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

July 15, 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. Quarterly Progress Report on the Application of Proceeds from the Initial Public Offering of D.M. Wenceslao & Associates, Incorporated as of and for the quarter ended June 30, 2019; 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

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TEL.: (632) 854-5711 FAX: (632) 853-2590

July 15, 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**
Quarterly 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 quarter ended June 30, 2019 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: Disbursements		
Accumulated costs incurred as of March 31, 2019		751,991,679
Costs incurred for the quarter ended June 30, 2019		416,758,177
Total disbursement		1,168,749,856
Balance of the Offering Proceeds as of June 30, 2019	**P**	**6,430,463,744**

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
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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 Quarterly Progress Report (the Report) as of and for the quarter ended June 30, 2019 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 quarter ended June 30, 2019 based on the information we obtained from the Company.

	Allocation of Offering Proceeds	Application of Offering Proceeds as of March 31, 2019	Application of Offering Proceeds for the Quarter ended June 30, 2019	Balance of Offering Proceeds as of June 30, 2019
Pipeline project development	P 3,731,213,878	P 602,046,691	P 381,318,168	P 2,747,849,019
Land assets	2,880,101,954	-	-	2,880,101,954
Infrastructure development within Aseana City	524,345,738	96,356,788	35,440,009	392,548,941
General corporate purposes	463,552,030	53,588,200	-	409,963,830
	P 7,599,213,600	P 751,991,679	P 416,758,177	P 6,430,463,744

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 quarter ended June 30, 2019.

2. Agreed total amount of disbursements of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds for the quarter ended June 30, 2019.

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 quarter ended June 30, 2019 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 from April 1 to June 30, 2019 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 June 30, 2019, P983.4 million from the Offering Proceeds were released and used for this purpose. Disbursements for the quarter then ended amounted to P381.3 million broken down in the succeeding page.

		Allocation of Offering Proceeds		Application of Offering Proceeds as of March 31, 2019		Application of Offering Proceeds for the Quarter ended June 30, 2019		Balance of Offering Proceeds as of June 30, 2019
8912 Asean Ave.	P	735,846,197	P	468,490,197	P	267,356,000	P	-
MidPark Towers		711,302,646		28,725,475		10,729,718		671,847,452
Aseana Five		559,802,082		-		-		559,802,082
Parqal		528,101,964		43,160,149		77,164,366		407,777,449
Aseana Six		372,057,923		-		-		372,057,923
Parkside Place 2		349,401,300		-		-		349,401,300
Aseana Mainstreet 2		325,801,212		-		-		325,801,212
Pixel Residences		148,900,554		61,670,870		26,068,084		61,161,601
	P	3,731,213,878	P	602,046,691	P	381,318,168	P	2,747,849,019

- ***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 Manila Bay, connected through an elevated walkway. Commercial retail spaces are located on the ground level while offices are located starting on the fifth floor and above.

  As of June 30, 2019, P735.8 million from Offering Proceeds were fully used to fund the down payment for its general contractor, planning related activities and pile driving works of this project. Disbursements for the quarter then ended amounted to P267.4 million.

- ***MidPark Towers***

  Comprises of four 15-story residential 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 within walking distance from Ayala Malls Manila Bay 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 June 30, 2019, P39.5 million from the Offering Proceeds were used to fund the pile driving works of the project. Disbursements for the quarter then ended amounted to P10.7 million.

- ***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 June 30, 2019, P120.3 million from the Offering Proceeds were used to fund the architectural design, planning and other preliminaries for the project construction. Disbursements for the quarter then ended amounted to P77.2 million.

- ***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 June 30, 2019, P87.7 million from the Offering Proceeds were released and used for this purpose. Disbursements for the quarter then ended amounted to P26.1 million.

- ***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 June 30, 2019, P131.8 million from the Offering Proceeds were released and used for this purpose. Disbursements for the quarter then ended amounted to P35.4 million.

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 June 30, 2019, 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 June 30, 2019, P53.6 million from the Offering Proceeds were released and used for this purpose. There were no such disbursement for the quarter ended June 30, 2019.

c. The remaining balance of the Offering Proceeds amounting to P6,430.5 million as of June 30, 2019 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)

July 15, 2019