to receive dividends equivalent to 30% to 100% of the prior year's net income after tax subject to (i) the availability of unrestricted retained earnings, (ii) implementation of business plans, (iii) contractual obligations, and (iv) working capital requirements. None of the subsidiaries have declared dividends in the past.

For the preferred stockholders, the Board of Directors approved on June 23, 2016, a special dividend, in the amount of PhP0.0867 per share. The special dividends were paid to all shareholders on record as of July 8, 2016 and were paid on July 14, 2016.

This declaration of special cash dividends to all preferred share of the Corporation is in addition to the regular dividend of 6.4778% p.a. that the preferred shareholders are already entitled to, provided that the Corporation has sufficient unrestricted retained earnings.

On September 20, 2016, the Board of Directors approved a regular dividend, in the amount of PhP1.6199 per share. The regular dividends were paid to all shareholders on record as of October 4, 2016 and were paid on October 14, 2016.

On December 8, 2016, the Board of Directors approved a regular dividend, in the amount of PhP1.61945 per share. The regular dividends were paid to all shareholders on record as of January 4, 2017 and were paid on January 14, 2017.

Other Information

The following securities were issued as exempt from the registration requirements of the Securities Regulation Code (SRC) and therefore have not been registered with the Securities and Exchange Commission:

- 1) On October 30, 2014 the Group obtained a total of PhP7.4 billion unsecured 7-year fixed rate corporate notes subscribed to by various financing institutions through bi-lateral loan agreements. 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 proceeds from these borrowings were used by the Group to partly finance its capital expenditures, primarily for the development of DD Meridian Park, Dragon8 Mall, The SkySuites Tower, the roll-out of the first 12 CityMalls and for general corporate purposes.
- 2) On May 8, 2015 the Group obtained a total of PhP5.0 billion unsecured 7-year fixed rate corporate notes subscribed to by BDO Unibank, Inc. through a bi-lateral loan agreement. 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 proceeds from these borrowings will be used by the Group to finance capital expenditures for the development of CityMall branches.
- 3) On July 30, 2015, the Company issued a total of PhP1.5 billion unsecured 7-year fixed rate corporate notes subscribed to by one lender through a bi-lateral loan agreement. The loan payments are to be made in six (6) consecutive annual installments to commence at the end of the 36th month after the initial borrowing date. The proceeds of these loans shall be used by the Company to partly finance the development of (a) DoubleDragon Plaza (Phase 1 – DD-Meridian Park); (b) refinance existing short term loans; and (c) general corporate purposes.
- 4) On March 14, 2016, the Company issued a total of PhP1.5 billion unsecured 7-year fixed rate corporate notes subscribed to by one lender through a bi-lateral loan agreement. The loan payments are to be made in six (6) consecutive annual installments to commence at the end of the 36th month

after the initial borrowing date. The proceeds of these loans shall be used by the Company to partly finance the development of (a) DoubleDragon Plaza (Phase 1 – DD-Meridian Park); (b) Jollibee Tower; and (c) CityMalls.

The Top 20 Common Stockholders as of December 31, 2016 are as follows:

Rank	Name	No. of Shares	Percentage
1	INJAP INVESTMENTS INC.	824,996,999	37.00%
2	HONEYSTAR HOLDINGS CORP.	824,996,999	37.00%
3	PCD NOMINEE CORP. (F)	290,493,480	13.03%
4	PCD NOMINEE CORP. (NF)	282,849,810	12.69%
5	JAVELOSA, JOHN MICHAEL ALERTA	1,000,000	0.04%
6	TIOPE, CONSUELO A.	500,000	0.02%
7	MONFORT, RICARDO S.	500,000	0.02%
8	DUMANCAS, CHARLES ANTHONY M.	400,000	0.02%
9	FERMIN, AILENE B.	258,400	0.01%
10	ANG, MICHELLE MARIE C.	251,100	0.01%
11	BOCALA, KATHERINE T.	200,000	0.01%
12	ANG, MICHELLE MARIE C.	200,000	0.01%
13	HUYONG JR., INOCENCIO G.	150,000	0.01%
14	TIUTAN, RICARDO G.	150,000	0.01%
15	TAN, KENNETH SIO	125,000	0.01%
16	TAN, ALBERT S.	100,000	0.00%
17	DULACA, JERMAINE M.	100,000	0.00%
18	CHUA, CHARISSE LIM	100,000	0.00%
19	JURIDICO, PERRY ARTHUR B.	100,000	0.00%
20	TAN, EVELYN W.	100,000	0.00%

Number of Listed Common Shares	2,229,730,000
Total Number of Non-Public Shares	1,658,513,790
Total Number of Shares Owned by the Public	571,216,210
Public Ownership Percentage	25.62%

The Top 20 Preferred Stockholders as of December 31, 2016 are as follows:

Rank	Name	No. of Shares	Percentage
1	PCD NOMINEE CORPORATION	97,921,080	97.92%
2	PCD NOMINEE CORPORATION	585,800	0.59%
3	NG, ANDREW JONATHAN L.	550,000	0.55%
4	MERALCO EMPLOYEES SAVINGS AND LOAN ASSOCIATI	250,000	0.25%
5	JOSEFINA GUTIERREZ CASTILLO OR CYNTHIA GUTIE	55,000	0.06%
6	BEN TIUK SY OR JUDY YU SY	50,000	0.05%
7	BARCELONA, JOHN P.	37,500	0.04%
8	FOUNDATION FOR RESOURCE LINKAGE AND DEVELOPM	35,000	0.04%
9	REPUBLIC GLASS HOLDINGS CORP.	25,100	0.03%
10	SOTA PHILIPPINES, INC.	25,000	0.03%
11	CHIONG PING G. CHING AND/OR MARIA GRACIA J.	25,000	0.03%
12	CHING BUN TENG TIU AND/OR CHING CHIONG PING	25,000	0.03%
13	WILLIAM O. DIZON OR SUSAN A. DIZON	25,000	0.03%
14	AGUINALDO A. ANDRADA OR MIRA GRACE Q. ANDRAD	21,600	0.02%
15	CHANDRU TOLARAM BUDHRANI OR AVINASH CHANDRU	21,000	0.02%
16	ONE POINT CONTACT, INC.	20,000	0.02%
17	ALEJANDRO, REYNALDO G.	20,000	0.02%
18	ROMEO M. LAGLAGARON OR LEA CARINA C. LAGLAGA	17,500	0.02%
19	LIM, VIOLETA R.	15,000	0.02%
20	BARCELONA, TYEVA N.	12,500	0.01%

Number of Listed Preferred Shares	100,000,000
Total Number of Non-Public Shares	0
Total Number of Shares Owned by the Public	100,000,000
Public Ownership Percentage	100.00%

ITEM 6. Management's Discussion and Analysis or Plan of Operation

Calendar Year Ended December 31, 2016 and 2015

RESULTS OF OPERATION

DOUBLED DRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
AUDITED CONSOLIDATED STATEMENTS OF INCOME
For the year ended December 31

			Horizontal Analysis		Vertical Analysis				
			2016	2015	Increase (Decrease)	2016	2015		
REVENUES									
Real estate sales	P	931,925,450	P	641,470,191	P	290,455,259	45.3%	25.1%	33.3%
Leasehold rights' sales		292,660,122		139,713,804		152,946,318	109.5%	7.9%	7.2%
Rent income		268,667,585		116,545,653		152,121,932	130.5%	7.2%	6.0%
Hotel revenues		78,894,545		-		78,894,545	100.0%	2.1%	0.0%
Unrealized gains from changes in fair values of investment property		1,830,049,768		811,063,913		1,018,985,855	125.6%	49.3%	42.0%
Interest income		119,292,042		120,857,833		(1,565,791)	-1.3%	3.2%	6.3%
Income from forfeitures		12,672,533		69,295,227		(56,622,694)	-81.7%	0.3%	3.6%
Others		177,553,903		29,988,318		147,565,585	492.1%	4.8%	1.6%
		3,711,715,948		1,928,934,939		1,782,781,009	92.4%	100.0%	100.0%
COST AND EXPENSES									
Cost of real estate sales		495,763,585		370,604,075		125,159,510	33.8%	13.4%	19.2%
Cost of hotel operations		61,006,174		-		61,006,174	100.0%	1.6%	0.0%
Cost of leasehold rights		21,913,753		8,364,736		13,549,017	162.0%	0.6%	0.4%
Selling expenses		172,663,800		113,030,897		59,632,903	52.8%	4.7%	5.9%
General and administrative expenses		725,452,401		428,602,219		296,850,182	69.3%	19.5%	22.2%
Interest expense		330,238,308		114,353,234		215,885,074	188.8%	8.9%	5.9%
		1,807,038,021		1,034,955,161		772,082,860	74.6%	48.7%	53.7%
INCOME BEFORE INCOME TAX		1,904,677,927		893,979,778		1,010,698,149	113.1%	51.3%	46.3%
INCOME TAX EXPENSE		434,369,406		271,197,041		163,172,365	60.2%	11.7%	14.1%
NET INCOME	P	1,470,308,521	P	622,782,737	P	847,525,784	136.1%	39.6%	32.3%
Attributable to:									
Equity holders of the Parent Company	P	1,079,113,320	P	559,405,589	P	519,707,731	92.9%	29.1%	29.0%
Non-controlling interest		391,195,201		63,377,148		327,818,053	517.2%	10.5%	3.3%
	P	1,470,308,521	P	622,782,737	P	847,525,784	136.1%	39.6%	32.3%

Revenues

Consolidated revenues grew by 92.4% to P3.7 billion from last year's P1.9 billion. Real estate sales of P931.9 million was fueled by sales from the Company's interim residential projects W.H. Taft Residences, SkySuites Tower and The Uptown Place as well as from its affordable housing arm, DD Happy Homes which have projects in Mandurriao, Iloilo and Tanauan, Leyte. Another P292.7 million was booked from the Leasehold Rights' Sales covering mall stall units located in Dragon8 Mall in Binondo, the sales take-up of the mall stall units in 2016 was double the amount of the previous year's Leasehold Rights' Sales of P139.7 million indicating strong demand.

Rental income more than doubled to P268.7 million in 2016 (+130.5%) from the P116.5 million recognized in 2015 mainly contributed by the ten (10) CityMalls that were already operational during the year 2016. Other commercial leasing revenue was from developments of the Company such as Dragon8 Mall also contributed to its recurring income stream.

The Company booked P78.9 million in Hotel revenues for a period of only three (3) months since its acquisition on October 2016 of a majority stake in its new subsidiary, Hotel of Asia, Inc. (“HOA”), which will serve as the Company’s hospitality arm. HOA is a hospitality firm primarily engaged in the ownership, operation and development of hotel projects, including the Hotel 101 at the Mall of Asia Complex. HOA also holds the master franchisee of JinJiang Inn which currently has two operational hotels located in Makati and Ortigas respectively. The stake in HOA will now allow DoubleDragon to benefit from the booming tourism prospects for the Philippines in the years to come as well as fully optimize the use and value of its string of prime properties in various strategic areas of the country.

Cost and Expenses

Cost of Real Estate Sales in 2016 amounted to P495.8 million, increased by P125.2 million from P370.6 million in 2015 although the margins improved substantially with cost of sales lowering to 44.4% in 2016 from 48.5% in 2015.

Selling expenses amounted to P172.7 million, higher by P59.6 million (52.8%) from P113.0 million last year due to the increase in advertising and marketing expense as the Company promotes the CityMall brand nationwide. General and administrative expenses amounted to P725.5 million, higher by P296.9 million (69.3%) from last year’s P428.6 million due to increase in personnel cost, business taxes, professional services acquired, depreciation and leases. The Company is in its high growth stage and is building up the proper support and resources in preparation for the turnover of its core projects under construction.

Interest expense for 2016 was P330.2 million, an increase of P215.9 million from last year’s P114.4 million. This is mainly due to the interest payments on the Company’s short- and long-term notes which were used to fund the Company’s expansion plans.

Portion of interest expense on bank loans is capitalized as borrowing costs. Capitalized interest is the interest incurred on loans used directly to finance the development and construction of the Company’s projects during the development stage until the date of completion as required by the accounting standards.

Net Income

The Company’s consolidated net income for 2016 grew by P847.5 million (136.1%) to P1.47 billion from P622.8 million posted in the previous year due to significant increase in Real Estate Sales (+45.3%), increase in Leasehold Rights’ Sales (+109.5%) and from the Company’s new revenue stream – Hotel revenues; coupled with the improvement of the Consolidated Cost of Sales ratio at 44.4% from 48.5% last year. Moreover, income from rental has increased by 130.5%, as the Company continues its transition into the recurring revenue model.

FINANCIAL POSITION

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

	Audited		Horizontal Analysis		Vertical Analysis	
	December 31, 2016	December 31, 2015	Increase (Decrease)	2016	2015	
ASSETS						
Current Assets						
Cash and cash equivalents	₱ 5,466,874,377	₱ 960,459,833	₱ 4,506,414,544	469.2%	11.0%	3.5%
Receivables - net	1,712,247,793	719,103,845	993,143,948	138.1%	3.5%	2.6%
Inventories	3,186,344,243	2,640,403,512	545,940,731	20.7%	6.4%	9.5%
Due from related parties	101,808,489	58,567,380	43,241,109	73.8%	0.2%	0.2%
Prepaid expenses and other current assets - net	3,251,281,534	1,282,725,181	1,968,556,353	153.5%	6.6%	4.6%
Total Current Assets	13,718,556,436	5,661,259,751	8,057,296,685	142.3%	27.7%	20.4%
Noncurrent Assets						
Receivables - net of current portion	643,323,007	458,709,355	184,613,652	40.2%	1.3%	1.7%
Property and equipment - net	1,459,841,829	145,751,214	1,314,090,615	901.6%	2.9%	0.5%
Goodwill and intangible assets	170,035,031	94,347,435	75,687,596	80.2%	0.3%	0.3%
Investment property	32,535,137,136	19,929,916,375	12,605,220,761	63.2%	65.7%	71.8%
Deferred tax assets	15,519,784	418,809,603	(403,289,819)	-96.3%	0.0%	1.5%
Other noncurrent assets	1,001,210,584	1,054,534,129	(53,323,545)	-5.1%	2.0%	3.8%
Total Noncurrent Assets	35,825,067,371	22,102,068,111	13,722,999,260	62.1%	72.3%	79.6%
	₱ 49,543,623,807	₱ 27,763,327,862	₱ 21,780,295,945	78.4%	100.0%	100.0%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other liabilities	₱ 2,639,958,858	₱ 1,603,262,410	₱ 1,036,696,448	64.7%	5.3%	5.8%
Short-term notes payable	3,486,004,312	4,274,000,000	(787,995,688)	-18.4%	7.0%	15.4%
Due to related parties	1,081,038,940	553,660,373	527,378,567	95.3%	2.2%	2.0%
Current portion of customers' deposits	219,924,165	57,805,095	162,119,070	280.5%	0.4%	0.2%
Dividends payable	161,945,000	-	161,945,000	100.0%	0.3%	0.0%
Income tax payable	1,128,130	699,571	428,559	61.3%	0.0%	0.0%
Total Current Liabilities	7,589,999,405	6,489,427,449	1,100,571,956	17.0%	15.3%	23.4%
Noncurrent Liabilities						
Long-term notes payable - net of debt issue costs	15,027,837,523	11,114,499,192	3,913,338,331	35.2%	30.3%	40.0%
Bonds payable - net of bond issue costs	5,217,658,399	-	5,217,658,399	100.0%	10.5%	0.0%
Deferred tax liabilities	898,715,869	785,147,211	113,568,658	14.5%	1.8%	2.8%
Retirement benefits liability	6,121,432	4,983,866	1,137,566	22.8%	0.0%	0.0%
Customers' deposits - net of current portion	-	111,346,839	(111,346,839)	-100.0%	0.0%	0.4%
Other noncurrent liabilities	844,155,052	613,446,150	230,708,902	37.6%	1.7%	2.2%
Total Noncurrent Liabilities	21,994,488,275	12,629,423,258	9,365,065,017	74.2%	44.4%	45.5%
Total Liabilities	29,584,487,680	19,118,850,707	10,465,636,973	54.7%	59.7%	68.9%
Equity						
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	10,222,973,000	222,973,000	10,000,000,000	4484.8%	20.6%	0.8%
Additional paid-in capital	1,358,237,357	1,358,237,357	1	0.0%	2.7%	4.9%
Retained earnings	1,574,129,905	1,174,325,142	399,804,763	34.0%	3.2%	4.2%
Remeasurement loss on defined benefit liability - net of tax	(2,602,254)	(2,602,254)	(1)	0.0%	0.0%	0.0%
	13,152,738,008	2,752,933,245	10,399,804,763	377.8%	26.5%	9.9%
Non-controlling Interest	6,806,398,119	5,891,543,910	914,854,209	15.5%	13.7%	21.2%
Total Equity	19,959,136,127	8,644,477,155	11,314,658,972	130.9%	40.3%	31.1%
Total Liabilities and Equity	₱ 49,543,623,807	₱ 27,763,327,862	₱ 21,780,295,945	78.4%	100.0%	100.0%

On the Balance Sheet side, consolidated total assets as of December 31, 2016 amounted to P49.5 billion, an increase of 78.4% from 27.8 billion in the previous year as the Company's assets grew largely through the developments and construction of its Projects. Consolidated total liabilities increased by 54.7% to P29.6 billion from P19.1 billion in the previous year largely due to the availment of financing facilities used by the Company to roll-out its planned expansion.

Current Assets

Total Current Assets amounted to P13.7 billion as of December 31, 2016, higher by 142.3% from P5.7 billion in the previous year largely due to the increase in Cash and

Cash Equivalents by P4.5 billion (+469.2%) coming from the proceeds of the Company's Preferred Shares and Bonds issuances during the year.

Cash amounted to P5.5 billion as of December 31, 2016 increased by P4.5 billion from P0.96 billion in December 31, 2015. Proceeds from the short- and long-term borrowings as well as proceeds from the Preferred Shares and Bonds issuances during the year were utilized in the full-swing construction of the CityMalls, Jollibee Tower, The SkySuites Tower and the DoubleDragon Plaza at the DD Meridian Park and also for general corporate requirements.

Current Receivables amounted to P1.7 billion as of December 31, 2016, an increase of 138.1% from previously reported P719.1 million in December 31, 2015.

Real estate inventories amounted to P3.2 billion as of December 31, 2016, increased by P545.9 million (20.7%) from P2.6 billion on December 31, 2015 due to additional development Projects by the Company.

Prepaid expenses and other current assets amounting to P3.3 billion as of December 31, 2016 increased by P2.0 billion (153.5%) from P1.3 billion on December 31, 2015.

Noncurrent Assets

Noncurrent installment contracts receivable increased to P643.2 million from P458.7 million in the previous year, an increase of 40.2% due to the additional take up in sales via installment plans. This represents the portion of receivables from the sale of units from its horizontal and vertical projects collectible in two to three years' time.

Property and equipment amounted to P1.5 billion as of December 31, 2016 increased by P1.3 billion (901.6%) from P145.8 million on December 31, 2015. Intangible assets amounted to P170.0 million as of December 31, 2016 increased by P75.7 million from P94.3 million in the previous year. The purchase and implementation of SAP enterprise software contributed to the net increase in intangible assets.

Investment Property significantly increased to P32.5 billion, an increase of P12.6 billion (63.2%) from P19.9 billion on December 31, 2015. This significant increase is mainly attributable to the numerous land acquisitions intended for the CityMall project as well the corresponding construction of these CityMalls along with the Company's other Projects.

Other noncurrent assets as of December 31, 2016 amounted to P1.0 billion decreased by P53.3 million (-5.1%) on December 31, 2015.

Current Liabilities

Accounts payable and other liabilities amounted to P2.6 billion as of December 31, 2016 increased by P1.0 billion from P1.6 billion on December 31, 2015. The bulk of such increase is attributable to Trade Payables arising from services provided by the

contractors and subcontractors for actual progress billings related to existing and new developmental projects.

Short-term notes payable amounted to P3.4 billion as of December 31, 2016, decreased by P788.0 million from P4.3 billion on December 31, 2015. This is due to the repayment of the current portion of the Company's Notes Payable.

Noncurrent Liabilities

Total Noncurrent Liabilities amounted to P22.0 billion as of year-end 2016, as against P12.6 billion in the previous year, an increase of P9.4 billion (74.2%). During 2016, the Company obtained a total of P4.0 billion unsecured long-term loans from various financial institutions. The Company also issued the first tranche of its ten (10) year fixed rate retail bonds amounting to P5.3 billion. The proceeds from these borrowings were used by the Company to partly finance its capital expenditures, primarily for the development of The Meridian Park, The SkySuites Tower, Jollibee Tower, land acquisition and construction of CityMalls and for general corporate purposes.

Equity Attributable to Holders of the Parent Company

Retained earnings attributable to the holders of the Parent Company increased by P399.7 million (34.0%) from P1.2 billion on December 31, 2015 to P1.6 billion as of December 31, 2016. The increase is due to the cumulative earnings recognized by the Company.

Equity of Non-controlling Interest

Non-controlling interest (NCI) increased by P914.8 million (15.5%) to P6.8 billion from P5.9 billion on December 31, 2015. The increase is mainly coming from the Company's new subsidiary, Hotel of Asia, Inc., additional CityMall subsidiaries and DD Meridian Park Development Corp's developments.

KEY PERFORMANCE INDICATORS

The following are the major financial ratios of the Company for the years ended December 31, 2016 and 2015

	12/31/2016	12/31/2015
Current Ratio	1.81	0.87
Asset to Equity	2.48	3.21
Debt to Equity Ratios		
On Gross Basis	1.19x	1.78x
On Net Basis	0.92x	1.67x
Return on Equity	13.57%	22.4%
Net Income to Revenue	29.07%	29.0%
Revenue Growth	92.42%	12.8%
Net Income Growth	92.90%	0.63%
EBITDA	Php 2,268,413,185	Php 1,142,957,552

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

1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
2. Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$
3. Debt to Equity Ratio (Gross Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$
4. Debt to Equity Ratio (Net Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt less Cash and Cash Equivalent}}{\text{Total Equity}}$
5. Return on Equity	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$
6. Net Income to Revenue	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$
7. Revenue Growth	$\frac{\text{Total Revenue (Current Period)}}{\text{Total Revenue (Prior Period)}} - 1$
8. Income Growth	$\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)}}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}} - 1$
9. EBITDA	Income from Operations + Depreciation and Amortization

Calendar Year Ended December 31, 2015 and 2014

RESULTS OF OPERATION

DOUBLED DRAGON PROPERTIES CORP.
(Formerly Injap Land Corporation)
AUDITED CONSOLIDATED STATEMENTS OF INCOME
For the year ended December 31

	2015	2014	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2015	2014
REVENUES						
Real estate sales	₱ 641,470,191	₱ 1,073,008,556	₱ (431,538,365)	-40.2%	33.3%	62.7%
Leasehold rights' sales	139,713,804	140,493,171	(779,367)	-0.6%	7.2%	8.2%
Rent income	116,545,653	6,046,194	110,499,459	1827.6%	6.0%	0.4%
Unrealized gains from changes in fair values of investment property	811,063,913	455,732,211	355,331,702	78.0%	42.0%	26.6%
Interest income	120,857,833	30,644,040	90,213,793	294.4%	6.3%	1.8%
Income from forfeitures	69,295,227		69,295,227	100.0%	3.6%	
Others	29,988,318	4,577,884	25,410,434	555.1%	1.6%	0.3%
	1,928,934,939	1,710,502,056	218,432,883	12.8%	100.0%	100.0%
COST AND EXPENSES						
Cost of real estate sales	370,604,075	573,338,423	(202,734,348)	-35.4%	19.2%	33.5%
Cost of leasehold rights	8,364,736	24,073,820	(15,709,084)	-65.3%	0.4%	1.4%
Selling expenses	113,030,897	70,679,172	42,351,725	59.9%	5.9%	4.1%
General and administrative expenses	428,602,219	200,830,656	227,771,563	113.4%	22.2%	11.7%
Interest expense	114,353,234	37,501,634	76,851,600	204.9%	5.9%	2.2%
	1,034,955,161	906,423,705	128,531,456	14.2%	53.7%	53.0%
INCOME BEFORE INCOME TAX	893,979,778	804,078,351	89,901,427	11.2%	46.3%	47.0%
INCOME TAX EXPENSE	271,197,041	243,230,803	27,966,238	11.5%	14.1%	14.2%
NET INCOME	₱ 622,782,737	₱ 560,847,548	₱ 61,935,189	11.0%	32.3%	32.8%

Revenues

Consolidated revenues grew by 12.8% to P1.93 billion from last year's P1.71 billion. Of the P1.93 billion consolidated revenues, P641.5 million are from Real Estate Sales, and P139.7 million from the Sale of Mall Stall Units or Leasehold Rights Sales whose sales take-up is almost equal to last year's Leasehold Rights Sales which is practically the same as last year's P140.5 million.

The market continues to indicate strong demand for DoubleDragon's projects.

Rental income jumped exponentially to P116.5 million from P6.0 million (+1828%) recognized in 2014, mainly contributed by the five (5) CityMalls that are already operational during the year 2015 and other commercial leasing developments of the Company contributing to its recurring income stream.

Cost and Expenses

Cost of Real Estate Sales in 2015 amounted to P370.6 million, decreased by P202.7 million from P573.3 million in 2014. Consolidated cost of sales rate remains at 49% year-on-year.

Selling and marketing expenses amounted to P113.0 million, higher by P42.3 million (+60%) from P70.7 million last year due to increased selling cost and advertising and marketing efforts. General and administrative expenses amounted to P428.6 million, higher by P227.8 million (+113%) from last year's P200.8 million due to increase in personnel cost, business taxes, professional services acquired, depreciation and leases.

Interest expense for 2015 is at P114.4 million, an increase of P76.9 million from last year's P37.5 million. This is mainly due to the interest payments on the Company's short- and long-term notes which were used to fund the Company's expansion plans.

Portion of interest expense on bank loans is capitalized as borrowing costs. Capitalized interest is the interest incurred on loans used directly to finance the development and construction of the Company's projects during the development stage until the date of completion as required by the accounting standards.

Net Income

The Company's consolidated net income for 2015 grew by P62.0 million (+11%) to P622.8 million from P560.8 million posted in the previous year due to significant increase in Rental Income and Interest Income, while maintaining the Consolidated Cost of Sales ratio at 49%. Moreover, income from rental has increased 19x marking the start of our transition into the recurring revenue model.

FINANCIAL POSITION

DOUBLEDRAGON PROPERTIES CORP.

(Formerly Injap Land Corporation)

AUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Audited		Horizontal Analysis		Vertical Analysis	
	December 31, 2015	December 31, 2014	Increase (Decrease)		2015	2014
ASSETS						
Current Assets						
Cash and cash equivalents	₱ 960,459,833	₱ 3,817,191,234	₱ (2,856,731,401)	-74.8%	3.5%	20.6%
Receivables - net	719,103,845	555,323,126	163,780,719	29.5%	2.6%	3.0%
Inventories	2,640,403,512	2,243,407,876	396,995,636	17.7%	9.5%	12.1%
Leasehold rights	-	205,115,350	(205,115,350)	-100.0%	0.0%	1.1%
Due from related parties	58,567,380	1,030,070	57,537,310	5585.8%	0.2%	0.0%
Prepaid expenses and other current assets - net	1,282,725,181	600,244,952	682,480,229	113.7%	4.6%	3.2%
Total Current Assets	5,661,259,751	7,422,312,608	(1,761,052,857)	-23.7%	20.4%	40.1%
Noncurrent Assets						
Receivables - net of current portion	458,709,355	206,412,607	252,296,748	122.2%	1.7%	1.1%
Property and equipment - net	145,751,214	95,859,524	49,891,690	52.0%	0.5%	0.5%
Goodwill and intangible assets	94,347,435	68,960,899	25,386,536	36.8%	0.3%	0.4%
Investment property	19,929,916,375	10,467,018,818	9,462,897,557	90.4%	71.8%	56.5%
Deferred tax assets	418,809,603	43,166,862	375,642,741	870.2%	1.5%	0.2%
Other noncurrent assets	1,054,534,129	214,318,100	840,216,029	392.0%	3.8%	1.2%
Total Noncurrent Assets	22,102,068,111	11,095,736,810	11,006,331,301	99.2%	79.6%	59.9%
	₱ 27,763,327,862	₱ 18,518,049,418	₱ 9,245,278,444	49.9%	100.0%	100.0%
LIABILITIES AND EQUITY						
Current Liabilities						
Accounts payable and other liabilities	₱ 1,603,262,410	₱ 840,247,846	₱ 763,014,564	90.8%	5.8%	4.5%
Short-term notes payable	4,274,000,000	649,000,000	3,625,000,000	558.6%	15.4%	3.5%
Due to related parties	553,660,373	280,679,292	272,981,081	97.3%	2.0%	1.5%
Current portion of customers' deposits	57,805,095	230,608,277	(172,803,182)	-74.9%	0.2%	1.2%
Income tax payable	699,571	12,223,080	(11,523,509)	-94.3%	0.0%	0.1%
Total Current Liabilities	6,489,427,449	2,012,758,495	4,476,668,954	222.4%	23.4%	10.9%
Noncurrent Liabilities						
Long-term notes payable - net of debt issue costs	11,114,499,192	7,729,243,372	3,385,255,820	43.8%	40.0%	41.7%
Deferred tax liabilities	785,147,211	216,536,348	568,610,863	262.6%	2.8%	1.2%
Retirement benefits liability	4,983,866	-	4,983,866	100.0%	0.0%	0.0%
Customers' deposits - net of current portion	111,346,839	176,410,072	(65,063,233)	-36.9%	0.4%	1.0%
Other noncurrent liabilities	613,446,150	552,925,699	60,520,451	10.9%	2.2%	3.0%
Total Noncurrent Liabilities	12,629,423,258	8,675,115,491	3,954,307,767	45.6%	45.5%	46.8%
Total Liabilities	19,118,850,707	10,687,873,986	8,430,976,721	78.9%	68.9%	57.7%
Equity						
Equity Attributable to Equity Holders of the Parent Company						
Capital stock	222,973,000	222,973,000	-	0.0%	0.8%	1.2%
Additional paid-in capital	1,358,237,357	1,358,237,357	(1)	0.0%	4.9%	7.3%
Retained earnings	1,174,325,142	661,823,627	512,501,515	77.4%	4.2%	3.6%
Remeasurement loss on defined benefit liability - net of tax	(2,602,254)	-	(2,602,254)	100.0%	0.0%	0.0%
	2,752,933,245	2,243,033,984	509,899,261	22.7%	9.9%	12.1%
Non-controlling Interest	5,891,543,910	5,587,141,448	304,402,462	5.4%	21.2%	30.2%
Total Equity	8,644,477,155	7,830,175,432	814,301,723	10.4%	31.1%	42.3%
Total Liabilities and Equity	₱ 27,763,327,862	₱ 18,518,049,418	₱ 9,245,278,444	49.9%	100.0%	100.0%

On the Balance Sheet side, consolidated total assets as of December 31, 2015 amounted to P27.8 billion, an increase of 49.9% from P18.5 billion in the previous year as the Company's assets grew largely through the developments and construction in its Projects. Consolidated total liabilities increased by 78.9% to P19.1 billion from P10.7 billion in the previous year largely due to the availment of financing facilities used by the Company to roll-out its planned expansion.

Current Assets

Total Current Assets amounted to P5.7 billion as of December 31, 2015, lower by 23.7% from P7.4 billion in the previous year largely due to the utilization of its Cash and Cash Equivalents for the roll-out of its Projects.

Cash amounted to P0.9 billion as of December 31, 2015 decreased by P2.9 billion from P3.8 billion in December 31, 2014. Proceeds from the short- and long-term borrowings during the year were utilized in the full-swing construction of the CityMalls and the DoubleDragon Plaza at the DD Meridian Park.

Receivables amounted to P719.1 million as of December 31, 2015, essentially unchanged from previously reported P732.4 million in December 31, 2014. However, P177.0 million of last year's balance was reclassified to conform with the current year presentation. The receivables now reflect an increase of 29.5% after such reclassification.

Real estate inventories amounted to P2.6 billion as of December 31, 2015, increased by P396.9 million (+17.7%) from P2.2 billion in December 31, 2014 due to additional developments by the Company in its Projects.

Prepaid expenses and other current assets amounting to P1.3 billion as of December 31, 2015 increased by P682.5 million (+113.7%) from P600.2 million in December 31, 2014. Accumulated input taxes on expenditures related to construction and property development and creditable withholding taxes as well as advances to contractors account for the majority of the increase.

Noncurrent Assets

Noncurrent installment contracts receivable increased to P458.7 million from P206.4 million in the previous year, and increase of 122%. This represents the portion of receivables from the sale of units from its horizontal and vertical projects collectible in two to three years' time.

Property and equipment amounted to P145.8 million as of December 31, 2015 increased by P49.9 million (+52%) from P95.9 million in December 31, 2014. Intangible assets amounted to P94.3 million as of December 31, 2015 increased by P25.4 million from P68.9 million in the previous year. The purchase and implementation of SAP enterprise software contributed to the net increase in intangible assets.

Investment Property significantly increased and nearly doubled to P20.0 billion, an increase of P9.5 billion (+90.4%) from P10.5 billion in December 31, 2014. This significant increase is mainly attributable to the numerous land acquisitions intended for the CityMall project as well the corresponding construction of these CityMalls along with the Company's other Projects.

Other noncurrent assets as of December 31, 2015 amounted to P1.1 billion decreased by P840.2 million (+302%) in December 31, 2014. The increase is mainly due to the advances to contractors and suppliers in the ordinary course of business.

Current Liabilities

Accounts payable and other liabilities amounted to P1.6 billion as of December 31, 2015 increased by P763.0 million from P840.2 million in December 31, 2014. The bulk of such increase is attributable to Trade Payables arising from services provided by the contractors and subcontractors for actual progress billings related to existing and new developmental projects.

Short-term notes payable amounted to P4.3 billion as of December 31, 2015 increased by P3.6 billion from P649 million in December 31, 2014. This pertains to the current portion of the Company's Notes Payable and the additional P3.1 billion short-term notes availed for 2015 for the development of the Company's on-going projects and working capital purposes.

Noncurrent Liabilities

Noncurrent Liabilities amounted to P12.6 billion as of year-end 2015, as against P8.7 billion in the previous year, an increase of P3.9 billion (+45.6%). During 2015, the Company obtained a total of P4.0 billion unsecured long-term loans from various financial institutions. The proceeds from these borrowings were used by the Company to partly finance its capital expenditures, primarily for the development of The Meridian Park, The SkySuites Tower and construction of CityMalls and for general corporate purposes.

Equity Attributable to Holders of the Parent Company

Retained earnings attributable to the holders of the Parent Company increased by P512.5 million (+77.4%) from P661.8 million in December 31, 2014 to P1.2 billion as of December 31, 2015. The increase is due to the cumulative earnings recognized by the Company.

Equity of Non-controlling Interest

Non-controlling interest (NCI) increased by P304.4 million (+5.4%) to P5.9 billion from P5.6 billion in December 31, 2014. The increase is mainly coming from the Company's additional CityMall subsidiaries and DD Meridian Park Development Corp's developments.

KEY PERFORMANCE INDICATORS

The following are the major financial ratios of the Company for the years ended December 31, 2015 and 2014

	12/31/2015	12/31/2014
Current Ratio	0.87	3.69
Asset to Equity	3.21	2.36
Debt to Equity Ratios		
On Gross Basis	1.78x	1.07x
On Net Basis	1.67x	0.58x
Return on Equity	22.4%	39.2%
Net Income to Revenue	29.0%	32.5%
Revenue Growth	12.8%	158.4%
Net Income Growth	0.63%	421.23%
EBITDA	Php 1,142,957,552	Php 846,624,809

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

1. Current Ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	
2. Asset to Equity Ratio	$\frac{\text{Total Assets}}{\text{Total Stockholders' Equity}}$	
3. Debt to Equity Ratio (Gross Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt}}{\text{Total Equity}}$	
4. Debt to Equity Ratio (Net Basis)	$\frac{\text{Total Interest Bearing Short-Term and Long-Term Debt less Cash and Cash Equivalent}}{\text{Total Equity}}$	
5. Return on Equity	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Average Equity Attributable to the Owners of the Parent}}$	
6. Net Income to Revenue	$\frac{\text{Net Income Attributable to Owners of the Parent}}{\text{Total Revenue}}$	
7. Revenue Growth	$\frac{\text{Total Revenue (Current Period)}}{\text{Total Revenue (Prior Period)}} - 1$	
8. Income Growth	$\frac{\text{Net Income Attributable to Owners of the Parent (Current Period)}}{\text{Net Income Attributable to Owners of the Parent (Prior Period)}} - 1$	
9. EBITDA	Income from Operations + Depreciation and Amortization	

ITEM 7. Financial Statements

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

ITEM 8. Changes in and Disagreements with Accountants and Financial Disclosure

There were no changes in and disagreements with accountants on accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. Directors and Executive Officers of the Registrant

The incumbent Directors and Executive Officers of the Company are as follows:

<u>Office</u>	<u>Name</u>	<u>Age</u>	<u>Citizenship</u>
Chairman and CEO	Edgar J. Sia II	40	Filipino
Co-Chairman	Tony Tan Caktiong	64	Filipino
Director and President	Ferdinand J. Sia	38	Filipino
Director and CFO	Rizza Marie Joy J. Sia	27	Filipino
Director, Treasurer and Corp. Secretary	William Tan Untiong	63	Filipino
Director and Asst. Corp. Secretary	Joseph Tanbuntiong	53	Filipino
Independent Director	Gary P. Cheng	52	Filipino
Independent Director	Vicente S. Perez, Jr.	58	Filipino
Adviser to the Board	Artemio V. Panganiban	80	Filipino
Adviser to the Board	Ernesto Tanmantiong	58	Filipino

BOARD OF DIRECTORS

The Directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified.

The following are the business experience/s of the company's Directors for the last Five (5) years (*or more*):

Edgar J. Sia II is the Chairman and Chief Executive Officer of Injap Investments, Inc. and the Founder and Vice Chairman of Mang Inasal Philippines, Inc. Mr. Sia also serves as Chairman and Chief Executive Officer of Hotel of Asia, Inc. (Hotel 101) since 2013 and People's Hotel Corp. He concurrently serves as Vice Chairman and Director of Contemporain Foods Inc. (JCo Donut Philippines) and CSI Hotels (Jinjiang Inn Philippines), and Board Advisor of Philippine Bank of Communications since 2009, Maxicare Healthcare Corporation, and Enderun Colleges.

Tony Tan Caktiong is the Chairman of Honeystar Holdings Corporation and the Founder and current Chairman of Jollibee Foods Corp. since 1978. Mr. Tan Caktiong also serves as Co-chairman of Hotel of Asia, Inc. and a Director of Philippine Long Distance Co. (PLDT) since 2008 and First Gen Corporation since 2005. He graduated from the University of Santo Tomas in 1975 with a degree in chemical engineering.

Ferdinand J. Sia is the President and Chief Operating Office of Injap Investments, Inc. He serves as President of People's Hotel Corp., and President of Hotel of Asia, Inc. and Mang Inasal Philippines, Inc. since 2011 and 2006, respectively. He graduated from the University of the Philippines Visayas with a degree in Bachelor of Arts in Political Science and took up law in Arellano University College of Law.

Rizza Marie Joy J. Sia is the Treasurer and Chief Finance Officer of Injap Investments, Inc. She serves as the Treasurer of People's Hotel Corp. and as a Director and is currently the Treasurer and Chief Finance Officer of Hotel of Asia, Inc. She graduated from the University of the Philippines Visayas with a degree in Bachelor of Science in Accountancy and is a Certified Public Accountant.

William Tan Untiong has been a Director of Jollibee Foods Corp. since 1993 and likewise serves as a director and treasurer of Honeystar Holdings Corporation. He is the Vice President for Real Estate of Jollibee Foods Corp since 1989. He also serves as a Director and the Corporate Secretary of Hotel of Asia, Inc.

Joseph Tanbuntiong is the President of Jollibee Philippines starting July 1, 2013. He is the former President of Red Ribbon Philippines, having served there since 2008. He graduated from Ateneo de Manila University with a degree in Management Engineering. He also serves as a Director and the Assistant Corporate Secretary of Hotel of Asia, Inc.

Gary P. Cheng* is an investment banking professional with over 20 years of corporate finance and capital markets experience. He is the co-founder of Fortman Cline Capital Markets Limited and the Managing Director since 2007. Dr. Cheng served as the former President/CEO of Amalgamated Investment Bancorporation for the years 2003 and 2008 and the former Vice President of Investment Banking at J.P. Morgan from 1993 to 2002 where he was variously based in Hong Kong, New York and London. Dr. Cheng obtained his doctorate in Philosophy from the University of Leeds, England in 1991.

Vicente S. Perez, Jr.* served as the Secretary of the Department of Energy from 2001 to 2005, Undersecretary of the Department of Trade and Industry and Managing Director of the Board of Investments in 2001. From 2005-2006, Mr. Perez was the Chairman of the Philippine Infrastructure Corporation and Chairman of the Executive Committee of the Philippine National Bank. Apart from being one of the independent directors of the Company, he also serves as President of Alternergy Philippine Holdings Corp., Alternergy Wind One Corporation (Pililia), Alternergy Sembrano Wind Corporation, and Alternergy Abra De Ilog Wind Corporation and as Chairman of Merritt Advisory Partners, Inc., Kadluan Management Corporation and Kadluan Properties, Inc. He is also the current Chairman of WWF Philippines and a trustee of WWF - International. Mr. Perez has a Masters in Business Administration - International Finance from the Wharton School University of Pennsylvania.

Advisers to the Board

Chief Justice Artemio V. Panganiban is a retired Chief Justice of the Supreme Court of the Republic of the Philippines. He sits as independent director of several listed companies including Meralco, Petron Corporation, Bank of the Philippine Islands, First Philippine Holdings Corp., Philippine Long Distance Telephone Company (PLDT); Metro Pacific Investment Corp., and GMA among others. Bank of the Philippine Islands is the parent company of BPI Capital.

Ernesto Tanmantiong serves as President and Chief Executive Officer of Jollibee Foods Corp. He is Executive Vice President and Chief Operating Officer of JFC Philippines. He is also a Director of Mang Inasal Philippines, Inc., Red Ribbon Bakeshop Inc., Fresh N' Famous Foods, Inc. - Chowking, Honeystar Holdings Corp. and various other companies.

*Independent Director - the Company has complied with the Guidelines set forth by SRC (Securities Regulation Code) Rule 38 regarding the Nomination and Election of Independent Director. The Company's By-Laws, as amended on 10 April 2013, incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule.

(The Company amended its By-Laws on 10 April 2013 to incorporate the provisions of the SRC Rule 38.)

PERIOD OF DIRECTORSHIP

<u>Name</u>	<u>Period Served</u>
Edgar J. Sia II	2012 to present
Tony Tan Caktiong	2012 to present
Ferdinand J. Sia	2012 to present
Rizza Marie Joy J. Sia	2012 to present
William Tan Untiong	2012 to present
Joseph Tanbuntiong	2012 to present
Gary P. Cheng	2012 to present
Vicente S. Perez, Jr.	2012 to present

The Directors of the Company are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified. The Directors possess all the qualifications and none of the disqualifications provided for in the SRC and its Implementing Rules and Regulations.

Nomination of Independent Directors is conducted by the Nomination Committee prior to the annual stockholders' meeting. The Nomination Committee shall prepare a Final List of Candidates from those who have passed the Guidelines, Screening Policies and Parameters for nomination of independent directors and which list shall contain all the information about these nominees. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting. In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee otherwise, said vacancies shall be filled by stockholders in a regular or special meeting called for that purpose. An Independent Director so elected to fill a vacancy shall serve only for the unexpired term of his or her predecessor in office.

The members of the Company's Nomination Committee are the following:

Chairman	:	Ret. Chief Justice Artemio Panganiban
Members	:	Ferdinand J. Sia Rizza Marie Joy J. Sia

Since the last annual meeting of the stockholders, no director has resigned or has declined to stand re-election to the Board of Directors, and no director has had any disagreement with the Company on any matter relating to the Company's operations, policies, or practices. Atty. Jacqueline Gomez nominated Mr. Gary P. Cheng and Mr. Vicente S. Perez, Jr. for inclusion in the List of Candidates for Independent Directors. Atty. Jacqueline Gomez is not related to Mr. Gary P. Cheng and Mr. Vicente S. Perez, Jr. The Company has complied with the guidelines set forth by SRC Rule 38, as amended, regarding the Nomination and Election of Independent Director. The same provision has been incorporated in the Amended By-Laws of the Company last 10 April 2013.

Family Relationships

Mr. Edgar J. Sia II, Mr. Ferdinand J. Sia and Ms. Rizza Marie Joy J. Sia are siblings while Mr. Tony Tan Caktiong, Mr. William Tan Untiong, Mr. Joseph Tanbuntiong and Mr. Ernesto Tanmantiong are also siblings. There are no other family relationships known to the registrant other than the ones disclosed herein.

Significant Employees

The Company has no employee who is not an executive officer but is expected to make a significant contribution to the business.

Certain Relationships and Related Transactions

There are no known related party transactions other than those described in Note 21 (Related Party Transactions) of the Notes to the Consolidated Financial Statements.

ITEM 10. Compensation of Directors and Executive Officers

Injap Investments Inc., through an Executive Management Services Agreement, provides executive, corporate, strategic, administrative and financial oversight services related to the real estate business of the Company. Total fees paid under this agreement amounted to Two Million Six Hundred Seventy-Eight Thousand Five Hundred Seventy-One Pesos (Php2,678,571.00) for 2012, Three Million Pesos (Php3,000,000.00) for 2013, Three Million Pesos (Php3,000,000.00) for 2014, 2015 and 2016 which covers the positions of the Chairman and Chief Executive Officer, the President and the Treasurer and Chief Financial Officer of the Company.

For the calendar year ended 31 December 2014, 2015 and 2016 the total salaries and allowances and bonuses paid to all other officers as a group unnamed are as follows:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	As directors, they do not receive compensation for services rendered. They receive compensation as officers of the corporation if they hold position as such.	None	None
(b) Variable Remuneration	None	None	None
(c) Per diem Allowance	None	None	Php1,680,000.00
(d) Bonuses	None	None	None
(e) Stock Options and/or other financial instruments	None	None	None
(f) Others (Specify)	None	None	None
Total	-	-	Php1,680,000.00

SUMMARY ANNUAL COMPENSATION TABLE

Name and Principal Position	Period	Salary	Bonus
Chief Operating Officer, Chief Investment Officer, SBU	2016	₱30,390,058	
General Managers and Department Heads:	2015	₱ 28,470,665	-
(Accounting, Business Development, Corporate Services,	2014	₱10,300,000	₱540,000
Design, Engineering, Information Technology,	2013	₱4,946,318	-
Internal Audit, Leasing, Legal, Marketing, Treasury & Corporate Planning, Procurement)	2012	₱860,873	-

The members of the Board receive a standard per diem for attendance in Board meetings. For the year 2016, the Company paid a total of Four Hundred Eighty Thousand Pesos (Php480,000.00). In 2015, the Company paid a total of Seven Hundred Twenty Thousand Pesos (Php720,000.00). In 2014, the Company paid a total of Four Hundred Eighty Thousand Pesos (Php480,000.00). 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.

On November 11, 2015, the Board of Directors approved the creation of the Senior Management Stock Option Plan. The Plan covers the Senior Management of the company as identified by the Chairman and Chief Executive Officer. The Plan allows the all covered Senior Management to acquire at market price at grant date such

number of shares of stock not exceeding two percent (2%) of the issued and outstanding capital stock of the company, after a vesting period of three (3) years. Vesting is conditional on the employment of the participant in the company. The option will vest at the rate of twenty percent (20%) of the shares granted on the first year, thirty percent (30%) of the shares granted on the second year, and 50% of the shares granted on the third year. The Option is exercisable within seven (7) years from grant date.

The approval of the Stock Option Plan was ratified by the Shareholders on January 5, 2016 and submitted to SEC for approval on November 4, 2016.

On December 8, 2016, the Parent company's BOD resolved to expand the coverage of the plan to include rank and file regular employees of the Parent Company.

Currently, the implementation of the Stock Option Plan is still awaiting approval from the Securities and Exchange Commission (SEC).

ITEM 11. Security Ownership of Certain Beneficial Owners and Management

As of December 31, 2016, the following are the owners of the Company's common stock in excess of 5% of total outstanding shares:

Name	No. of Shares	Percentage
1 Injap Investments Inc.	824,996,999	37.00%
2 Honeystar Holdings Corp.	824,996,999	37.00%
3 BDO Securities Corp.	248,109,690	11.13%

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

Change in Control

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

ITEM 12. Certain Relationships and Related Transactions

Please refer to Item 1, Transactions With and/or Dependence on Related Parties.

PART IV – CORPORATE GOVERNANCE

ITEM 13. Corporate Governance

Please refer to the attached ACGR.

PART V – EXHIBITS AND SCHEDULES

ITEM 14. Exhibits and Reports on SEC Form 17-C

- (a) Exhibits - See accompanying Index to Exhibits (page 53).

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

- (18) Subsidiaries of the Registrant

The other exhibits, as indicated in the Index to Exhibits are either not applicable to the Company or require no answer.

- (b) Reports on SEC Form 17-C

Reports on SEC Form 17-C (Current Report) have been filed during the last six months period covered by this report.

INDEX TO EXHIBITS
Form 17-A

<u>No.</u>	<u>Page No.</u>
(3) Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	*
(5) Instruments Defining the Rights of Security Holders, Including Indentures	*
(8) Voting Trust Agreement	*
(9) Material Contracts	*
(10) Annual Report to Security Holders, Form 11-Q or Quarterly Report to Security Holders	*
(13) Letter re Change in Certifying Accountant	*
(16) Report Furnished to Security Holders	*
(18) Subsidiaries of the Registrant	54
(19) Published Report Regarding Matters Submitted to Vote of Security Holders	*
(20) Consent of Experts and Independent Counsel	*
(21) Power of Attorney	*
(29) Additional Exhibits	*

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

EXHIBIT 18 SUBSIDIARIES OF THE REGISTRANT

Please refer to *Note 2* of the accompanying Notes to the Consolidated Financial Statements for details.

DOUBLEDRAGON PROPERTIES CORP. AND SUBSIDIARIES
(Formerly Injap Land Corporation)
INDEX TO THE FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
FORM 17-A, ITEM 7

Consolidated Financial Statements

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Independent Auditors' Report
Consolidated Balance Sheets as at December 31, 2016 and 2015
Consolidated Statements of Comprehensive Income
 For the years ended December 31, 2016, 2015 and 2014
Consolidated Statements of Changes in Stockholders' Equity
 For the years ended December 31, 2016, 2015 and 2014
Consolidated Statements of Cash Flows
 For the years ended December 31, 2016, 2015 and 2014
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Supplementary Schedules

Independent Auditors' Report on Supplementary Schedules
 SRC Annex 68-E Schedules
A. Financial Assets
B. Amounts Receivable from Directors, Officers, Employees, Related
 Parties and Principal Stockholders (Other than Related parties) *
C. Amounts Receivable from Related Parties which are eliminated during
 the Consolidation of Financial Statements
D. Intangible Assets - Other Assets
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Computation of Public Ownership

Financial Ratios - Key Performance Indicators

Reconciliation of Retained Earnings for Dividend Declaration

Conglomerate Map

Tabular Schedule of Effective Standards and Interpretations under the PFRS

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