

April 13, 2016

Securities and Exchange Commission
SEC Building, Mandaluyong City

Attention: Director Vicente Graciano P. Felizmenio, Jr.
Director, Markets & Securities Regulation Department

Philippine Stock Exchange, Inc.
3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Ave., Makati City

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

Gentlemen:

As of date hereof, we hereby submit our progress report on our use of the proceeds generated from the Initial Public Offering of *XURPAS INC.*

Balance of Proceeds as at December 31, 2015	₱56,724,841
Less: Full payment of the 51% controlling stake in Storm Flex Systems, Inc.	56,724,841
Balance of Proceeds as at March 31, 2016	₱-

Thank you.

Sincerely,


Alexander D. Corpuz
Chief Financial Officer

REPORT ON FACTUAL FINDINGS

The Stockholders and the Board of Directors
Xurpas Inc.
7th Floor, Cambridge Centre
108 Tordesillas St.
Salcedo Village, Makati City

We have performed the procedures agreed with you and enumerated below with respect to the attached Progress Report dated April 13, 2016 on the use of proceeds generated from the Initial Public Offering (IPO) of Xurpas Inc. (the "Company") on December 2, 2014. The procedures were performed solely to enable the Company to comply with the Philippine Stock Exchange Inc.'s (PSE) requirement to submit an external auditor's certification on the information being presented by the Company relating to the application of proceeds. Our engagement was undertaken in accordance with the Philippine Standard on Related Services (PSRS) 4400, *Engagement 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. Compare the list of all disbursements in the Report with the schedule of application of proceeds.
2. Obtain the supporting documents pertaining to the disbursement in the Report and agree the amount to the accounting records.

We report our findings below:

1. We compared the list of the disbursement in the Report with the schedule of application of proceeds. We noted that disbursement for the new investment is presented in the schedule of application of proceeds.
2. We obtained the supporting documents pertaining to the disbursement in the Report and agreed the amount to the accounting records. We traced the amount of disbursement for the full payment of its investment in Storm Flex Systems, Inc. amounting to ₱60.63 million to the check voucher, acknowledgement receipt and passbook. We noted ₱56.72 million was disbursed from the IPO proceeds and ₱3.90 million from the general fund.

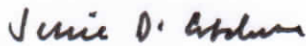
Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing or Philippine Standards on Review Engagement, we do not express any assurance on the accounts of the Company or its financial statements, taken as a whole.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with PSA or 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 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 application of proceeds from the offering and items specified above do not extend to any financial statements of the Company, taken as a whole.

SYCIP GORRES VELAYO & CO.


Jessie D. Cabaluna
Partner
CPA Certificate No. 36317
SEC Accreditation No. 0069-AR-3 (Group A),
February 14, 2013, valid until February 13, 2016
Tax Identification No. 102-082-365
BIR Accreditation No. 08-001998-10-2015,
March 24, 2015, valid until March 23, 2018
PTR No. 5321616, January 4, 2016, Makati City

April 13, 2016