

**C O V E R   S H E E T**

for

**Current Report under Section 17 of the Securities Regulation Code and SRC Rule  
17.2 Thereunder**

SEC Registration Number

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**COMPANY NAME**

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**PRINCIPAL OFFICE** (No. / Street / Barangay / City / Town / Province)

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Secondary License Type, If Applicable

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**COMPANY INFORMATION**

Company's email Address

decorp@decorp.com.ph

Company's Telephone Number

(632) 8374 3040

Mobile Number

9285066639

No. of Stockholders

55

Annual Meeting (Month / Day)

Every 3rd Tuesday of April

Fiscal Year (Month / Day)

12/31

**CONTACT PERSON INFORMATION**The designated contact person MUST be an Officer of the Corporation

Name of Contact Person

Lilian D. Saralde

Email Address

lds@decorp.com.ph

Telephone Number/s

(632) 8374 3040

Mobile Number

9285066639

**CONTACT PERSON'S ADDRESS**

VERIA I Bldg., 62 West Avenue, Quezon City

**Note 1 :** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated

**2 :** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17  
OF THE SECURITIES REGULATION CODE  
AND SRC RULE 17.2(c) THEREUNDER

1. APRIL 30, 2025

Date of Report (Date of earliest event reported)

2. SEC Identification Number 18890 3. BIR Tax Identification No. 000-202-524

4. DAGUPAN ELECTRIC CORPORATION

Exact name of issuer as specified in its charter

5. PANGASINAN, PHILIPPINES

Province, country or other jurisdiction of  
incorporation

6.  (SEC Use Only)  
Industry Classification Code:

7. AB FERNANDEZ STREET, DAGUPAN CITY, PANGASINAN

Address of principal office

2400  
Postal Code

8. +632 83743039

Issuer's telephone number, including area code

9. N/A

Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class

Number of Shares of Common Stock  
Outstanding and Amount of Debt Outstanding

COMMON

14,662,000

11. Indicate the item numbers reported herein: ITEM 9 - OTHER EVENTS

The use of the proceeds of its primary offering of common shares to the general public as of  
December 31, 2024. Please see attached reports

1. Annual Progress Report on the Application of Proceeds from the Public Offer of Dagupan  
Electric Corporation as of and for the year ended December 31, 2024; and
2. Report of Independent Auditors on Factual Findings

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dagupan Electric Corporation  
Issuer

April 30, 2025  
Date

*Rene L. Llames*

Rene L. Llames  
President and CEO

# COVER SHEET

for

## ANNUAL PROGRESS REPORT ON THE APPLICATION OF PUBLIC OFFER WITH CERTIFICATION BY THE COMPANY'S EXTERNAL AUDITORS

SEC Registration Number

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### COMPANY NAME

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### PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

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Department requiring the report

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Secondary License Type, If Applicable

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### COMPANY INFORMATION

Company's email Address

decorp@decorp.com.ph

Company's Telephone Number

(632) 8374 3039

Mobile Number

9285066639

No. of Stockholders

55

Annual Meeting (Month / Day)

Every 3rd Tuesday of April

Fiscal Year (Month / Day)

12/31

### CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Lilian D. Saralde

Email Address

lds@decorp.com.ph

Telephone Number/s

(632) 8374 3039

Mobile Number

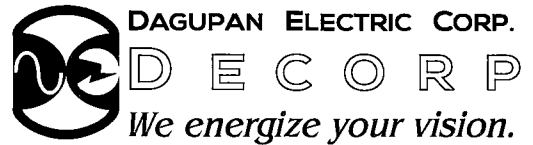
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### CONTACT PERSON'S ADDRESS

VERIA I Bldg., 62 West Avenue, Quezon City

**Note 1 :** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated

**2 :** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



April 30, 2025

**SECURITIES AND EXCHANGE COMMISSION**

Secretarial Building, PICC Complex  
Roxas Boulevard, Pasay City

Attention: **Hon. Vicente Graciano P. Felizmenio Jr.**  
Director

Re: Dagupan Electric Corporation  
Annual Progress Report on the Application of Public Offer Proceeds with  
Certification by the Company's External Auditors

Gentlemen:

In compliance with the disclosure requirements of the Securities and Exchange Commission (SEC), attached are the following:

1. Annual Progress Report on the Application of Proceeds from the Public Offer of Dagupan Electric Corporation as of and for the period ended December 31, 2024; and
2. Report of Independent Auditors on Factual Findings

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "Rene Llamas".

Rene L. Llamas  
President and CEO

April 30, 2025

**SECURITIES AND EXCHANGE COMMISSION**

Secretarial Building, PICC Complex  
Roxas Boulevard, Pasay City



Attention: **Hon. Vicente Graciano P. Felizmenio Jr.**  
Director

Re: Dagupan Electric Corporation  
Annual Progress Report on the Application of Public Offer Proceeds with  
Certification by the Company's External Auditors

Gentlemen:

In line with the Public Offer of Dagupan Electric Corporation (the "Company") approved on December 27, 2023, please find attached our report detailing the application of the proceeds from the offering. The details of the disbursements as of and for the period ended December 31, 2024 are as follows:

|  |                       |
|--|-----------------------|
| Gross Proceeds from the Public Offering<br>(2,200,000 shares at ₱533.00 per share) | <b>₱1,172,600,000</b> |
| Less: Public Offer Related Expenses  |                       |
| Underwriting fee   | 2,500,000             |
| Legal fee  | 10,000,000            |
| Value added and gross receipts Tax   | 1,415,000             |
| Documentary stamp tax  | 2,200,000             |
| SEC registration fee   | 1,167,200             |
| Audit fee  | 770,000               |
| Publication costs  | 71,240                |
| Printing costs   | 20,000                |
|  | <b>18,143,440</b>     |
| Net Offer Proceeds   | <b>₱1,154,456,560</b> |
| Less: Disbursements  |                       |
| Costs incurred for the period ended December 31, 2024                              | 310,637,640           |
| Balance of the Offer Proceeds as of December 31, 2024                              | <b>₱843,818,920</b>   |

We hope you will find everything in order.

Very truly yours,

Rene L. Llamas  
President and CEO

**Report of Independent Auditors on Factual Findings**

The Board of Directors and Stockholders  
**DAGUPAN ELECTRIC CORPORATION**  
AB Fernandez St., Dagupan City  
Province of Pangasinan

We have performed the procedures agreed with you, and enumerated below, with respect to the attached Annual Progress Report (the Report) as of and for the year ended December 31, 2024 on the application of proceeds from the public offering (Offering Proceeds) of **Dagupan Electric Corporation** (the Company) on December 27, 2023. The procedures were performed solely to enable the Company to comply with the requirement of the Securities and Exchange Commission (SEC) to submit the Report relating to the application of the Offering Proceeds accompanied by an external auditor's report.

Our engagement was undertaken in accordance with Philippine Standard on Related Services (PSRS) 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*, applicable to agreed-upon procedures engagements.

We present below the summary of the breakdown and application of the Offering Proceeds as of December 31, 2024 based on the information we obtained from the Company.

|                                | Allocation of<br>Proceeds<br>Per Prospectus | Allocation<br>Based on Actual<br>Net Proceeds | Application of<br>Offering<br>Proceeds for the<br>Year Ended<br>December 31,<br>2024 | Balance of<br>Offering<br>Proceeds as of<br>December 31,<br>2024 |
|--------------------------------|---|---|--|--|
| Capital expenditures           | ₱800,000,000                                | ₱800,000,000                                  | ₱310,637,640   | ₱489,362,360   |
| Investment in renewable energy | 354,416,098                                 | 354,456,560                                   | -  | 354,456,560  |
| <b>Total</b>                   | <b>₱1,154,416,098</b>                       | <b>₱1,154,456,560</b>                         | <b>₱310,637,640</b>  | <b>₱843,818,920</b>  |

We report our findings 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 year ended December 31, 2024;

We checked the mathematical accuracy of the Report and schedules and found no exceptions.

2. Agreed total amount of disbursements of the Offering Proceeds shown in the Report to the detailed schedule of disbursements of proceeds for the year ended December 31, 2024. No exceptions were noted.

**Global Reach, Global Quality**

Head Office : 7th Floor, Don Jacinto Building, De la Rosa corner Salcedo Sts., Legaspi Village, Makati City 1229 Philippines • Phone: +63(2) 8894 5892 / 8844 9421 / Fax: +63(2) 8818 1872  
Cebu Office : Unit 504 Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 6000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8029  
Davao Office : 3rd Floor Building B Plaza De Luisa, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 6636  
Palawan Office : 2F MRC Building, Pineda Road, Brgy. San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone +63(48) 716 1580  
Website : [www.dmdcpa.com.ph](http://www.dmdcpa.com.ph)

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.

We found the disbursements of proceeds in the Report for the year ended December 31, 2024 consistent with the planned application of proceeds indicated in the Use of Proceeds section of 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.

The details of the disbursements incurred for the year ended December 31, 2024 showed that the Company used the Offering Proceeds for the following purposes:

- **Capital Expenditure Projects**

The Company intends to use ₱800,000,000 from the Net Offer Proceeds to finance its capital expenditures over a period of three (3) years. This allocation was made to ensure that the Company is able to provide continuous and reliable services to its customers. The utilization of the Net Offer Proceeds was based on the Company's costs, which include materials and labor, for the projects installed during a specific period. The Company regularly purchases its annual material requirements for future projects. With this practice, in 2024, the costs associated with the installed projects, which serve as the basis for utilizing the Net Offering Proceeds, include materials that were purchased prior to the public offering. In addition, the Net Offer Proceeds were utilized to reimburse the projects that had already begun prior to the public offering.

As of December 31, 2024, ₱310,637,640 from the Net Offer Proceeds allocated for capital expenditures has been utilized. The following are the details of the disbursements:

|   | Allocation of<br>Proceeds Per<br>Prospectus | Allocation<br>Based on<br>Actual Net<br>Proceeds | Application of<br>Offering<br>Proceeds for<br>the Year Ended<br>December 31,<br>2024 | Balance of<br>Offering<br>Proceeds as of<br>December 31,<br>2024 |
|---|---|--|--|--|
| Advanced distribution management system and related communication infrastructure  | ₱155,000,000                                | ₱155,000,000                                     | ₱4,729,528   | ₱150,270,472   |
| Construction of 20/25 MVA, 69 kV/13.8kV substation in Sta. Barbara, Pangasinan  | 142,000,000                                 | 142,000,000                                      | 71,641,086   | 70,358,914   |
| Primary line extension, rehabilitation and upgrades   | 11,000,000                                  | 11,000,000                                       | 11,000,000   | -  |
| Line extension, rehabilitation, and upgrades  | 148,200,000                                 | 148,200,000                                      | 80,180,130   | 68,019,870   |
| Purchase and installation of meters and metering equipment  | 91,000,000                                  | 91,000,000                                       | 41,850,903   | 49,149,097   |
| Purchase and installation of distribution transformers  | 68,000,000                                  | 68,000,000                                       | 27,492,420   | 40,507,580   |
| Rehabilitation of acquired LUELCO distribution lines  | 21,000,000                                  | 21,000,000                                       | 16,801,206   | 4,198,794  |
| Information system equipment  | 18,000,000                                  | 18,000,000                                       | 4,074,753  | 13,925,247   |
| System integration and customer interface improvement   | 15,000,000                                  | 15,000,000                                       | 7,069,396  | 7,930,604  |
| Additional service vehicles and trucks  | 61,000,000                                  | 61,000,000                                       | 16,953,464   | 44,046,536   |
| Rehabilitation of Labrador-Binmaley-Calasiao 69 kV subtransmission line   | 1,500,000                                   | 1,500,000  | 92,755   | 1,407,245  |
| Primary line rehabilitation from Saguid Bahley to Nibaliw Vidal, San Fabian   | 1,200,000                                   | 1,200,000  | 410,690  | 789,310  |
| Purchase and installation of service drops to replace old annealed and undersized service drops   | 22,000,000                                  | 22,000,000                                       | 9,876,952  | 12,123,048   |
| Purchase and installation of grounding and earthing equipment to improve lower ground resistance  | 1,800,000                                   | 1,800,000  | 777,001  | 1,022,999  |
| Purchase and installation of equipment to improve insulation-coordination of distribution lines to withstand lightning strikes, high humidity, and contaminants | 13,000,000                                  | 13,000,000                                       | 225,272  | 12,461,936   |
| Replacement of street lightings from mercury to high-pressure sodium  | 19,000,000                                  | 19,000,000                                       | 6,538,064  | 12,461,936   |



|  | Allocation of<br>Proceeds Per<br>Prospectus | Allocation<br>Based on<br>Actual Net<br>Proceeds | Application of<br>Offering<br>Proceeds for<br>the Year Ended<br>December 31,<br>2024 | Balance of<br>Offering<br>Proceeds as of<br>December 31,<br>2024 |
|--|---|--|--|--|
| Tools and equipment                              | 5,000,000                                   | 5,000,000  | 5,000,000  | -  |
| Buildings and ground improvements                | 5,200,000                                   | 5,200,000  | 5,200,000  | -  |
| Communication and office furniture and equipment | 1,100,000                                   | 1,100,000  | 724,020  | 375,980  |
| <b>Total</b>                                     | <b>₱800,000,000</b>                         | <b>₱800,000,000</b>                              | <b>₱310,637,640</b>  | <b>₱489,362,360</b>  |

- **Investment in Renewable Energy**

The Company intends to allocate the remaining Net Offer Proceeds towards potential investment opportunities in the renewable energy sector. The Company is considering entering into a joint venture with a renewable energy supplier to build and operate a solar power plant as embedded generation for the Company. Below is the status of the investment:

|  |              |
|--|--------------|
| Allocation of Proceeds per Prospectus                                  | ₱354,416,098 |
| Allocation Based on Actual Net Proceeds                                | ₱354,456,560 |
| Application of Net Offer Proceeds for the Year Ended December 31, 2024 | -            |
| Balance of Net Offer Proceeds as of December 31, 2024                  | ₱354,456,560 |

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. No exceptions were noted.

Because the above procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standards on Review Engagements (PSRE), we do not express any assurance on the use of Offering Proceeds based on the said standards. Had we performed additional procedures or 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 intended 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.

Diaz Murillo Dalupan and Company  
by:

  
Alexis B. Abella

Partner

CPA Certificate No. 96749

Tax Identification No. 201-766-994

PTR No. 10478582, January 9, 2025, Makati City

BIR Accreditation No. 08-001911-004-2025, effective until March 11, 2028

April 30, 2025