**ALBA ROMEO & CO., CPAs**
**Audit | Tax | Consulting**

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January 29, 2016

The Shareholders and the Board of Directors
**Italpinas Development Corporation**
*(Formerly Italpinas, EuroAsian Design and Eco-Development Corporation)*
Unit 9-A 9th Floor, Country Space I Building
137 Senator Gil Puyat Avenue,
Salcedo Village, Makati City

We have performed the procedures agreed with you, as more specifically described below, with respect to the report on the application of proceeds from the Initial Public Offering (IPO) of Italpinas Development Corporation (the Company). Our engagement was undertaken in accordance with Philippine Standards on Related Services (PSRS) 4400, "Engagement to Perform Agreed-Upon Procedures Regarding Financial Information". The procedures were performed solely to assist you relative to the Company's report on the application of proceeds from the IPO, and are summarized as follows:

1. We have checked the mathematical accuracy of the Annual Progress Report on the Application of Proceeds from IPO (the Report).

2. We have compared the list of cash received from the IPO and all disbursements from such proceeds as at December 31, 2015, accounted and agreed the related balances to Company's accounting records and bank statements as at December 31, 2015, to the Report.

| | Actual use of proceeds | Use of proceeds as stated in the prospectus |
|---|---|---|
| Gross proceeds | **P207,440,000** | **P207,439,200** |
| Offer expenses | | |
| Underwriting and selling fees for the offer shares | 749,456 | 8,300,000 |
| Taxes to be paid by the Company | 9,742,930 | 4,440,000 |
| Philippine SEC filing and legal research fees | 41,076 | 290,000 |
| PSE listing and processing fees inclusive of VAT | 3,052,119 | 80,000 |
| Professional fees | 837,996 | 4,000,000 |
| Out-of-pocket and other expenses | 1,804,644 | 2,000,000 |
| Total expenses | **16,228,221** | **19,110,000** |
| Net proceeds at listing date | **191,211,779** | **188,329,200** |
| | | |
| Capital expenditures for new projects | 12,594,291 | 103,020,000 |
| Land and banking acquisition | 15,026,165 | 40,120,000 |
| Retirement of existing obligations/loans | 4,249,958 | 28,050,000 |
| General working capital | 15,273,322 | 17,139,200 |
| Total disbursements | **47,143,736** | **188,329,200** |
| Net proceeds as at December 31, 2015 | **P144,068,043** | **P-** |

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The IPO expenses amounting to P16,228,221 as at December 31, 2015 have been vouched to supporting documents and payment vouchers on a test basis. No exceptions were noted based on the procedures performed.

3. Disbursements for capital expenditures for new projects and for land and banking acquisitions amounting to P12,594,291 and P15,026,165, respectively, have been vouched to supporting payment vouchers, asset purchase agreement and bank statements. Retirement of existing obligations/loans amounting to P4,249,958 have been vouched to official receipts, loan agreements and bank statements. General working capital amounting to P15,273,322 have been vouched to supporting documents and payment vouchers on a test basis. No exceptions were noted based on the procedures performed.

4. The remaining balance of the proceeds from the IPO was accounted for in the Company's records as "Cash in Banks". The cash in banks are unrestricted and maintained in universal banks and commercial banks.

5. We found the schedule to be mathematically accurate, and the balances of the net proceeds as at December 31, 2015 amounting to P144,068,043 are maintained in the following bank accounts:

| Banks | Account number | Amount |
|---|---|---|
| Banco De Oro | 005338008685 | P100,247,698 |
| Bank of Philippine Islands | 0281-0451-72 | 18,189,848 |
| Land Bank of the Philippines | 1792-1036-22 | 25,087,192 |
| Philippine Bank of Communications | 021110100096 | 543,305 |
| | | **P144,068,043** |

Because the procedures performed do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing, we do not express any assurance on the proceeds from IPO of the Company as at December 31, 2015 and as at date of the certification.

Had we performed additional procedures or performed an audit or review of the financial statements in accordance with Philippines Standards on Auditing, 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 after the date of this report.

Our report is intended solely for the purpose 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 application of proceeds from the offering and items specified do not extend to any financial statements of the Company, as a whole.

**ALBA ROMEO & CO.**

**Gideon A. de Leon**
Partner
CPA Certificate No. 0023029
Tax Identification No. 000-110-291-260
PTR No. 3033651 issued on January 4, 2016, Cagayan de Oro City
BOA /PRC Registration No. 0005 (Firm), issued on December 1, 2015, effective until December 31, 2018
SEC Accreditation No. 1493-A (Individual), Group A, issued on July 16, 2015, effective until July 15, 2018
SEC Accreditation No. 0007-FR-4 (Firm), Group A, issued on July 16, 2015, effective until July 15, 2018
BIR Accreditation No. 16-006081-1-2015, issued on January 21, 2015, effective until January 20, 2018

January 29, 2016
Cagayan de Oro City, Philippines