



PSPC Phoenix Semiconductor Philippines Corp.

Panday Pira Ave. Cor Creekside Road, Clark Freeport Zone, Pampanga, Philippines
Tel. No. (045) 499-1749 / Fax No. (045) 499-1996

April 10, 2015

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Re : Progress Report on the Disbursement of the Proceeds
of the Initial Public Offering as of March 31, 2015

Gentlemen:

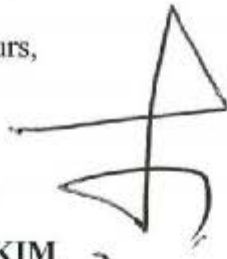
We refer to the Notice of Approval dated July 9, 2014 issued by the Philippine Stock Exchange ("PSE") in relation to the initial public offering ("IPO") of Phoenix Semiconductor Philippines Corp. ("PSPC" or the "Company"), which approval requires the submission of a quarterly progress report and an annual summary of the application of the proceeds raised from the IPO. This letter is being submitted in compliance with such requirements.

As of March 31, 2015, the Company has disbursed the following:

Nature of Disbursement	Date of Disbursement	Amount
Acquisition of machinery and production equipment to further enhance its existing production facility	07-Jan-2015	Php 44,134,154
Total Amount Used from the IPO Proceeds		Php 44,134,154
Balance of Proceeds as of March 31, 2015		<u>Php 423,535,777</u>

The aforesaid disbursement is in accordance with the Work Program duly approved by the Commission and the Exchange.

Very truly yours,

A handwritten signature in black ink, consisting of a stylized 'D' and 'K' combined into a single fluid stroke.

DONGJOO KIM

Vice President & Chief Finance Officer

REPORT OF FACTUAL FINDINGS

The Stockholders and the Board of Directors
Phoenix Semiconductor Philippines Corp.
Panday Pira Avenue, Corner Creekside
Clark Freeport Zone, Pampanga

We have performed the procedures agreed with you and enumerated below with respect to the attached Quarterly Progress Report as at March 31, 2015 on the application of the proceeds from the Initial Public Offering (the Offering) of Phoenix Semiconductor Philippines Corp. (the Company) on December 1, 2014. The procedures were performed solely to comply with the requirements of the Philippine Stock Exchange Inc. (PSE) to submit an external auditor's certification on the accuracy of the information being represented by the Company relating to the application of proceeds whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with the Philippine Standards on Related Services 4400, "*Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*" applicable to agreed-upon procedures engagements. These agreed-upon procedures and results thereof are summarized as follows:

1. Obtained the schedule of acquisitions of machinery and production equipment and agreed amount per schedule to the Quarterly Progress Report on the Application of Proceeds from the Offering (the Report).
2. Checked the mathematical accuracy of the schedule and on a sample basis, vouched the acquisitions of machinery and production equipment to the accounting records and supporting documents such as invoices and payment documents.

We report our findings below:

1. With respect to item 1, we compared the total acquisitions of machinery and production equipment per schedule of P44.13 million (US\$0.98 million) and amount per Report and noted that the amount is in agreement. We also noted that the amounts in the schedule consists of payments for the acquisitions of items of machinery and equipment recognized in the Company's records for the period January 1, 2015 to March 31, 2015.
2. With respect to item 2, we found the schedule of acquisitions of machinery and production equipment to be in order and mathematically correct. In addition, the amounts of acquisitions agreed to the accounting records and supporting documents.

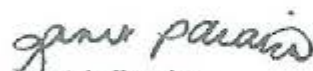
Because the above procedures do not constitute either an audit or review made in accordance with the Philippine Standards on Auditing (PSA) or the Philippine Standards on Review Engagements (PSRE), respectively, we do not express any assurance on the application of the proceeds from the Offering based 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 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 intended 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 application of the proceeds from the offering and items specified above and do not extend to any financial statements of the Company.

SYCIP GORRES VELAYO & CO.



Janet A. Paraiso
Partner

April 10, 2015