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## Monde Nissin Corporation

### MONDE

**PSE Disclosure Form 4-29 - Disbursement of Proceeds and Progress Report**  
**References: Memorandum No. 626 - 2007 dated December 20, 2007**  
**Section 4.4 of the Revised Disclosure Rules**

- Annual Report
- Quarterly Report
- Others -

#### Subject of the Disclosure

Quarterly Report on the Use of Proceeds from Monde Nissin Corporation's ("MONDE's") Initial Public Offering ("IPO")

#### Background/Description of the Disclosure

In compliance with the PSE's Notice of Approval for MONDE's IPO on June 1, 2021, MONDE hereby submits the following documents relating to the application of net IPO proceeds for the quarter ended March 31, 2022:

1. CFO Letter-Certification; and
2. Report-Certification of MONDE's external auditor, SGV & Co.

#### Other Relevant Information

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#### Filed on behalf by:

<b>Name</b>	Jon Edmarc Castillo
<b>Designation</b>	Chief Compliance Officer



MONDE NISSIN CORPORATION  
Felix Reyes Street,  
Barangay Balibago  
City of Santa Rosa, Laguna  
4026 Philippines

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April 16, 2022

**The Philippine Stock Exchange, Inc.**

PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, 1634  
Taguig City

Attention: **Ms. Janet A. Encarnacion**  
Head, Disclosures Department

Subject: **Application of IPO Proceeds Quarterly Summary**

Ladies and Gentlemen:

In connection with Monde Nissin Corporation's ("Monde's") Initial Public Offering ("IPO") on June 1, 2021, we submit herewith our quarterly progress report ("Report") on the application of the net IPO proceeds. Accordingly, for the quarter ended Mar 31, 2022, the application of the net IPO proceeds is broken down as follows:

<b>Use of Proceeds</b>	<b>As of March 31, 2022</b>
Balance of IPO proceeds as of December 31, 2021	<b>₱6,904,660,061</b>
Payment of Working Capital	<b>201,801,533</b>
Payment of Fixed Assets:	
APAC BFB	
Capacity increase and innovation – Philippine operations	366,530,766
Capacity increase and innovation - Thailand operations	64,157,330
End-to-end supply network redesign – Philippine operations	5,796,426
Operational efficiency initiatives – Philippine operations	602,419
Meat Alternative	
To expand capacity	288,800,303
To improve manufacturing and new product development capabilities	118,046,786
To reduce emissions across the supply chain	2,973,379
	<b>846,907,409</b>
Total	<b>5,855,951,119</b>
Movement in unrealized foreign exchange loss	<b>(116,454,106)</b>
<b>Unused Proceeds as of March 31, 2022</b>	<b>₱5,739,497,013</b>

There were no other disbursements and applications made during the relevant quarter.

In compliance with the conditions of the Philippine Stock Exchange's IPO Notice of Approval, the undersigned hereby certifies the foregoing as true and correct based on available records. Likewise enclosed is the certification from Monde's external auditor, SGV & Co., in connection with the Report.

We trust that you find everything in order.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jesse C. Teo', with a large loop at the beginning and a wavy end.

**Jesse C. Teo**  
Chief Financial Officer

## **Agreed-Upon Procedures Report on the Quarterly Progress Report on the Use of Proceeds as at March 31, 2022**

The Stockholders and the Board of Directors  
Monde Nissin Corporation  
Felix Reyes St., Barangay Balibago  
Santa Rosa, Laguna

### *Purpose of this agreed upon procedures report*

We have performed the procedures which were agreed to by Monde Nissin Corporation (the Engaging Party, the Company, the Corporation or MNC) and enumerated below with respect to the Quarterly Progress Report on the Use of Proceeds from the common shares offering for the period ended March 31, 2022 (“the Subject Matter”). Our report is solely for the purpose of assisting you in complying with the reporting requirements of the Philippine Stock Exchange (PSE), and this may not be suitable for another purpose.

### *Restriction on Use*

This agreed-upon procedures report (AUP Report) is intended solely for the information and use of the Company and the PSE and is not intended to be and should not be used by anyone else.

### *Responsibilities of the Company*

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement.

The Company is responsible for the Subject Matter on which the agreed-upon procedures are performed. The sufficiency of these procedures is solely the responsibility of the Company.

### *Practitioner’s Responsibilities*

We have conducted the agreed-upon procedures engagement in accordance with Philippine Standard on Related Services (PSRS) 4400 (Revised), *Agreed-Upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with the Engaging Party, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness or the sufficiency of the agreed-upon procedures described below either for the purpose for which this AUP Report has been requested or for any other purpose.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

*Professional Ethics and Quality Control*

In performing the Agreed-Upon Procedures engagement, we complied with the ethical requirements in the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics). We are not required to be independent for the purpose of this engagement. We are the independent auditor of the Company and complied with the independence requirements of the IESBA Code that apply in context of the financial statement audit.

Our firm applies International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

*Procedures and findings*

We have performed the procedures described below, which were agreed upon with the Company in terms of the engagement dated March 30, 2022, on the Subject Matter

**Procedures performed**

1. Obtained from management the Progress Report as at March 31, 2022 showing the following information:
  - a. Balance of net proceeds as at December 31, 2021;
  - b. Detailed schedule and description of disbursements for the period January 1, 2022 to March 31, 2022 (the period);
  - c. Amount of disbursement for the period; and
  - d. Balance of net proceeds as at March 31, 2022.
2. Checked the mathematical accuracy of the Progress Report.
3. Compared the disbursements as indicated in the Progress Report as at March 31, 2022 to the detailed schedule of disbursements during the period.
4. Traced the disbursements in the detailed schedule of disbursements to the supporting documents such as cash disbursement journal, billing statements, invoices, check vouchers, official receipts and bank statements, and agreed the amounts to the list of disbursements.
5. Obtained a complete list of bank accounts, where the IPO proceeds are maintained and traced interbank transfers to bank statements. For bank transfers denominated in foreign currency, checked that the correct exchange rate was used based on published rates.
6. Traced the remaining balance of the net proceeds as of March 31, 2022 to the bank statements as of March 31, 2022.

7. Obtained the list of Board of Directors minutes of meetings for the period and reviewed if there were reallocations or changes in the schedule of planned use of proceeds from the Offering.
8. Compared the disbursements in the Progress Report as of March 31, 2022 to the use of proceeds section of the Offering Circular, as updated for any reallocations as approved by the Board of Directors.

### Findings

1. With respect to item (1), we were able to obtain the Progress Report (see Annex) showing the following information:
  - a. Balance of net proceeds as at December 31, 2021;
  - b. Detailed schedule and description of disbursements for the period January 1, 2022 to March 31, 2022 (the period);
  - c. Amount of disbursement for the period; and
  - d. Balance of net proceeds as at March 31, 2022.
2. With respect to item (2), no exception was noted.
3. With respect to item (3), no exception was noted.
4. With respect to item (4), total capital and operating expenditures for the quarter ended March 31, 2022 amounted to ₱1,048.7 million (see item 8 below). We noted the following:
  - a. Meat Alternative - ₱611.6 million

Meat Alternative segment's total disbursements are as follows:

Type of expenditure	Amount in progress report	Amount based on supporting document <i>(in millions)</i>	Difference
Capital expenditure	₱409.8	₱411.7	(₱1.9)
Operating expenditure	201.8	201.9	(0.1)
<b>Total</b>	<b>₱611.6</b>	<b>₱613.6</b>	<b>(₱2.0)</b>

The difference of ₱2.0 million is primarily due to expenditures that are not part of the planned projects to be funded by the IPO proceeds; hence, not charged against the IPO funds.

- b. APAC BFB - ₱437.1 million

On August 9, 2021, the Board of Directors (BOD) of the Company approved “the transfer from the IPO Proceeds to the operating cash of the Corporation, such amounts of capital expenditure paid by the significant subsidiaries of the Corporation during the year using their respective cashflow”.

- i. Following the BOD resolution, capital expenditure amounting to ₱130.7 million spent by Monde Nissin Thailand (MNTH), Monexco International Ltd. (MIL) and Monde M.Y San Corporation (MMYSC) from January 1 to March 31, 2022 were transferred to MNC's operating funds during the quarter ended March 31, 2022. We traced the above amounts to the related invoices and purchase orders when the funds were originally disbursed by the Subsidiaries using their operating funds.
  - ii. Out of the ₱437.1 million disbursement from the IPO proceeds, we were able to trace ₱425.9 million (97%) to the bank statements of the Corporation. The remaining ₱11.2 million pertains to unpaid capital expenditures as of March 31, 2022. As of April 16, 2022, the Corporation has paid ₱0.1 million of these capital expenditures.
5. We respect to item (5), we noted that the Company invested the IPO Proceeds in the following accounts:
- a. Savings account with local banks;
  - b. Foreign currency denominated savings account; and
  - c. Derivative investment and trust funds to reduce negative carry adhering to the following investment principles: no mark-to-market risk, short tenor of up to 180 days and principal protection.

No exception was noted.

6. With respect to item (6), we noted a difference of ₱3.5 million pertaining to interest income earned by the Company on its cash in bank and investments and bank charges which were not considered as part of the proceeds from the Offering.
7. With respect to item (7), no board resolution related to the reallocation or change in the schedule of planned use of proceeds from the offering was noted.
8. With respect to item (8), we present below the summary of the breakdown and application of the Offering Proceeds as of March 31, 2022 based on the information we obtained from the Company.

	Unused Offering Proceeds as of December 31, 2021	Application of Offering Proceeds during the period	Unused Offering Proceeds as of March 31, 2022
	<i>(in ₱ millions)</i>		
Meat Alternative			
Capital expenditure	₱1,204.9	₱409.8	₱795.1
Operating expenditure	4,100	201.8	3,898.2
APAC BFB			
Capital expenditure	1,293.6	437.1	856.5
	6,598.5	1,048.7	5,549.8
IPO related expenses	228.8	–	228.8
Foreign exchange gain (loss)	77.3	116.4	(39.1)
	<b>₱6,904.6</b>	<b>₱1,179.7</b>	<b>₱5,739.5</b>

*Explanatory paragraph*

The Company is responsible for the source documents that are described in the specified procedures and related findings section. We were not engaged to perform and we have not performed any procedures other than those previously listed. We have not performed procedures to test the accuracy or completeness of the information provided to us except as indicated in our procedures. Furthermore, we have not performed any procedures with respect to the preparation or verification of any of the source documents. We have no responsibility for the verification of any underlying information upon which we relied in forming our findings.

The agreed-upon procedures do not constitute an audit or a review of financial statements or part thereof, the objective of which is the expression of an opinion or conclusion on the financial statements or part thereof.

We undertake no responsibility to update this AUP Report for events and circumstances occurring after the AUP Report is issued.

SYCIP GORRES VELAYO & CO.



Editha V. Estacio

Partner

CPA Certificate No. 91269

Tax Identification No. 178-486-845

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 91269-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-094-2020, July 27, 2020, valid until July 26, 2023

PTR No. 8853492, January 3, 2022, Makati City

April 16, 2022

## Annex: Progress Report for the period January 1 to March 31, 2022

<b>Use of Proceeds</b>	<b>As of March 31, 2022</b>
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