

January 9, 2023

**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. ALEXANDRA D. TOM-WONG**  
**Officer-In-Charge, Disclosure Department**

Dear Ma'am:

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 December 31, 2022; and,
2. Report of Independent Auditors on Factual Findings.

**D.M. WENCESLAO & ASSOCIATES, INCORPORATED**

  
**BENIGNO A. TATUNAY**  
Chief Finance Officer

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January 9, 2023

**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. Alexandra D. Tom-Wong**  
*Officer-In-Charge, 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 December 31, 2022 are as follows:

|   |          |                           |
|---|----------|---------------------------|
| Offering Proceeds   |          |                           |
| (679,172,800 shares at Php12.00 per share)                      | P        | 8,150,073,600             |
| <hr/>   |          |                           |
| 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                 |
| <b>Net Offering Proceeds</b>                                    |          | <u>7,599,213,600</u>      |
| <br>  |          |                           |
| Less: Disbursements   |          |                           |
| Accumulated costs incurred as of September 30, 2022             |          | 7,111,814,902             |
| Costs incurred for the quarter ended December 31, 2022          |          | 8,255,865                 |
| <b>Total disbursements</b>                                      |          | <u>7,120,070,767</u>      |
| <br>  |          |                           |
| <b>Balance of the Offering Proceeds as of December 31, 2022</b> | <b>P</b> | <u><u>479,142,833</u></u> |

We hope you find everything in order.

Very truly yours,

  
**BENIGNO A. TATUNAY**  
Chief Finance Officer

## Report of Independent Auditors on Factual Findings

### The Board of Directors and Stockholders D.M. Wenceslao & Associates, Incorporated

15<sup>th</sup> Floor, Aseana 3  
D. Macapagal Blvd. corner Asean Ave., Aseana City  
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 December 31, 2022 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 (Revised), *Agreed-Upon Procedures Engagements*, applicable to agreed-upon procedures engagements.

We present below the summary of the breakdown and application of the Offering Proceeds as of and for the quarter ended December 31, 2022, based on the information we obtained from the Company.

|  | <u>Revised<br/>Allocation of<br/>Offering Proceeds</u> |   | <u>Application of<br/>Offering Proceeds<br/>as of<br/>September 30, 2022</u> |   | <u>Application of<br/>Offering Proceeds<br/>for the<br/>Quarter ended<br/>December 31, 2022</u> |   | <u>Balance of<br/>Offering Proceeds<br/>as of<br/>December 31, 2022</u> |
|--|--|---|--|---|---|---|---|
| Pipeline project development                     | P 5,731,213,878  | P | 5,731,213,878  | P | -   | P | -   |
| Land assets                                      | 880,101,954  |   | 566,061,976  |   | -   |   | 314,039,978   |
| Infrastructure development<br>within Aseana City | 524,345,738  |   | 350,987,018  |   | 8,255,865   |   | 165,102,855   |
| General corporate purposes                       | <u>463,552,030</u>                                     |   | <u>463,552,030</u>   |   | <u>-</u>  |   | <u>-</u>  |
|  | <u>P 7,599,213,600</u>                                 | P | <u>7,111,814,902</u>   | P | <u>8,255,865</u>  | P | <u>479,142,833</u>  |

### 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 December 31, 2022.
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 December 31, 2022.
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 and its subsequent revisions of allocation as approved by the Company's Board of Directors (BOD) and disclosed in the PSE Electronic Disclosure Generation Technology (PSE EDGE).
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 December 31, 2022 consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus and its subsequent revision of allocation as approved by the Company's BOD on November 11, 2021 and disclosed in the PSE EDGE on November 12, 2021.
4. With respect to item 4, we noted the following:
  - a.) The details of the disbursements incurred for the quarter ended December 31, 2022 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 pipeline projects include 8912 Asean Ave. (formerly known as Aseana Four), Aseana Plaza (formerly known as Aseana Five and 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 December 31, 2022, completed pipeline projects include 8912 Asean Ave. and Pixel Residences.

On November 5, 2020, the Company's BOD approved the reallocation of P1,000.0 million of the Offering Proceeds originally intended for the purchase of land assets to pipeline project developments. Further, on November 11, 2021, the Company's BOD approved another P1,000.0 million reallocation of Offering Proceeds originally intended for the purchase of land assets to pipeline project developments.

As a result of the abovementioned reallocations, the revised allocation of proceeds for the Company's pipeline projects amounted to P5,731.2 million as of December 31, 2022.

There were also certain reallocations made within the pipeline project development; however, these did not result in a change on the planned use of proceeds with respect to the total allocation for the pipeline project development as disclosed in the Offering Prospectus and its subsequent reallocation as discussed above.

As of December 31, 2022, P5,731.2 million from the Offering Proceeds were fully released and used for this purpose.

- **8912 Asean Ave.**

8912 Asean Ave. is a 15-storey office building with total gross leasable area of approximately 68,000 sq.m.

The project stretches 120 meters along Aseana Avenue 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.

P2,411.9 million from the Offering Proceeds were allocated to fund the construction, planning-related activities, and pile driving works of this project, and were fully released as of December 31, 2022. There were no disbursements related to this project for the quarter December 31, 2022.

- **Aseana Plaza**

Aseana Plaza is the fifth and latest office project of the Group, located along Aseana Avenue beside 8912 Asean Ave. and Parqal mixed-use development.

Aseana Plaza is designed to cater to the traditional corporate offices and Business Process Outsourcing industry, and gaming and tourism-related companies.

The four-tower project sits in an approximately 15,000 sq.m. site and to date has a planned total construction floor area of 230,173.14 sq.m. and a gross floor area of approximately 150,000 sq.m. It is connected to the skywalk system master plan that follows Aseana City's urban concept.

P113.3 million from the Offering Proceeds were allocated for this purpose and were fully released as of December 31, 2022. There were no disbursements related to this project for the quarter ended December 31, 2022.

- **MidPark Towers**

MidPark Towers comprises of four 15-storey 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 Parañaque Integrated Terminal Exchange (formerly known as Southwest Integrated Bus Terminal Exchange).

P539.9 million from the Offering Proceeds were allocated to fund the general construction, architectural design and pile driving works of the project, and were fully released as of December 31, 2022. There were no disbursements related to this project for the quarter ended December 31, 2022.

- **Parqal**

Parqal with approximately 70,000 sq.m. leasable floor area is a mixed-use project with office and retail spaces that stretches from Diokno Avenue to Macapagal Avenue.

The project features a climate protected and walkable mixed-use development with a 50% retail component. It is composed of nine independent 4-storey buildings. Around 60% of Parqal lot area is dedicated to lush green landscapes and recreational facilities.

P2,379.8 million from the Offering Proceeds were allocated for this purpose and were fully released as of December 31, 2022. There were no disbursements related to this project for the quarter ended December 31, 2022.

- **Pixel Residences**

Pixel Residences is the first mixed-use residential development of the Company conceptualized to meet the demand for quality, generous living spaces and a private space at a prime location. Starting the last quarter of 2019, the Company has started the turnover of units for this project.

P286.3 million from the Offering Proceeds were allocated for this purpose and were fully released as of December 31, 2022. There were no disbursements for the quarter ended December 31, 2022.

- **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 December 31, 2022, P359.2 million were released and used for this purpose. Disbursements for the quarter then ended amounted to P8.3 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 December 31, 2022, P566.1 million from the Offering Proceeds were released and used for this purpose. There were no disbursements related to this purpose for the quarter ended December 31, 2022.

- **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 December 31, 2022, P463.6 million from the Offering Proceeds were fully released and used for this purpose. There were no disbursements related to this purpose for the quarter ended December 31, 2022.

c.) The remaining balance of the Offering Proceeds amounting to P479.1 million as of December 31, 2022, is expected to be applied on costs to be incurred in accordance with the planned use of proceeds as disclosed in the Offering Prospectus, its subsequent revision of allocation, and to the PSE. The P479.1 million remaining balance represents only 6% of the Offering Proceeds. The estimated completion of proceeds disbursement will depend on the Company's judgement on available market opportunities. The implementation of any change in the Work Program will be subject to prior approval of the Board of Directors.

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: John Endel S. Mata**  
Partner

CPA Reg. No. 0121347

TIN: 257-622-627

PTR No. 9566637, January 3, 2023, Makati City

SEC Group A Accreditation

Partner – No. 121347-SEC (until financial period 2023)

Firm – No. 0002 (until Dec. 31, 2024)

Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

January 9, 2023