D.M.WENCESLAO &
ASSOCIATES, INC.
GENERAL CONTRACTORS

3rd Floor, Aseana Power Station Bldg.
Aseana Business Park
Pres. Diosdado Macapagal Blvd. corner
Bradco Avenue, Baclaran, Parañaque City
TEL.: (632) 854-5711 FAX : (632) 853-2590

January 30, 2019

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

Attention: **MR. JOSE VALERIANO B. ZUÑO III**
Officer-in-Charge – Head, Disclosure Department

Dear Sir:

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

1. Annual Progress Report on the Application of Proceeds from the Initial Public Offering of D.M. Wenceslao & Associates, Incorporated as of and for the period June 29 to December 31, 2018; and,

2. Report of Independent Auditors on Factual Findings.

D.M. WENCESLAO & ASSOCIATES, INCORPORATED

ATTY. HEHERSON M. ASIDDAO
Chief Finance Officer

D.M.WENCESLAO & ASSOCIATES, INC.
GENERAL CONTRACTORS

3rd Floor, Aseana Power Station Bldg.
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Bradco Avenue, Baclaran, Parañaque City
TEL.: (632) 854-5711 FAX : (632) 853-2590

January 30, 2019

THE PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC – Disclosure Department

Re: **D.M. Wenceslao & Associates, Incorporated**
Annual Progress Report on the Application of Initial Public Offering (IPO) Proceeds with Certification by the Company's External Auditors

Gentlemen:

In connection with the IPO of **D.M. Wenceslao & Associates, Incorporated** (the "Company") on June 29, 2018, we submit herewith our report on the application of the offering proceeds. The details of the disbursements as of and for the period June 29 to December 31, 2018 are as follows:

Offering Proceeds (679,172,800 shares at Php12.00 per share)	P	8,150,073,600
Less: IPO-related expenses		
Taxes		332,794,672
Professional fees and commissions		180,550,327
PSE listing and processing fees		31,220,207
PSEC registration, filing and research fees		1,948,008
Other expenses		4,346,786
Net Offering Proceeds		**7,599,213,600**
Less: Costs incurred as of and for the period June 29 to December 31, 2018		576,697,431
Balance of the Offering Proceeds as of December 31, 2018	**P**	**7,022,516,169**

We hope you find everything in order.

Very truly yours,

ATTY. HEHERSON M. ASIDDAO
Chief Finance Officer

P&A Grant Thornton

An instinct for growth™

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

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Report of Independent Auditors on Factual Findings

The Board of Directors and Stockholders
D.M. Wenceslao & Associates, Incorporated
3rd Floor Aseana Powerstation Building
Pres. Macapagal Avenue
Aseana Business Park, Parañaque City

We have performed the procedures agreed with you and enumerated in the succeeding page with respect to the attached Annual Progress Report (the Report) as of and for the period June 29 to December 31, 2018 on the application of proceeds from the initial public offering (Offering Proceeds) of D.M. Wenceslao & Associates, Incorporated (the Company) on June 29, 2018. The procedures were performed solely to enable the Company to comply with the requirement of the Philippine Stock Exchange (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 of proceeds and application of proceeds from the Offering as of and for the period June 29 to December 31, 2018 based on the information we obtained from the Company.

	Allocation of Offering Proceeds	Application of Offering Proceeds as of and for the period June 29 to December 31, 2018	Balance of Offering Proceeds as of December 31, 2018
Pipeline project development	P 3,731,213,878	P 491,657,589	P 3,239,556,289
Land assets	2,880,101,954	-	2,880,101,954
Infrastructure development within Aseana City	524,345,738	50,732,032	473,613,706
General corporate purposes	463,552,030	34,307,810	429,244,220
	P 7,599,213,600	P 576,697,431	P 7,022,516,169

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 Prospectus; and,
   c.) Detailed schedule of disbursements of proceeds for the period June 29 to December 31, 2018.

2. Agreed total amount of disbursements of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds for the period June 29 to December 31, 2018.

3. Compared the disbursements of the Offering Proceeds shown in the Report with the schedule of planned use of proceeds indicated in the Offering Prospectus.

4. Inquired and identified the nature of disbursements of the Offering Proceeds in the detailed schedule and checked that such disbursements were consistent with the planned use of the Offering Proceeds.

5. Traced to and examined supporting documents of the disbursements in the schedule and agreed the total amount of disbursements per category in the Report.

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.

2. With respect to item 2, we noted that the total amount of disbursements appearing in the Report is in agreement with the amount in the detailed schedule of disbursements of the Offering Proceeds.

3. With respect to item 3, we found the disbursements of proceeds in the Report as of and for the period June 29 to December 31, 2018 consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus.

4. With respect to item 4, we noted the following:

   a. The details of the disbursements incurred for the period June 29 to December 31, 2018 showed that the Company used the Offering Proceeds for the following purposes:

      - ***Pipeline Project Development***

        The amount allocated for project development is intended to fund a portion of the development and construction costs for the Company's planned real estate projects, including but not limited to, costs related to design, planning and construction activities.

        Planned and ongoing pipeline projects include 8912 Asean Ave. (formerly known as Aseana Four), Aseana Five, Aseana Six, Parqal (formerly known as Aseana Mainstreet 1), Aseana Mainstreet 2, Pixel Residences, MidPark Towers (formerly known as Parkside Place 1) and Parkside Place 2.

        As of and for the period June 29 to December 31, 2018, P491.7 million from the Offering Proceeds were released and used for this purpose. Disbursements per project are broken down in the succeeding page.

	Allocation of Offering Proceeds	Application of Offering Proceeds as of and for the period June 29 to December 31, 2018	Balance of Offering Proceeds as of December 31, 2018
MidPark Towers	P 711,302,646	P 2,861,951	P 708,440,695
Aseana Six	589,902,194	-	589,902,194
Aseana Five	559,802,082	-	559,802,082
Parqal	528,101,964	11,929,204	516,172,760
8912 Asean Ave.	518,001,926	465,577,051	52,424,875
Parkside Place 2	349,401,300	-	349,401,300
Aseana Mainstreet 2	325,801,212	-	325,801,212
Pixel Residences	148,900,554	11,289,383	137,611,171
	P 3,731,213,878	P 491,657,589	P 3,239,556,289

- ***MidPark Towers***

  Comprises of four 15-story buildings that offers various sizes ranging from 36 sq.m. for a studio unit to 108 sq.m. for a three-bedroom unit.

  Centrally located in Aseana City, MidPark Towers is bordered by two main avenues – Aseana Avenue and Macapagal Boulevard. The property is within walking distance from Ayala Malls Bay Area and the planned Light Rail Transit Aseana station. MidPark Towers is situated within two to five kilometers from all terminals of Ninoy Aquino International Airport and the recently inaugurated Paranaque Integrated Terminal Exchange (formerly known as Southwest Integrated Bus Terminal Exchange).

  As of and for the period June 29 to December 31, 2018, P2.8 million from the Offering Proceeds were used to fund the pile driving works of the project.

- ***Parqal***

  Parqal with approximately 67,000 sq.m. leasable floor area is a mixed-use project with office and retail spaces that stretches from Diokno Ave. to Macapagal Ave.

  The project features a climate protected and walkable mixed-use development with a 50% retail component.

  As of and for the period June 29 to December 31, 2018, P11.9 million from the Offering Proceeds were used to fund the architectural design, planning and other preliminaries for the project construction.

- ***8912 Asean Ave.***

  8912 Asean Ave. is a 15-story office building with total gross leasable area of approximately 68,000 sq.m. and is the Company's largest office project to date.

  The project stretches 120 meters along Aseana Ave. with convenient access to retail options at the Ayala Malls Bay Area, connected through an elevated walkway. Commercial retail spaces are located on the first level while offices are located starting on the fifth floor and above.

As of and for the period June 29 to December 31, 2018, P465.6 million from Offering Proceeds were used to fund the down payment for its general contractor, planning related activities and pile driving works of this project.

- ***Pixel Residences***

Pixel Residences is the first mixed-used residential development of the Company. Conceptualized to meet the demand for quality, generous living spaces and a private space at a prime location.

As of and for the period June 29 to December 31, 2018, P11.3 million from the Offering Proceeds were released and used for this purpose.

- ***Infrastructure Development within Aseana City***

The estimated amount allocated for the development of infrastructure within Aseana City is intended to fund a portion of the development costs for common amenities and utilities within Aseana City. Aseana City is designed to be a self-contained community serviced by central water supply, drainage and sewage systems, electricity supply, telecommunication facilities, internet providers, and liquefied petroleum gas providers.

As of and for the period June 29 to December 31, 2018, P50.7 million from the Offering Proceeds were released and used for this purpose.

b. Other than the above purposes, the Offering Proceeds are planned to be used for the following:

- ***Purchase of Land Assets***

The Company intends to obtain land assets through potential acquisitions of shareholding interests in land holding companies.

As of December 31, 2018, there were no disbursements related to this purpose.

- ***General Corporate Purposes***

General corporate purposes include (1) purchase or lease or repair of construction equipment; (2) provision for potential projects and business opportunities; and, (3) working capital.

As of and for the period June 29 to December 31, 2018, P34.3 million from the Offering Proceeds were released and used for this purpose.

c. The remaining balance of the Offering Proceeds amounting to P7,022.5 million as of December 31, 2018 is expected to be applied on costs to be incurred in accordance with the planned use and estimated timing as disclosed in the Offering Prospectus and to the PSE.

5. We found no exceptions with respect to item 5.

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 Offering 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: **Romualdo V. Murcia III**
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 7333697, January 3, 2019, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-3 (until Nov. 29, 2019)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-22-2016 (until Oct. 3, 2019)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Jul. 24, 2021)

January 30, 2019