



October 15, 2014

THE PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Subject: **Summary of the Application of Proceeds from the Initial Public Offering (IPO)**

Dear Ms. Encarnacion:

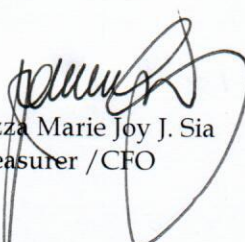
In line with the Initial Public Offering (IPO) of DoubleDragon Properties Corp. (DD) on April 7, 2014, we submit herewith our report on the application of the actual net proceeds coming from the offering of DD shares amounting to **ONE BILLION ONE HUNDRED TWENTY TWO MILLION THREE HUNDRED SEVENTY ONE THOUSAND SIX HUNDRED NINETY NINE PESOS (P1,122,371,699)**.

For the period ended September 30, 2014, the application of the net proceeds is broken down as follows:

Use of Proceeds Per prospectus	Per Prospectus	Actual Disbursements
	Amount (PHP)	Amount (PHP)
Roll-out and development of the first five CityMalls	P200,000,000	P200,000,000
Acquisition of land and pre-development works for near-term development	700,000,000	708,761,780
General working capital purposes	132,539,049	62,166,877
ESTIMATED NET PROCEEDS	P1,032,539,049	P970,928,657

Thank you.

Very truly yours,


Rizza Marie Joy J. Sia
Treasurer / CFO

DOUBLEDRAGON PROPERTIES CORP.

**REPORT OF FACTUAL FINDINGS ON THE
APPLICATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING**

REPORT OF FACTUAL FINDINGS

The Board of Directors and Stockholders
DoubleDragon Properties Corp.
People's Hotel, Fuentes and Delgado Streets
Iloilo City

We have performed the procedures agreed with you and enumerated below with respect to the Progress Report on the application of proceeds from the Initial Public Offering (IPO) of DoubleDragon Properties Corp. (the "Company") on April 7, 2014. The procedures were performed solely to comply with the requirement of the Philippine Stock Exchange (PSE) for the Company to submit an external auditor's certification on the accuracy of the information being represented by the Company relating to the use of proceeds from IPO whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with Philippine Standard on Related Services (PSRS) 4400, *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*.

These agreed-upon procedures are summarized as follows:

1. Obtain and check the mathematical accuracy of the Progress Report from the Company.
2. Compare the list of all the disbursements in the Progress Report with the schedule of planned use of proceeds from IPO in the Offering Prospectus ("Prospectus") and agree the amounts to the related supporting documents.
3. Obtain written management representation as to any reallocation (or absences thereof) on the Company's planned use of proceeds from IPO or of any change in the work program as disclosed in the Prospectus.

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

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

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



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

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

R.G. MANABAT & CO.

A handwritten signature in black ink, appearing to read 'Ador C. Mejia', written over a faint circular stamp or watermark.

ADOR C. MEJIA

Partner

CPA License No. 0029620

SEC Accreditation No. 0464-AR-2, Group A, valid until March 24, 2016

October 14, 2014

Makati City, Metro Manila



Summary of Results of Agreed-Upon Procedures Performed
Annex A

We report the results of our work as follows:

1. We have obtained and checked the mathematical accuracy of the Company's Progress Report for the period ended September 30, 2014. No exceptions noted.
2. We have compared the list of all the disbursements in the Progress Report with the schedule of planned use of proceeds from IPO in the Prospectus. No exceptions noted.

As presented by the Company and based on the above procedure, the table below lists the details of the disbursements made from the P1,122,371,699 net IPO proceeds as at September 30, 2014.

Nature of disbursement	Per prospectus	Actual Disbursements
<i>Acquisitions and investments</i>		
Additional investment in CityMall Commercial Centers Inc. ("CMCCI")	P200,000,000	P200,000,000
Payment for acquisition of building for Dragon8 Shopping Center ("Dragon8")	"	303,961,780
Payment for acquisition of land for Dragon8	700,000,000	272,700,000
Capital infusion to Zion Land Development Ph Inc. ("Zion Land")	"	97,100,000
Downpayment for Skysuites	"	35,000,000
General working capital purposes	132,539,049	62,166,877
Total	P1,032,539,049	P970,928,657

Relative to the actual disbursements for the period, the following procedures were also performed:

- a. Compared the actual disbursements for the period ended September 30, 2014 submitted by the Company to the PSE. We have also agreed the amounts of the related transactions to the Company's bank account passbooks and bank transaction history records. No exceptions noted.
- b. Traced the details of the disbursements made as shown above and noted the following:
 - i. On April 25, 2014, the Company used portion of the proceeds amounting to P200 million as an additional investment in CMCCI intended for the roll-out and development of CMCCI's first five (5) community malls. Such transaction and the amount thereof were agreed to related voucher, deposit slip, and bank account passbook. No exceptions noted.
 - ii. On April 30, 2014, the Company used portion of the proceeds amounting to P577 million as payments for the acquisition of land and building for the Dragon8. Such transactions and the amounts thereof were agreed to the bank account passbook and bank transaction history records. No exceptions noted.



- iii. On June 23 and August 12, 2014, the Company used portion of the proceeds amounting to P97 million as capital for Zion Land. Such transaction and the amount thereof were agreed to bank account passbook. No exceptions noted.
 - iv. On August 29, 2014, the Company used portion of the proceeds amounting to P35 million as down payment for the takeover from Rizal Commercial Banking Corporation of Skysuites project. Such transaction and the amount thereof were agreed to acknowledgement receipt and bank account passbook. No exceptions noted.
 - v. The Company used portion of the proceeds amounting to P62 million for general corporate purposes, including working capital and property and equipment disbursements. Such transactions and the amounts thereof were agreed to vouchers, official receipts, bank deposit slips, bank account passbooks and bank transaction history records. No exceptions noted.
3. We have obtained written management representation and noted that there were no reallocations on the Company's planned use of proceeds from IPO or of any changes in the work program as disclosed in the Prospectus. Such representation was verified to be correct based on the result of work performed above.