



MONDE NISSIN CORPORATION  
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Philippines 1224

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July 15, 2021

**The Philippine Stock Exchange, Inc.**

PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street,  
Bonifacio Global City, 1643  
Taguig City

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

Subject: **Quarterly Summary of the Application of Proceeds from the Initial Public Offering**

Ladies and Gentlemen:

In connection with the Initial Public Offering (“IPO”) of Monde Nissin Corporation (“**Monde**”) on June 1, 2021, we submit herewith our quarterly progress report (“**Report**”) on the application of the net proceeds coming from the primary offer of up to 3,600,000,000 Monde shares, with an over-allotment option of up to 540,000,000 Monde Shares.

For the second quarter ended June 30, 2021, the application of the net IPO proceeds is broken down as follows:

<b>Use of Proceeds</b>		<b>AS OF JUNE 30, 2021</b>
Total Proceeds (3,600,000,000 shares @ Php13.50 per share)		<b>Php 48,600,000,000</b>
Less: IPO related expenses		
Underwriting and selling commission fees	Php 1,177,670,360	
PSE listing and processing fees	164,725,350	
SEC registration and listing fees	20,607,642	
Professional and accounting fees	172,443,920	
Miscellaneous Fees	252,800	<b>1,535,700,072</b>
Net proceeds after IPO expenses		<b>47,064,299,928</b>
Payment of GIC Note	13,351,934,700	
Payment of term loans	4,126,383,779	
Payment of Fixed Assets:		
Capacity increase and innovation – Philippine operations	1,189,415,533	
Operational efficiency initiatives – Philippine operations	3,196,934	

<b>Use of Proceeds</b>		<b>AS OF JUNE 30, 2021</b>
End-to-end supply network redesign – Philippine operations	46,238,926	<b>18,717,169,872</b>
Total		<b>28,347,130,056</b>
Unrealized foreign exchange gain		22,362,000
<b>Net Proceeds</b>		<b>28,369,492,056</b>

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

In compliance with the conditions of the Philippine Stock Exchange's Notice of Approval for the IPO, 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,



**JESSE C. TEO**  
Chief Financial Officer

## REPORT OF FACTUAL FINDINGS

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

We have performed the procedures agreed with you and enumerated below with respect to the Quarterly Progress Report on Use of Proceeds from the Common Shares Offering (the “Progress Report”) as at June 30, 2021 on the use of proceeds from and expenses related to the initial public offering (IPO) of common shares of Monde Nissin Corporation (the Company) at the Philippine Stock Exchange on June 1, 2021. Our engagement was undertaken in accordance with the Philippine Standard on Related Services (PSRS) 4400, *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*. These procedures were performed solely to enable the Company to comply with the Philippine Securities and Exchange Commission’s requirement to submit an external auditor’s certification on the information being presented by the Company relating to the Progress Report as of June 30, 2021.

Summarized below are the agreed-upon procedures performed and findings on the Progress Report for the period June 1 to June 30, 2021 as prepared by the Company and which is presented as Annex to this report.

### Procedures performed

1. Obtained from management the Progress Report as at June 30, 2021 showing the following information:
  - a. Total proceeds as of June 1, 2021, the IPO date;
  - b. Detailed schedule and description of disbursements for the period June 1, 2021 to June 30, 2021 (the period);
  - c. Amount of disbursement for the period; and
  - d. Balance of net proceeds as of June 30, 2021.
2. Checked the mathematical accuracy of the Progress Report.
3. Compared the disbursements as indicated in the Progress Report as at June 30, 2021 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 June 30, 2021 to the bank statements as of June 30, 2021.
7. Compared the disbursements in the Progress Report as of June 30, 2021 to the use of proceeds section of the Offering Circular.
8. 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.

### Findings

1. With respect to item (1), we were able to obtain the Progress Report showing the following information:
  - a. Total proceeds as of June 1, 2021, the IPO date;
  - b. Detailed schedule and description of disbursements for the period June 1, 2021 to June 30, 2021 (the period);
  - c. Amount of disbursement for the period; and
  - d. Balance of net proceeds as of June 30, 2021.
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), disbursements include payments made prior to the receipt of the IPO proceeds (i.e. disbursements from January to May 2021) as follows:

	Amount
Capital expenditures	₱1,124,577,308
IPO-related expenses	233,299,907
	<u>₱1,357,877,215</u>

The above amounts were initially advanced out of the Company's operating funds and subsequently charged against the IPO proceeds. We traced the above amounts to the related invoices and purchase orders when the funds were originally disbursed. We noted no exception.

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 ₱2,959,999 and ₱47,500 pertaining to interest income earned by the Company on its cash in bank and investments and required balance to open a bank account, respectively, which were not considered as part of the proceeds from the Offering.

7. With respect to item (7), we present below the summary of the breakdown and application of the Offering Proceeds for the period June 1, 2021 to June 30, 2021 based on the information we obtained from the Company.

	Planned Allocation of Offering Proceeds	Application of Offering Proceeds during the Period	Unused Offering Proceeds as of June 30, 2021
		<i>(in ₱ millions)</i>	
Loan payment	₱6,476.8	₱4,126.4	₱2,350.4
Redemption of Convertible Note	13,351.9	13,351.9	–
Capital expenditure			
Meat alternative	15,718.0	–	15,718.0
APAC BFB	10,801.0	1,238.9	9,562.1
IPO related expenses	2,252.3	1,535.7	716.6
Foreign exchange loss/(gain)	–	(22.4)	22.4
	<b>₱48,600.0</b>	<b>₱20,230.5</b>	<b>₱28,369.5</b>

8. With respect to item (8), no board resolution related to the reallocation or change in the schedule of planned use of proceeds from the offering was 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), respectively, we do not express any assurance on the Company's financial statements.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA or PSRE, other matters might have come to our attention that would have been reported to you. This report is intended solely for the purpose set forth in the first paragraph of this report and should not be used for any other purpose or be distributed to any other parties who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the accounts and items specified above and do not extend to any financial statements of the Company taken as a whole.

SYCIP GORRES VELAYO & CO.



Editha V. Estacio  
Partner

CPA Certificate No. 91269

SEC Accreditation No. 1700-A (Group A),  
August 16, 2018, valid until August 15, 2021

Tax Identification No. 178-486-845

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

PTR No. 8534246, January 4, 2021, Makati City

July 14, 2021

## Annex: Progress Report for the period June 1 to June 30, 2021

<b>Use of Proceeds</b>	<b>As of June 30, 2021</b>
Total Proceeds (3,600,000,000 shares @ ₱13.50)	<b>₱48,600,000,000</b>
Less: IPO related expenses	
Underwriting and selling commission fees	1,177,670,360
PSE listing and processing fees	164,725,350
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End-to-end supply network redesign – Philippine operations	46,238,926
Total	<b>28,347,130,056</b>
Unrealized foreign exchange gain	22,362,000
<b>Unused Proceeds as of June 30, 2021</b>	<b>₱28,369,492,056</b>