



May 12, 2021

**THE DISCLOSURE DEPARTMENT**  
**THE PHILIPPINE STOCK EXCHANGE, INC.**  
6/F PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City  
Taguig City


Attention: **MS. JANET A. ENCARNACION**  
**Head, Disclosure Department**

Dear Ma'am:

In compliance with the disclosure requirements of the Philippine Stock Exchange, please find the following:

1. Progress Report on the Application of Proceeds from the Follow-on Equity Offering of PH Resorts Group Holdings, Inc. for the period November 5, 2020 to December 31, 2020
2. Report of Independent Auditors on Factual Findings

**PH RESORTS GROUP HOLDINGS, INC.**

  
**LEANDRO E. ABARQUEZ**  
Corporate Secretary



12 May 2021

Philippine Stock Exchange, Inc.  
6<sup>th</sup> Floor, PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

Attention: Ms. Janet A. Encarnacion  
Head, Disclosure 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 P756 Million Gross Proceeds from the Follow-On Equity Offering

Ladies and Gentlemen:

In line with the follow-on equity offering of PH Resorts Group Holdings, Inc. on November 5, 2020, we submit herewith our report on the application of the actual net proceeds of SEVEN HUNDRED TWENTY-SEVEN MILLION TWO HUNDRED ONE THOUSAND TWO HUNDRED EIGHTY-TWO (PHP 727,201,282).

For the fourth quarter of 2020 and first quarter of 2021, the application of the net proceeds is broken down as follows:

<b>Gross Proceeds</b>	<b>₱ 756,000,000</b>
<b>Direct expenses related to the Follow-on offering</b>	<b>(28,798,718)</b>
<b>Net Proceeds</b>	<b>₱ 727,201,282</b>

(in PHP)	Allocation of Actual Net Proceeds	Actual Disbursements			Remaining Balance per Allocation
		As of December 31, 2020	Q1 2021	Total	
<b>Expenditures:</b>					
Construction of the first phase of Emerald Bay	707,201,282	(420,384,358)	(56,875,078)	(477,259,436)	229,941,846
General Corporate Expenses	20,000,000	-	-	-	20,000,000
<b>Total</b>	<b>727,201,282</b>	<b>(420,384,358)</b>	<b>(56,875,078)</b>	<b>(477,259,436)</b>	<b>249,941,846</b>

Thank you.

Very truly yours,

PH Resorts Group Holdings, Inc.

By:

Lara Lorenzana  
Chief Financial Officer

## Report of Independent Auditors on Factual Findings

**Punongbayan & Araullo**

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The Enterprise Center  
6766 Ayala Avenue  
1200 Makati City  
Philippines

T +63 2 8988 2288

**The Board of Directors and Stockholders**

**PH Resorts Group Holdings, Inc.**

GGDC Administrative Services Building  
Clark Global City, Clark Freeport Zone  
Pampanga, Philippines

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the accompanying Progress Report on the Application of Proceeds (the Report) for the period November 5, 2020 to December 31, 2020 and the quarter ended March 31, 2021, as required by the Philippine Stock Exchange, Inc. (the PSE). The Report covers the utilization of the P727,201,282 net proceeds from and expenses related to the follow-on equity offering of 450.0 million shares (inclusive of overallotment offer) at an offer price of P1.68 per share (the Offering) of PH Resorts Group Holdings, Inc. (the Company) at the PSE on November 5, 2020. The procedures were performed solely to enable the Company to comply with the requirement of the PSE to submit the Report relating to the application of the Offering Proceeds accompanied by an external auditor's report.

Our engagement was undertaken and our report is issued in accordance with Philippine Standard on Related Services 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements.

We present below the summary of the breakdown and application of the Offering Proceeds for the period November 5, 2020 to December 31, 2020 and the quarter ended March 31, 2021, based on the information we obtained from the Company.

	Planned Allocation of Offering Proceeds	Application of Offering Proceeds as of December 31, 2020	Application of Offering Proceeds for the Quarter ended March 31, 2021	Unused Offering Proceeds as of March 31, 2021
Construction of the first phase of Emerald Bay	P 707,201,282	P 420,384,358	P 56,875,078	P 229,941,846
General corporate purposes	20,000,000	-	-	20,000,000
	<b><u>P 727,201,282</u></b>	<b><u>P 420,384,358</u></b>	<b><u>P 56,875,078</u></b>	<b><u>P 249,941,846</u></b>

**Certified Public Accountants**

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd.

Offices in Cavite, Cebu, Davao  
BOA/ PRC Cert of Reg. No. 0002  
SEC Accreditation No. 0002

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### **Agreed-upon Procedures**

The procedures we performed are as follows:

1. Obtained and checked the mathematical accuracy of the following:
  - a.) The Report;
  - b.) Schedule of planned use of proceeds from the Offering;
  - c.) Trial balance as of December 31, 2020 and March 31, 2021; and,
  - d.) Detailed schedule of utilization of proceeds for the period November 5, 2020 to December 31, 2020 and the quarter ended March 31, 2021.
2. Compared the schedule of planned application of the proceeds to the Use of Proceeds section of the prospectus. Inquired with the Company's management of the reason for any difference, if any, and requested a copy of the approval by the Board of Directors (BOD) and the PSE, as appropriate, i.e., if it involved reallocation or change in use of proceeds.
3. Compared the disbursements of the net proceeds shown in the Report with the schedule of planned application of proceeds indicated in the Offering and investigate any difference or excess of disbursements over the planned application of proceeds.
4. Performed the following procedures on the schedules obtained:
  - a.) Agreed related totals to the general ledger; and,
  - b.) Assessed reasonableness of the movements in the designated cash in bank ledger with the list of disbursements in the Report.
5. Traced to and examined supporting documents, including approval documents, of significant disbursements in the detailed schedule of utilization of proceeds and traced the total amount of disbursements per category to the Reports.

### **Results of the Performance of Agreed-Upon Procedures**

1. With respect to item 1, we noted no exceptions on the mathematical accuracy of the Report and schedules received.
2. With respect to item 2, we compared the schedule of planned application of the proceeds to the Use of Proceeds section of the final Offering prospectus. Based on our examination, we noted that the estimated costs and expenses for the Offering of P33,300,000, assuming oversubscription option is exercised in full, exceeded the actual costs and expenses incurred amounting to P28,798,718. The excess amount of P4,501,282 was included in the planned allocation for the construction of the first phase of Emerald Bay.
3. With respect to item 3, we compared the disbursements from the net proceeds shown in the Report with the scheduled planned application of proceeds from the Offering. We noted the following disbursements:
  - a.) The Company intended to utilize up to P707,201,282 of the Offering Proceeds to fund the construction of the first phase of Emerald Bay, as shown in the summary of breakdown and application of Offering Proceeds. Based on the final offering prospectus, these expenditures are expected to be made in the fourth quarter of 2020. Our examination of the disbursements showed that out of the actual total disbursements of P477,259,436 as of March 31, 2021, a total of P56,8765,078 was disbursed in the quarter ended March 31, 2021. Remaining unused proceeds allocated for this purpose amounted to P229,941,846.

- b.) According to management and as disclosed in the final offering prospectus, there is no estimated date of completion of disbursement for proceeds allocated to general corporate purposes and disbursements will be based on the needs of the Company from time to time and will be subjected to market conditions.
4. With respect to items 4 and 5, we have not noted any exceptions based on the procedures performed.

Because the foregoing procedures do not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), respectively, we do not express an assurance on the use of proceeds 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 or 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. This report relates only to the information and items specified above and does not extend to any financial statements of the Company, taken as a whole.

**PUNONGBAYAN & ARAULLO**  
**By: Ramilito L. Nañola**  
Partner

CPA Reg. No. 0090741  
TIN 109-228-427  
PTR No. 8533235, January 4, 2021, Makati City  
SEC Group A Accreditation  
Partner - No. 0395-AR-4 (until Sept. 16, 2022)  
Firm - No. 0002 (until Dec. 31, 2024)  
BIR AN 08-002511-019 2020 (until Dec. 21, 2023)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

May 12, 2021