



15 January 2019

Philippine Stock Exchange, Inc.

6th Floor, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City

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

Philippine Dealing and Exchange Corporation

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

Attention: **Ms. Paula Beatrice A. Bueno**
OIC, Issuer Compliance and Disclosures Department

Securities and Exchange Commission

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City

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

Subject: Summary of the Application of Proceeds from the Follow On Offering

Ladies and Gentlemen,

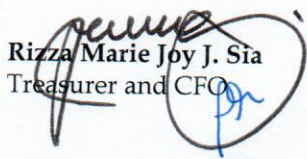
In line with the Follow On Offering (FOO) of DoubleDragon Properties Corp. (DD) on July 13, 2018, we submit herewith our report on the application of the actual net proceeds coming from DD Follow On Offering amounting to **FOUR BILLION ONE HUNDRED NINETY SIX MILLION TWO HUNDRED SEVEN THOUSAND NINE HUNDRED EIGHTY TWO PESOS AND EIGHTEEN CENTAVOS (P4,196,207,982.18)**.

For the year 2018, the application of the net proceeds is broken down as follows:

(in Millions)	Planned Allocation of Net Proceeds	Actual Disbursements					Actual Remaining as of 31 DEC 2018
		Q1 2018	Q2 2018	Q3 2018	Q4 2018	Total for 2018	
CentralHub Industrial Centers Inc.	1,925.7	-	-	85.8	357.2	443.0	1,482.7
Hotel of Asia Inc.	2,171.5	-	-	262.1	150.0	412.1	1,759.4
General corporate purposes	99.0	-	-	12.6	86.4	99.0	-
Total	4,196.2	-	-	360.5	593.6	954.1	3,242.1

Thank you.

Very truly yours,


Rizza Marie Joy J. Sia
Treasurer and CFO

DoubleDragon Headquarters

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DOUBLEDRAGON PROPERTIES CORP.

**REPORT OF FACTUAL FINDINGS ON THE
APPLICATION OF PROCEEDS FROM THE FOLLOW-ON OFFERING**

REPORT OF FACTUAL FINDINGS

The Board of Directors and Stockholders

DoubleDragon Properties Corp.

DD Meridian Park Bay Area

Corner Macapagal Avenue and EDSA Extension Boulevard

Brgy 76 Zone 10, San Rafael, Pasay City, Metro Manila

We have performed the procedures agreed with you and enumerated below with respect to the Progress Report on the application of proceeds from the Follow-on Offering (“FOO”) of DoubleDragon Properties Corp. (the “Company”) on July 13, 2018. 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 the Offering whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with Philippine Standard on Related Services (PSRS) 4400, *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*.

The agreed-upon procedures are summarized as follows:

1. Obtain and check the mathematical accuracy of the Annual Progress Report from the Company.
2. Agree the amount of the net proceeds from the FOO as stated in the Annual Progress Report to the related supporting documents such as bank statements, passbook and other documents evidencing the receipt thereof.
3. Compare the list of all the disbursements in the Annual Progress Report with the schedule of planned use of proceeds from the FOO in the International Offering Circular (“Prospectus”) and agree the amounts to the related supporting documents such as memorandum of agreements, invoices, deposit slips, passbook and letter of instructions.
4. Obtain written management representation as to any reallocation (or absences thereof) on the Company’s planned use of proceeds or any change in the work program as disclosed in the 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 the Offering based on the said standards.

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

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

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

R.G. MANABAT & CO.



Darwin P. Virocel

Partner

CPA License No. 0094495

SEC Accreditation No. 1386-AR-1, Group A, valid until June 14, 2020

January 15, 2019
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 Annual Progress Report for the year ended December 31, 2018. No exceptions noted.
2. We have agreed the amount of the net proceeds from the FOO as stated in the Annual Progress Report to the related supporting documents such as bank statements, passbook and other documents evidencing the receipt thereof. Based on inspection, the total amount received from the underwriters is net of the total offer price of the 5,572,000 treasury shares and related expenses arising from the price stabilization transactions. We agreed the reconciliation of the amount of the net proceeds from the FOO and the actual amount received from the underwriters. No exceptions noted.
3. We have compared the list of all the disbursements in the Annual Progress Report with the schedule of planned use of proceeds from the Offering in the Offering Prospectus ("Prospectus") and agree the amounts to the related supporting documents. No exceptions noted.

As presented by the Company and based on the above procedures, the table below lists the details of the disbursements made during the year ended December 31, 2018 from the P4,196.2 million net Offering proceeds.

	Allocation of Net Proceeds per Prospectus (in millions)	Actual Disbursements (in millions)			Balance as of 31 Dec 2018 (in millions)
		2018-Q3	2018-Q4	TOTAL	
CentralHub Industrial Centers Inc.	P1,925.7	P85.8	P357.2	P443.0	P1,482.7
Hotel of Asia, Inc.	2,171.5	262.1	150.0	412.1	1,759.4
General corporate purposes, land banking or potential acquisitions	99.0	12.6	86.4	99.0	-
Total	P4,196.2	P360.5	P593.6	P954.1	P3,242.1

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

- a. Compared and agreed the actual disbursements for the year ended December 31, 2018 submitted by the Company to the PSE to the related supporting documents which includes the bank account passbooks, official receipts, collection receipts and bank deposit slips. No exceptions noted.
- b. Checked the details of the disbursements made as shown above to the related supporting documents and noted that the portion of the proceeds allocated for the CentralHub and Hotel 101 projects has been disbursed by the Company to various construction related expenditures totaling P443 million and P412.1 million, respectively; and a disbursement of P99 million for the Company's general corporate requirements. Such transactions and amounts thereof were agreed to the related voucher and official receipt.

We also observed that there were disbursements included in the report which are incurred before the actual receipt of the proceeds from the FOO. These disbursements form part of the total capital expenditure made to construct CentralHub and Hotel 101 projects. No exceptions noted.

4. We have obtained written management representation and noted that there were no reallocations made on the Company's planned use of proceeds from the Offering or 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.