



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

GENERAL CONTRACTORS

15/F Aseana 3 Bldg., Pres. D. Macapagal Blvd.,  
Cor. Aseana Avenue, Aseana City,  
1701 Parañaque City  
TEL.: (632) 8854-5711 . FAX: (632) 8853-2590

January 12, 2024

**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**  
Office-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, 2023; and,
2. Report of Independent Auditors on Factual Findings.

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

**BENIGNO A. TATUNAY**  
Chief Finance Officer

• CONSTRUCTION • SUPERVISION AND MANAGEMENT • PLANNING AND DESIGN • DEVELOPMENT •



MEMBER

ISO 9001:2015 CERTIFIED



Management Service

Cert. No. TÜV 100 05 1867



Accreditation by the Joint Accreditation System  
Of Australia and New Zealand, URL:  
[www.jas-anz.com/australia](http://www.jas-anz.com/australia)



January 12, 2024

**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**  
*Office-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, 2023 are as follows:

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Offering Proceeds (679,172,800 shares at Php12.00 per share)	P	8,150,073,600
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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>		<hr/> <b>7,599,213,600</b> <hr/>
Less: Disbursements		
Accumulated costs incurred as of September 30, 2023		7,380,333,082
Costs incurred for the quarter ended December 31, 2023		218,880,518
<b>Total disbursements</b>		<hr/> <b>7,599,213,600</b> <hr/>
<b>Balance of the Offering Proceeds as of December 31, 2023</b>	<b>P</b>	<b>-</b>
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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, 2023 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, 2023, based on the information we obtained from the Company.

	Revised Allocation of <u>Offering Proceeds</u>	Application of Offering Proceeds as of <u>September 30, 2023</u>	Application of Offering Proceeds for the Quarter ended <u>December 31, 2023</u>	Balance of Offering Proceeds as of <u>December 31, 2023</u>
Pipeline project development	P 6,185,029,617	P 5,972,319,094	P 212,710,523	P -
Land assets	566,061,976	566,061,976	-	-
Infrastructure development within Aseana City	384,569,977	378,399,982	6,169,995	-
General corporate purposes	<u>463,552,030</u>	<u>463,552,030</u>	<u>-</u>	<u>-</u>
	<u>P 7,599,213,600</u>	<u>P 7,380,333,082</u>	<u>P 218,880,518</u>	<u>P -</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, 2023.
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, 2023.
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, 2023 consistent with the planned application of proceeds indicated in the Use of Proceeds section of the Offering Prospectus and its subsequent revisions of allocation as approved by the Company's BOD on November 5, 2020, November 11, 2021 and August 10, 2023 and disclosed in the PSE EDGE on November 6, 2020, November 12, 2021 and August 10, 2023, respectively.
4. With respect to item 4, we noted the following:
  - a.) The details of the disbursements incurred for the quarter December 31, 2023 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, 2023, completed pipeline projects include 8912 Asean Ave. and Pixel Residences.

On November 5, 2020 and November 11, 2021, 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 August 10, 2023, the Company's BOD approved P453.8 million reallocation of Offering Proceeds originally intended for the purchase of land assets and infrastructure development within Aseana City to pipeline project developments.

As a result of the abovementioned reallocations, the revised allocation of proceeds for the Company's pipeline projects amounted to P6,185.0 million as of December 31, 2023.

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, 2023, P6,185.0 million were fully released and used for this purpose. Disbursements related to this purpose amounted to P212.7 million for the quarter ended December 31, 2023. Presented below are the summary of the allocation proceeds for the pipeline development projects:

	Initial Allocation of Offering Proceeds on June 29, 2019	Revised Allocation of Offering Proceeds as of June 30, 2023	Application of Offering Proceeds as of September 30, 2023	Application of Offering Proceeds for the Quarter ended December 31, 2023	Balance of Offering Proceeds as of December 31, 2023
8912 Aseana Ave	P 518,001,926	P 2,434,535,736	P 2,434,535,736	P -	P -
Aseana Plaza	1,149,704,276	113,314,994	113,314,994	-	-
MidPark Towers	711,302,646	671,129,434	566,474,324	104,655,110	-
Parqal	528,101,964	2,679,791,543	2,571,736,130	108,055,413	-
Parkside Place 2	349,401,300	-	-	-	-
Aseana Mainstreet 2	325,801,212	-	-	-	-
Pixel Residences	148,900,554	286,257,910	286,257,910	-	-
	<u>P 3,731,213,878</u>	<u>P 6,185,029,617</u>	<u>P 5,972,319,094</u>	<u>P 212,710,523</u>	<u>P -</u>

o **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.

P2,434.5 million from the Offering Proceeds were allocated for this purpose and were fully released as at December 31, 2023. There were no disbursements related to this project for the quarter ended December 31, 2023.

- **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, 2023. There were no disbursements related to this project for the quarter ended December 31, 2023.

- **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).

P671.1 million from the Offering Proceeds were allocated for this purpose and were fully released as at December 31, 2023. Disbursements related to this project amounted to P104.7 million for the quarter ended December 31, 2023.

- **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.

P2,679.8 million from the Offering Proceeds were allocated for this purpose and were fully released as at December 31, 2023. Disbursements related to this project amounted to P108.1 million for the quarter ended December 31, 2023.

- **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, 2023. There were no disbursements related to this project for the quarter ended December 31, 2023.

- **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.

P384.6 million from the Offering Proceeds were allocated for this purpose and were fully released as at December 31, 2023. Disbursements for this purpose amounted to P6.2 million for the quarter ended December 31, 2023.

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.

P566.1 million from the Offering Proceeds were allocated for this purpose and were fully released as of December 31, 2023. There were no disbursements related to this purpose for the quarter ended December 31, 2023.

- **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, 2023, 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, 2023.

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. 10076144, January 3, 2024, Makati City  
SEC Group A Accreditation  
Partner - No. 121347-SEC (until financial period 2023)  
Firm - No. 0002 (until Dec. 31, 2024)  
BIR AN 08-002551-040-2023 (until Jan. 24, 2026)  
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

January 12, 2024