SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 17.1(b) OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
   - ○ Preliminary Information Statement
   - ◉ Definitive Information Statement
2. Name of Registrant as specified in its charter
   Monde Nissin Corporation
3. Province, country or other jurisdiction of incorporation or organization
   Philippines
4. SEC Identification Number
   0000086335
5. BIR Tax Identification Code
   000-417-352-000
6. Address of principal office
   Felix Reyes St., Brgy. Balibago, Santa Rosa City, Laguna
   Postal Code
   4026
7. Registrant's telephone number, including area code
   +63277597595
8. Date, time and place of the meeting of security holders
   June 28, 2024 at 10 a.m. Conduct is exclusively via remote communication through an online virtual platform (https://conveneagm.com/ph/MONDE2024ASM)
9. Approximate date on which the Information Statement is first to be sent or given to security holders
   Jun 6, 2024
10. In case of Proxy Solicitations:

   Name of Person Filing the Statement/Solicitor
   Not applicable.
   Address and Telephone No.
   Not applicable.

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	17,968,611,496

13. Are any or all of registrant's securities listed on a Stock Exchange?
   ◉ Yes ○ No
   If yes, state the name of such stock exchange and the classes of securities listed therein:
   The Philippine Stock Exchange.

Monde Nissin

Monde Nissin Corporation
MONDE

PSE Disclosure Form 17-5 - Information Statement for Annual or Special Stockholders' Meeting
References: SRC Rule 20 and Section 17.10 of the Revised Disclosure Rules

Date of Stockholders' Meeting	Jun 28, 2024
Type (Annual or Special)	Annual
Time	10:00 a.m.
Venue	Conduct is exclusively via remote communication through an online virtual platform (https://conveneagm.com/ph/MONDE2024ASM)
Record Date	May 31, 2024

Inclusive Dates of Closing of Stock Transfer Books

Start Date	N/A
End date	N/A

Other Relevant Information
Please see attached Definitive Information Statement in connection with MONDE's 2024 ASM.

Filed on behalf by:

Name	Jon Edmarc Castillo
Designation	Chief Compliance Officer

COVER SHEET

00000086335
S.E.C. Registration Number

M	O	N	D	E		N	I	S	S	I	N		C	O	R	P	O	R	A	T	I	O	N			

(Company's Full Name)

FELIX REYES ST.,
BARANGAY BALIBAGO, CITY OF
SANTA ROSA, LAGUNA 4026

(Business Address: No. Street City / Town / Province)

Atty. Helen G. Tiu Corporate Secretary	7759 7595
Contact Person	Company Telephone Number

1 2	3 1	**SEC Form 20-IS**	0 6	2 8
Month	*Day*		*Month*	*Day*
Fiscal Year		Form Type	Annual Meeting	

Issuer of Securities under SEC-MSRD
No. 27, Series of 2021
Secondary License Type, If Applicable

MSRD	
Dept. Requiring this Doc.	Amended Articles Number/Section

17		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes

MONDE NISSIN CORPORATION

Felix Reyes Street
Brgy. Balibago, Santa Rosa City
4026 Laguna

21st Floor, 6750 Office Tower
Ayala Avenue
1223 Makati

Tel: (+632) 7759 7500
www.mondenissin.com
corporate.secretary@mondenissin.com

June 3, 2024

SECURITIES AND EXCHANGE COMMISSION
Markets and Securities Regulation Department
17th Floor, The SEC Headquarters
7907 Makati Avenue, Bel-Air
Makati

Attention: **HON. OLIVER O. LEONARDO**
Director, Markets and Securities Regulation Department

Re: *MSRD's comments on Monde Nissin Corporation's 2024 PIS*

Ladies and Gentlemen:

Please allow us to extend our continuing appreciation for the Market and Securities Regulation Department's ("*MSRD's*") support and guidance, particularly through the MSRD's comments on Monde Nissin Corporation's ("*MONDE's*"") Preliminary Information Statement ("*PIS*") submitted on May 23, 2024.[1] In response to the MSRD's comments on the PIS, MONDE hereby details below its responses to the MSRD's comments and instructions, and accordingly respectfully submits its Definitive Information Statement ("*DIS*") for our 2024 Annual Stockholders' Meeting ("*ASM*" or "*Meeting*"), with the following updates and additional submissions:

(1) Requirements under Section 49 of the Revised Corporation Code ("*RCC*")

In response to MSRD'S General Comment that MONDE should comply with the disclosure requirements under the RCC's Section 49, and to ensure that the table of the required disclosures and information is updated, MONDE respectfully directs the MSRD's attention to the previously submitted **PIS – pp. 1-3, item 1** (***Date, Time and Place of Meeting of Security Holders***) where we have set out the table of the list of required disclosures and information under the RCC's Section 49 with the corresponding references, as below:

[1] MONDE submitted the PIS to the MSRD in the morning of May 23, 2024. MONDE received the corresponding Payment Assessment Form (PAF) on the next day, May 24, 2024, and paid the requisite filing fees immediately upon receipt.

A. GENERAL INFORMATION

Item 1. **Date, Time and Place of Meeting of Security Holders**

Date:	June 28, 2024
Time:	10:00 A.M. PHT
Place:	Virtually via https://conveneagm.com/ph/MONDE2024ASM

MONDE's principal office is at Felix Reyes St., Brgy. Balibago, Santa Rosa City, Laguna, 4026 Philippines.

The Information Statement may be accessed beginning June 6, 2024 at: www.mondenissin.com and https://conveneagm.com/ph/MONDE2024ASM. The Chairperson of the Meeting shall be in MONDE's principal office as he presides over the Meeting.

The table below sets out MONDE's compliance with the requirements under Section 49 of the Revised Corporation Code ("RCC"):

	Requirement	**Reference**
1.	A description of the voting and vote tabulation procedures used in the last meeting	Please see **Annex E** (*Minutes of the Annual Stockholders' Meeting dated June 30, 2023*) for the manner of voting and the vote tabulation procedures adopted for the approval of the matters presented to the stockholders during the last stockholders' meeting, *i.e.*, the June 30, 2023 stockholders' meeting ("**2023 ASM**"), with 15,329,679,254 of the outstanding and voting shares or 85.31% of the total outstanding capital stock present (*i.e.*, in person, in absentia, or through remote communication) or represented by proxy issued to MONDE's Chief Executive Officer.
2.	A description of the opportunity given	Please see **Annex E** (*Minutes of the Annual*

We have accordingly updated the page references in the DIS – pp. 1-3, item 1 (*Date, Time and Place of Meeting of Security Holders*).

(2) DIS and Management Report on Company Website

In response to the MSRD's instruction to MONDE for it to upload the information statement and the Management Report on MONDE's website, we respectfully advise that the DIS and Management Report may be accessed on MONDE's website under the '*Company Disclosures*' tab at www.mondenissin.com starting June 6, 2024, or as soon as this honorable office approves the DIS, whichever event comes earlier. Please see the related undertaking on p. 21 of the DIS.

(3) Submission of Affidavit of Publication of Notice of the Meeting

In response to the MSRD's instruction to MONDE for it to submit the affidavit of publication of the Notice of the Meeting, we undertake to submit the affidavit of publication of the notice of the Meeting once it has been received by MONDE from the publishers.

(4) Date, Time, and Place of Meeting

In response to the MSRD's comment that MONDE should disclose where the presiding officer shall preside over and hold the annual stockholders' meeting, we respectfully note that this disclosure is reflected on PIS – pp. 1, item 1 (*Date, Time and Place of Meeting of Security Holders*) and DIS – pp. 1 , item 1 (*Date, Time and Place of Meeting of Security Holders*) which provides that the Chairperson of the Meeting shall be in MONDE's principal office (*i.e.,* Felix Reyes St., Brgy. Balibago, Santa Rosa City, Laguna) as he presides over the Meeting, as below:

A. GENERAL INFORMATION

Item 1. **Date, Time and Place of Meeting of Security Holders**

Date:	June 28, 2024
Time:	10:00 A.M. PHT
Place:	Virtually via https://conveneagm.com/ph/MONDE2024ASM

MONDE's principal office is at Felix Reyes St., Brgy. Balibago, Santa Rosa City, Laguna, 4026 Philippines.

The Information Statement may be accessed beginning June 6, 2024 at: www.mondenissin.com and https://conveneagm.com/ph/MONDE2024ASM. The Chairperson of the Meeting shall be in MONDE's principal office as he presides over the Meeting.

(5) Material Legal Proceedings

In response to the MSRD's instruction to MONDE for it to disclose or provide a negative statement if there are no material legal proceedings involving the company, we respectfully note that a negative statement has been provided in the PIS's pp. 9-10; and on pp. 9-10 of the DIS, as below:

(3) **Involvement in Certain Legal Proceedings**

To the best of MONDE's knowledge and belief and after due inquiry, none of the directors, the Nominees, or the executive officers of MONDE and its subsidiaries (the "**Group**"), in the five-year period prior to the date of this Information Statement, had: (1) any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) been convicted by final judgment in a criminal proceeding, domestic or foreign, or has been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) been subjected to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities, or banking activities; or (4) been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange, or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

The Group is not involved in any litigation, arbitration, or claims (including personal injuries, employee compensation or product liability claims) of material importance, and the Group is not aware of any litigation, arbitration, or claims of material importance pending or threatened against it that would have a material adverse effect on its business, financial condition, or results of operations.

(4) Certain Relationships and Related Transactions

In response to the MSRD's instruction to MONDE for it to specify the [particular] Note to the Financial Statements discussing Related Party Transactions to facilitate ease of reference to it by those accessing the information statement, please refer to p.10 of the DIS which specifies the Notes to the Financial Statements that users of the DIS can refer to for a discussion of the related party transactions, as below:

(4) **Certain Relationships and Related Transactions**

The Group, in its regular conduct of business, has entered into transactions with associates and other related parties principally comprising advances and reimbursement of expenses, purchase and sale of trade inventory/merchandise, leasing, and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions. Under MONDE's Material Related Party Transactions Policy, the Board oversees the proper implementation of the system for identifying, monitoring, measuring, controlling, and reporting material related party transactions ("**MRPTs**"), in accordance with the requirements of the SEC's Memorandum Circular No. 10 S. of 2019, or the *Rules on Material Related Party Transactions for PLCs*. For details on the Group's Related Party Transactions, please refer to Note 23 of the Annual Audited Consolidated Financial Statements and Supplementary Schedules as of December 31, 2023 and Note 20 of the Unaudited Interim Consolidated Financial Statements as of March 31, 2024, which are all part of the Management Report, attached as **Annex D**.

Directors, officers, and employees are required to promptly disclose any business and family-related transactions with MONDE to ensure that they are at arm's length, under fair terms, and will inure to MONDE's and its shareholders' best interest in accordance with applicable laws and regulations.

(6) Certification re Government Employment or Connection of Directors and/or Officers

In response to the MSRD's instruction to MONDE for it to include a certification that there are no MONDE directors or officers employed or connected to the government, we respectfully note that the certification has been included in the PIS's Annex F; and is attached as DIS – Annex F (*Certification [that none of MONDE's directors and officers are employed by or connected to the government]*).

(7) Any Known Trends, Events, or Uncertainties (Material Impact on Liquidity)

In response to the MSRD's comment on the PIS that the Management Report should include any known trends, events or uncertainties (material impact on liquidity), if material, we respectfully note that a discussion has been made on pp. 31 and 50 of the PIS's Annex D (Management Report); and on pp. 31 and 50 of the DIS – Annex D (Management Report), which both provide that –

> There were no other known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or income from continuing operations, except those stated above and in the Management's Discussion and Analysis of Factors affecting the Operations, Financial Position and Financial Performance.

(8) Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

In response to the MSRD's comment that the Management Report should include any recent sales of unregistered or exempt securities, including any recent issuances of securities constituting an exempt transaction, kindly please refer to p. 53 of the DIS – Annex D (Management Report) where we have indicated that that there were no securities sold by MONDE within the past three (3) years that were not registered under the Securities Regulation Code.

Attached, for this Honorable Office's convenient reference, is MONDE's DIS in relation to our ASM on June 28, 2024.

We trust that you find everything in order. If you have any questions or require from us more information, please do not hesitate to let us know.

Thank you very much.

Very truly yours,

HELEN G. TIU
Corporate Secretary

Monde Nissin

NOTICE OF ANNUAL STOCKHOLDERS' MEETING FOR 2024

Monde Nissin Corporation's ("**MONDE's**") 2024 Annual Stockholders' Meeting (the "**Meeting**") will be held via the AGM@Convene virtual online platform accessible at https://conveneagm.com/ph/MONDE2024ASM on **June 28, 2024 (Friday) at 10:00 a.m. Philippine Time (PHT)**.

AGENDA[1]

1. Call to order
2. Certification of notice and of quorum
3. Instructions on rules of conduct and voting procedures for the Meeting
4. Approval of Minutes of Previous Stockholders' Meeting held on June 30, 2023
5. Management Report
   a. Message of the Chairperson
   b. Report of the Chief Executive Officer
   c. Report of the Chief Financial Officer
6. Ratification of the 2023 Annual Audited Consolidated Financial Statements
7. Ratification of all acts of the Board of Directors, Board Committees, Officers, and Management for the period June 30, 2023 to June 28, 2024
8. Election of Directors (including 3 Independent Directors) for the ensuing year
9. Appointment of External Auditor and fixing its remuneration
10. Other business
11. Adjournment

Only stockholders of record as of May 31, 2024 ("**Record Date**") are entitled to receive notice of and to vote at the Meeting.

Stockholders who wish to participate in the Meeting must register through the AGM@Convene online portal ("**Portal**") accessible at https://conveneagm.com/ph/MONDE2024ASM. Registration begins at 9:00 a.m. PHT of June 6, 2024 and closes at 5:00 p.m. PHT of June 19, 2024 ("**Registration Period**").

Once registered through the Portal, stockholders may vote using any of the following methods:

(a) **by appointing MONDE's Chief Executive Officer ("CEO") as their proxy through the Portal**. Duly accomplished proxies must be submitted via the Portal on or before June 19, 2024 at 5:00 p.m. PHT. Proxies will be validated upon their submission and until June 21, 2024;

(b) **by appointing MONDE's CEO as their proxy by submitting the duly accomplished proxy form (attached to MONDE's Information Statement)** **via email** **to corporate.secretary@mondenissin.com**. Duly accomplished proxies must be submitted to MONDE **via email to** corporate.secretary@mondenissin.com on or before June 19, 2024 at 5:00 p.m. PHT. Proxies will be validated upon their submission and until June 21, 2024;

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[1] *See next section for the explanation and rationale for each agenda item.*

(c) **by remote communication through the Portal**. The option to vote by remote communication through the Portal will be made available after a stockholder's registration application has been authenticated and approved. Stockholders voting by remote communication may cast their votes before the Meeting, or may opt to cast their votes live during the Meeting; and

(d) **by voting *in absentia* through the Portal**. The option to vote *in absentia* through the Portal will be made available after a stockholder's registration application has been authenticated and approved. Stockholders are allowed to cast their votes *in absentia* until June 27, 2024 at 5:00 p.m. PHT;

For additional details on the Meeting registration and voting, stockholders may refer to MONDE's Information Statement, which will be accessible starting June 6, 2024 at: (i) www.mondenissin.com and (ii) https://conveneagm.com/ph/MONDE2024ASM. Stockholders encountering issues using or accessing the Portal may contact AGM@Convene at support@conveneagm.com for technical support.

In compliance with the relevant issuances and regulations of the Securities and Exchange Commission ("**SEC**"), the Information Statement and its attachments, and other documents related to the Meeting may be accessed starting June 6, 2024 at www.mondenissin.com, and also through https://conveneagm.com/ph/MONDE2024ASM. The Meeting proceedings will be recorded in audio and video formats.

Stockholders of record as of Record Date owning (alone or together with other stockholders) at least 5% of MONDE's total outstanding capital stock may submit proposals on items for inclusion in the Meeting's Agenda on or before June 19, 2024.[2]

All other communications should be sent via email to investor.relations@mondenissin.com, copying corporate.secretary@mondenissin.com.

This notice supersedes the disclosure notice filed with the SEC and the Philippine Stock Exchange on May 17, 2024.

Makati City, June 3, 2024.

Tiu, Helen Go

HELEN G. TIU
Corporate Secretary

[2] *The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and relevant guidelines.*

EXPLANATION FOR AND RATIONALE OF AGENDA ITEMS

1. Call to Order

   The Chairperson will call the Meeting to order at approximately 10:00 a.m. PHT.

2. Certification of Notice and Quorum

   The Corporate Secretary will certify that: (a) in compliance with the requirements of the Revised Corporation Code and the relevant issuances and regulations of the SEC, notice for the Meeting was distributed to MONDE's stockholders of record as of May 31, 2024 (including through the notice's publication in two newspapers of general circulation, in print and online formats, for two consecutive days pursuant to SEC Notice dated February 23, 2024), and (b) that a quorum exists for the transaction of business.

3. Instructions on Rules of Conduct and Voting Procedures

   - Pursuant to the Revised Corporation Code's Sections 23 and 57 and MONDE's Amended By-Laws' Article IV, Section 8 which allow participation and voting *in absentia* by the stockholders, MONDE has set up the designated online web address https://conveneagm.com/ph/MONDE2024ASM which may be accessed by the stockholders to register for the Meeting.
   - Registrants who have submitted complete requirements within the Registration Period will receive an email notice prompting them to verify their email address, and to nominate a password for their account.
   - After verifying their email, the registrants' stockholder status will be authenticated. Pending authentication and approval of the registration application, registrants may already submit questions ahead of the Meeting and appoint MONDE's CEO as proxy, subject to authentication and approval of the registration application.
   - Registrants whose stockholder status have been authenticated will receive an email confirming that their registration application has been approved ("**Confirmation Email**").
   - Registrants who do not receive a Confirmation Email within three (3) business days from submission of complete requirements should email support@conveneagm.com, copying MONDE's Corporate Secretary at corporate.secretary@mondenissin.com.
   - A stockholder who votes *in absentia* or participates through remote communication (both through the Portal) shall be deemed present for purposes of quorum.

   The following are the rules of conduct and procedures for voting and participation in the Meeting through remote communication:

   a. Stockholders may attend the Meeting remotely through https://conveneagm.com/ph/MONDE2024ASM. Questions and comments pertaining to any item on the agenda may be sent during the Registration Period and during the Meeting through the Portal. Questions submitted during the Registration Period will be given priority.
   b. Each of the proposed resolutions will be shown on the screen during the livestreaming as the same is taken up at the Meeting. Stockholders may also vote as each of the agenda items submitted for voting is taken up during the Meeting.
   c. Stockholders intending to participate in the Meeting by remote communication are required to register during the Registration Period at the Portal. The requirements for

participating and voting are set forth in the Information Statement. Only successful registrants will be counted for purposes of determining the existence of a quorum.

d. Upon receipt of the Confirmation Email, successful registrants may vote through the Portal, or through the appointment of MONDE's CEO as proxy. Those choosing to participate by remote communication may also vote live during the Meeting.
e. A stockholder who registers by 5:00 p.m. PHT on June 19, 2024 may still vote by proxy through the Portal or submit questions even pending validation of his/her registration application. Proxies will be validated from their submission until June 21, 2024.
f. A stockholder may also submit his/her/its proxy using the prescribed form to MONDE's Corporate Secretary at corporate.secretary@mondenissin.com not later than 5:00 p.m. PHT on June 19, 2024 ("**Proxy Deadline**").
g. Stockholders may revoke a proxy submitted through the Portal or to MONDE's Corporate Secretary via email at any time before the Proxy Deadline. Proxies will be locked in and may no longer be revoked or changed after the Proxy Deadline. Stockholders who submit proxies and do not revoke such proxies by the end of the Proxy Deadline will not be able to vote live during the Meeting but may submit questions and watch the Meeting live.
h. Stockholders voting *in absentia* may cast their votes electronically through the Portal at any time from the receipt of the Confirmation Email until June 27, 2024 at 5:00 p.m. PHT.
i. All the items in the agenda for the approval by the stockholders will need the affirmative vote of stockholders representing at least a majority of the issued and outstanding capital voting stock present at the Meeting. Except as provided in paragraph (j) below, each outstanding share of stock entitles the registered stockholder to one vote.
j. Election of directors will be by plurality of votes with provision for cumulative voting. Each outstanding share of stock entitles the registered stockholder to one vote per board seat to be filled.
k. The Corporate Secretary and her designated assistants will tabulate all votes received. An independent third party assurance provider will validate the voting results. The Corporate Secretary shall report the preliminary results of voting during the Meeting. The final results as certified by the independent third party assurance provider will be indicated in the minutes of the Meeting.
l. The meeting proceedings shall be recorded in audio and video formats.

4. Approval of Minutes of Previous Stockholders' Meeting Held on June 30, 2023

A copy of the minutes of the Previous (2023) Annual Stockholders' Meeting held on June 30, 2023 ("**Previous Minutes**") is available at www.mondenissin.com and at the Portal. The Previous Minutes' approval requires the affirmative vote of stockholders representing at least a majority of the outstanding capital stock voting through remote communication or *in absentia*, or through the appointment of the CEO as proxy. The Previous Minutes covers the following items:

a. approval of the minutes of the annual stockholders' meeting held on June 24, 2022;
b. management report;
c. ratification of the 2022 audited financial statements;
d. the ratification of acts of the Board and of MONDE officers from June 24, 2022 to June 30, 2023 [including the election of officers, board committee chairpersons and members, and lead independent director; re-allocation or change in the use of IPO proceeds; authorizing MONDE to enter into agreements or execute applications/forms needed by MONDE in the normal course of business and designating MONDE representatives and signatories regarding the same; authorizing MONDE to buy and/or sell company vehicles; approval of change in designation of certain key officers (i.e., Chief Risk Officer and Chief Investor

Relations Officer); reversal of retained earnings appropriation and declaration of cash dividends; authorizing MONDE to appropriate retained earnings; approval of the budget for year 2023; approval and/or removal of signatories for transactions with banks, financial intermediaries, and trust investment companies; approval of certain amendments to MONDE's Material Related Party Transactions Policy; approval of revised policy on non-audit services; approval of MONDE's sustainability policy; approval of the Board and Board Committee evaluation materials or forms and the results of the assessment; designation of MONDE authorized signatories/ representatives to transact business on MONDE's behalf with certain government agencies (whether local or foreign) as are required by law or regulation, in connection with applications and actions before such government agencies; authorizing MONDE to enter into hedging transactions with certain bank and non-bank financial institutions; authorizing MONDE to open, re-activate, and/or close accounts with banks and non-bank financial intermediaries and to avail of their services, and/or products (including internet/ online banking facilities, derivative transactions, supply chain financing agreements) as well as agree to operational details concerning such availments and designating signatories for the same; approval of MONDE's 2022 annual audited consolidated financial statements; approval of MONDE's interim unaudited financial statements for each quarter; authorizing MONDE to borrow from or extend loans (including refinance and guarantee and/or act as surety with respect to existing loans) to, and/or increase equity investments in, various subsidiaries and/or affiliates; appointment of MONDE officers (i.e., Chief Information and Digital Officer, and Chief Strategy Officer [later Chief Business Officer]); authorizing MONDE to appoint representatives in connection with court, administrative and/or other legal proceedings (including extrajudicial compromise agreements) involving MONDE; approval for subscription by MONDE to (i) 820,268,295 common shares of Figaro Coffee Group, Inc., and (ii) 665,845 Series B preferred shares of Terramino, Inc.; approval of certain investment parameters for the investment by the company of foreign currency held; designation of authorized signatories for endorsement of stock certificates; designation of proxies of MONDE to stockholders' meetings of its subsidiaries, affiliates, and investee-companies; authorizing MONDE to apply with the SEC for equity restructuring, *i.e.*, the elimination of deficit through the use of additional paid-in capital stock; authorizing the meeting to be held via remote communication on June 30, 2023, setting the record date for the meeting, appointment of external auditor and fixing its remuneration, and authorizing the CEO to execute the information statement; approval of the agenda for the meeting; approval of Corporate Governance, Nominations, and Remuneration Committee's recommendation regarding the final list of nominees for directors for election at the meeting; the acts of the officers those taken to implement the resolutions of the Board and its Committees in the general conduct of business; and matters covered in the disclosures to the SEC and/or the Philippine Stock Exchange ("**PSE**")];

e. election of directors (including 3 independent directors) for the ensuing year; and
f. appointment of external auditor and fixing its remuneration.

5. Management Report

The Chairperson will deliver the message to the stockholders. CEO Mr. Henry Soesanto, and Chief Financial Officer Mr. Jesse C. Teo, respectively, will report on MONDE's performance in 2023. The stockholders will be requested to note the Management Report.

6. Ratification of the 2023 Annual Audited Consolidated Financial Statements

   The Annual Audited Consolidated Financial Statements ("**AFS**") as of December 31, 2023 will be presented to the stockholders for their approval. The AFS will be included in the Information Statement that may be accessed by the stockholders at www.mondenissin.com and at the Portal. This agenda item requires the affirmative vote of stockholders representing at least a majority of the outstanding capital stock voting through remote communication, *in absentia*, or through the appointment of the CEO as proxy, to be approved.

7. Ratification of All Acts of the Board, Board Committees, Officers, and Management for the period June 30, 2023 to June 28, 2024

   The acts of the Board and its Committees, the Officers, and Management were those adopted since the last annual stockholders' meeting on June 30, 2023 until June 28, 2024. They include:

   a. election of officers, board committee chairpersons and members, and lead independent director (including interim lead independent director, and interim board committee chairperson and member) as well as appointment of their successors, if necessary;
   b. approval of the re-allocation or change in the use of IPO proceeds;
   c. authorizing MONDE to enter into, amend, or terminate agreements and/or execute applications/forms, reports, and/or certifications needed by MONDE in the normal course of business (*e.g.*, non-disclosure or confidentiality agreements; corporate communications, public affairs management and government relations-related agreements; investment management agreements; trust agreements; labor-related, training, and/or recruitment-related agreements; employee benefits-related agreements; employment contracts; collection servicing agreements; marketing-related agreements; talent agreements; co-branding agreements; co-promotion agreements; internal audit-related agreements; construction agreements; supply chain or logistics-related agreements; trading terms agreements; supply agreements; service agreements; integrated facilities agreements; electricity supply agreements; advisory contracts and engagement letters; lease agreements; hauling agreements; waste treatment and/or disposal agreements; machine & calibration service agreement, security services agreements; quality assurance-related agreements; credit line agreements; compliance-related agreements; consultancy agreements; distributorship agreements; endorsement agreements; payment arrangements; licensing agreements; subscription agreements; software- or information technology-related agreements; sales-related agreements; memoranda of agreement; accommodation agreements; and data sharing agreements), and advisement reports, including amendments to the foregoing agreements), and/or designating MONDE representatives and signatories regarding the same;
   d. approval of change in designation of certain key officers (*i.e.,* Chief Risk Management Officer and Chief Business Officer);
   e. declaration of cash dividends;
   f. authorizing MONDE to buy and/or sell company vehicles;
   g. approval of the budget for year 2024;
   h. approval and/or removal of signatories for transactions with banks, financial intermediaries, and trust investment companies;
   i. approval of certain amendments to MONDE's Conflict of Interest Policy;
   j. approval of the Board and Board Committee evaluation materials or forms and the results of the assessment;

k. designation of authorized signatories/representatives to transact business on MONDE's behalf with certain government agencies (whether local or foreign) as are required by law or regulations, in connection with applications and actions before such government agencies;
l. authorizing MONDE to enter into hedging transactions with certain banks and non-bank financial institutions;
m. authorizing MONDE to open, re-activate, and/or close accounts with banks and non-bank financial intermediaries and to avail of their services, and/or products (including internet/ online banking facilities, derivative transactions, supply chain financing agreements) as well as agree to operational details concerning such availments and designating signatories for the same;
n. noting Monde Nissin Singapore Pte. Ltd ("MNSPL")'s report on the latter's receipt of a significant risk reduction measure consisting of a financial support commitment offered by MONDE's controlling shareholders (through the controlling shareholders' family holding company, MNSG Holdings Pte. Ltd.) that shall result in a partial reduction of accumulated impairments (if any) recognizable with respect to MNSPL's Meat Alternative Business for the next ten (10) years;
o. authorizing MONDE to permanently discard, dispose of, and write off certain assets from its books of accounts;
p. appointment of trustee to MONDE's retirement fund;
q. authorizing MONDE to acquire 99,995 shares of its subsidiary KBT International Holdings, Inc. from the minority shareholders thereof;
r. approval for the subscription by MONDE to an additional 47,000,000 ordinary shares in its wholly owned subsidiary MNSPL at an aggregate subscription price of £47.0 Million;
s. authorizing MONDE to establish scholarships and research grants to certain students;
t. approval of MONDE's 2023 annual audited consolidated financial statements;
u. approval of MONDE's interim unaudited financial statements for each quarter;
v. authorizing MONDE to borrow from or extend loans (including refinance and guarantee and/or act as surety with respect to existing loans) to various subsidiaries and/or affiliates, as well as to appoint enforcement agents in connection therewith;
w. appointment of MONDE officer (*i.e.,* Interim Chief Internal Audit Executive);
x. authorizing MONDE to appoint representatives in connection with court, administrative and/or other legal proceedings (including extrajudicial compromise agreements) that may involve MONDE;
y. designation of proxies of MONDE to stockholders' meetings of its subsidiaries, affiliates, and investee-companies;
z. authorizing the Meeting to be held via remote communication on June 28, 2024, setting the record date for the Meeting, appointment of external auditor and fixing its remuneration, and authorizing the CEO to execute the information statement;
aa. approval of the agenda for the Meeting;
bb. approval of Corporate Governance, Nominations, and Remuneration Committee's recommendation regarding the final list of nominees for directors for election at the Meeting;
cc. the acts of the officers taken by them to implement the resolutions of the Board and its Committees in the general conduct of business; and
dd. matters covered in the disclosures to the SEC and/or the PSE.

The affirmative vote of stockholders representing at least a majority of the outstanding capital stock voting through remote communication or *in absentia*, or through the appointment of the CEO as proxy is required for this agenda item, to be approved.

8. Election of Directors (Including 3 Independent Directors) for the Ensuing Year

   Pursuant to MONDE's By-Laws, Revised Manual of Corporate Governance, and applicable SEC rules, any stockholder, including a minority stockholder, may submit nominations for the election of directors. As of April 29, 2024, the Board's Corporate Governance, Nomination, and Remuneration Committee received nominations for directors and have evaluated and determined that the nine (9) nominees to the Board, including those for independent directors, have all the necessary qualifications and none of the disqualifications to serve as directors (or independent directors), and the expertise and competence, individually and collectively, to enable the Board to fulfill its roles and responsibilities and govern MONDE to achieve its objectives.

   The nominees' names and their respective profiles, including directorships in listed companies, and the certifications of the nominees for independent directorship, are duly indicated in the Information Statement. The election of directors will be done by plurality of votes. Cumulative voting is allowed.

9. Appointment of External Auditor and Fixing its Remuneration

   The Board's Audit Committee will endorse to the stockholders the appointment of SyCip Gorres Velayo & Co. ("**SGV**") as the external auditor for calendar year 2024 and its proposed remuneration. The external auditor conducts an independent verification of MONDE's financial statements and provides an objective assurance on the accuracy of its financial statements.

   The Information Statement contains SGV's profile.

   A resolution for SGV's appointment as MONDE's external auditor for the calendar year 2024, and ratifying the fees will be presented to the stockholders for adoption and shall require the affirmative vote of stockholders representing at least a majority of the outstanding capital stock voting through remote communication or *in absentia*, or through the appointment of the CEO as proxy, to be approved.

10. Other Business

   Stockholders of record as of Record Date (*i.e.,* May 31, 2024) owning (alone or together with other stockholders) at least 5% of MONDE's total outstanding capital stock may submit proposals on items for inclusion in the Meeting's Agenda.[3] Such additional agenda items for the Meeting must be submitted to MONDE on or before June 19, 2024 at 5:00 p.m. PHT.

   The Chairperson of the Meeting will open the floor for comments and questions by the stockholders with respect to the agenda items. In this connection, and subject to the foregoing guidelines, the CEO and key management officers will address stockholders' comments and questions sent in during the Registration Period and during the Meeting in accordance with existing laws, rules, and SEC regulations.

[3] *The inclusion of the proposed agenda item shall be in accordance with SEC Memorandum Circular No. 14, Series of 2020, and MONDE's internal guidelines.*

11. Adjournment

Upon confirmation by the Corporate Secretary that there are no other matters to be considered, the Chairperson of the Meeting will declare the Meeting adjourned.

PROXY FORM

The undersigned stockholder of **MONDE NISSIN CORPORATION** ("**MONDE**") hereby appoints MONDE's Chief Executive Officer as *attorney-in-fact* and *proxy* to represent and vote all shares registered in the undersigned's name at MONDE's 2024 Annual Stockholders' Meeting on **June 28, 2024 (Friday)** at **10:00 a.m. Philippine Time (PHT)** by remote communication and at any and all adjournments or postponements thereof, for the purpose of acting on the matters stated below.

(*Instructions: please place an "X" in the box below how you wish your votes to be cast in respect of the matters to be taken up during the meeting*.)

1. Approval of Minutes of Previous Stockholders' Meeting held on June 30, 2023

   ☐ For ☐ Against ☐ Abstain

2. Noting of the Management Report

   ☐ Noted ☐ Abstain

3. Ratification of the 2023 Annual Audited Consolidated Financial Statements

   ☐ For ☐ Against ☐ Abstain

4. Ratification of all acts of the Board of Directors, Board Committees, Officers, and Management for the period June 30, 2023 to June 28, 2024

   ☐ For ☐ Against ☐ Abstain

5. Election of Directors (Including 3 Independent Directors) for the ensuing year

   Vote my shares as follows (*Please check one):*

   ☐ Equally to all nine (9) nominees for directors;

   ☐ Abstain for all nine (9) nominees for directors;

   ☐ Distribute or cumulate my shares to the nominee/s, as follows: *(Indicate the number of shares to be voted for each nominee in the table below.* ***To withhold authority to vote for any individual nominee(s), please place an "X" mark on the abstain column in line with the name of the nominee(s).)***

NAME	NUMBER OF VOTES*	
	YES	ABSTAIN
Hartono Kweefanus		
Kataline Darmono		
Hoediono Kweefanus		
Betty T. Ang		
Henry Soesanto		
Monica Darmono		
Nina Perpetua D. Aguas (Independent Director)		
Anabelle L. Chua (Independent Director)		
Ramon Felicisimo M. Lopez (Independent Director)		

**Total votes cast should not exceed the number of shares in your name multiplied by the number of board seats*

6. Appointment of SyCip Gorres Velayo & Co. as External Auditor and fixing its remuneration

   ☐ For ☐ Against ☐ Abstain

7. At his/her discretion, the proxy named above is authorized to vote upon such other matter(s) as may properly come before the meeting.

   ☐ Yes ☐ No

I hereby give my consent for MONDE and its authorized representatives to collect, store, disclose, transfer, and process my personal data for the purpose of the live streaming of the 2024 Annual Stockholders' Meeting in accordance with MONDE's Data Privacy Guidelines and law. I also give my consent to the recording of the meeting, which will be made available to the public on MONDE's website thereafter, as required by the Securities and Exchange Commission's relevant guidelines.

PRINTED NAME AND SIGNATURE OF STOCKHOLDER**

DATE

No. of Shares Held:	Email Address:

This proxy should be submitted to MONDE on or before 5:00 p.m. PHT of June 19, 2024 (*i.e.*, the deadline for submission of proxies) electronically via the online portal accessible at https://conveneagm.com/ph/MONDE2024ASM or via email to corporate.secretary@mondenissin.com. Proxies will be validated after they are received and until June 21, 2024.

THERE IS NO NEED TO HAVE THIS PROXY NOTARIZED.

******For Corporate stockholders, please attach to this proxy form the Secretary's Certificate on the authority of the signatory to appoint the proxy and sign this form.

Stockholders with joint accounts are required to submit an authorization letter, duly signed by all joint account holders, authorizing the signatory of this form to appoint the proxy.

A proxy form given by a broker or PCD participant in respect of shares of stock carried by such broker or PCD participant for the account of the beneficial owner must be accompanied by the written consent or conforme of the beneficial owner or account holder.

This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by management or the Board of Directors.

A stockholder giving a proxy has the power to revoke it on or before 5:00 pm PHT on June 19, 2024, after which time the proxy will be locked-in and may no longer be revoked or changed.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS

INFORMATION STATEMENT OF
MONDE NISSIN CORPORATION ("MONDE")
PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement

   [✓] Definitive Information Statement

2. Name of registrant as specified in its charter: **MONDE NISSIN CORPORATION**

3. Province, country or other jurisdiction of incorporation: **Philippines**

4. Securities and Exchange Commission ("**SEC**") Identification Number: **0000086335**

5. BIR Tax Identification Code: **000-417-352-00000**

6. Address of principal office: **Felix Reyes St., Brgy. Balibago, Santa Rosa City, Laguna**

   Postal Code: **4026**

7. Registrant's telephone number, including area code: **+632 7759 7595**

8. Date, time and place of the meeting of security holders:

   Date: June 28, 2024
   Time: 10:00 A.M. Philippine Time (PHT)
   Place: Virtually, via https://conveneagm.com/ph/MONDE2024ASM

9. Approximate date on which the Information Statement is distributed to security holders: **June 6, 2024**

10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code ("**SRC**"):

Title of Each Class	Number of Shares of Common Stock Outstanding
Common	17,968,611,496

11. Are any or all of registrant's securities listed in a Stock Exchange?

    [✓] Yes [ ] No

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

    The Philippine Stock Exchange, Inc.

TABLE OF CONTENTS

INFORMATION REQUIRED IN THE INFORMATION STATEMENT

This **Definitive** Information Statement ("**Information Statement**") is dated June 3, 2024 and is being furnished to MONDE's security holders as of May 31, 2024, in connection with MONDE's annual stockholders' meeting on June 28, 2024 (the "**Meeting**").

MONDE IS NOT SOLICITING PROXIES FROM ANY SECURITY HOLDER.

A. GENERAL INFORMATION

Item 1. Date, Time and Place of Meeting of Security Holders

Date:	June 28, 2024
Time:	10:00 A.M. PHT
Place:	Virtually via https://conveneagm.com/ph/MONDE2024ASM

MONDE's principal office is at Felix Reyes St., Brgy. Balibago, Santa Rosa City, Laguna, 4026 Philippines.

The Information Statement may be accessed beginning June 6, 2024 at: www.mondenissin.com and https://conveneagm.com/ph/MONDE2024ASM. The Chairperson of the Meeting shall be in MONDE's principal office as he presides over the Meeting.

The table below sets out MONDE's compliance with the requirements under Section 49 of the Revised Corporation Code ("**RCC**"):

	Requirement	Reference
1.	A description of the voting and vote tabulation procedures used in the last meeting	Please see **Annex E** (*Minutes of the Annual Stockholders' Meeting dated June 30, 2023*) for the manner of voting and the vote tabulation procedures adopted for the approval of the matters presented to the stockholders during the last stockholders' meeting, *i.e.*, the June 30, 2023 stockholders' meeting ("**2023 ASM**"), with 15,329,679,254 of the outstanding and voting shares or 85.31% of the total outstanding capital stock present (*i.e.,* in person, in absentia, or through remote communication) or represented by proxy issued to MONDE's Chief Executive Officer.
2.	A description of the opportunity given to stockholders to ask questions and a record of the questions asked and answers given during the last meeting	Please see **Annex E** (*Minutes of the Annual Stockholders' Meeting dated June 30, 2023*) for the procedure observed for stockholders' queries and the record of the questions asked and answers given during the 2023 ASM.
3.	The matters discussed and resolutions reached during the last meeting	Please see pp. 16-16, item 15 (*Actions with Respect to Reports*) and **Annex E** (*Minutes of the Annual Stockholders' Meeting dated June 30, 2023*) for the matters discussed and resolutions reached during the 2023 ASM.

	Requirement	Reference
4.	A record of the voting results for each agenda item during the last meeting	Please see **Annex E** (*Minutes of the Annual Stockholders' Meeting dated June 30, 2023*) for the voting results for each agenda item during 2023 ASM.
5.	A list of the directors, officers and stockholders who attended the last meeting	Please see **Annex E** (*Minutes of the Annual Stockholders' Meeting dated June 30, 2023*) for the directors, officers and stockholders present during the 2023 ASM.
6.	List of material information on the current stockholders, and their voting rights	Please see pp. 4-7, item 4 (*Voting Securities and Principal Holders Thereof*) for the list of material information on the current stockholders and their voting rights.
7.	Other items that the SEC may require in the interest of good corporate governance and protection of minority stockholders	Please see p. 3, item 2 (*Dissenters' Rights of Appraisal*) for the instances when a stockholder can exercise the right to dissent and demand payment of the fair value of shares.
8.	A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance, which shall include information on any material change in the corporation's business strategy, and other affairs	Please see pp. 1-50, **Annex D** (*Management Report*) for the management discussions and analyses of financial condition and results of operations as of December 31, 2023 and as of March 31, 2024.
9.	A financial report for the preceding year (which shall include financial statements duly signed and certified in accordance with the Revised Corporation Code and the SEC, a statement on the adequacy of MONDE's internal controls or risk management systems, and a statement of all external audit and non-audit fees)	Please see pp. 1-50, **Annex D** (*Management Report*) for the management discussions and analyses of financial condition and results of operations as of December 31, 2023 and as of March 31, 2024, as well as the Consolidated Audited Financial Statements as of December 31, 2023, and Unaudited Interim Consolidated Financial Statements as of March 31, 2024.
10.	An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof	Please see pp. 52-53, **Annex D** (*Management Report*) for the dividend policy adopted by the Board of Directors ("**Board**") on March 12, 2021. Please see p. 53, **Annex D** (*Management Report*) for information on cash dividends declared and paid by MONDE in the last two (2) years, with the note that there are no restrictions limiting the payment of dividends on MONDE's common shares other than what the RCC provides.
11.	Directors' profiles which shall include, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and	Please see **Annex B** (*Information on Directors and Executive Officers)* setting out the profiles of MONDE's directors.

	Requirement	Reference
	their board representation in other corporations	
12.	A director attendance report, indicating the attendance of each of the meetings of the board and its committees and in regular or special stockholder meetings	Please see pp. 10-121, item 5 (*Directors and Executive Officers*) for the directors' attendance record for board and board committee meetings in 2023.
13.	Appraisals and performance reports for the board and the criteria and procedure for assessment	Please see pp. 10-12, item 5 (*Directors and Executive Officers*) for a discussion on appraisals and performance reports for the Board.
14.	A director compensation report prepared in accordance with the Revised Corporation Code and the SEC rules	Please see pp. 12-14, item 6 (*Compensation of Directors and of Executive Officers*) for the report on directors' compensation.
15.	Director disclosures on self-dealings and related party transactions	Please see p. 10, item 5 (*Directors and Executive Officers*) for the discussion on related party transactions.
16.	The profiles of directors nominated or seeking election or reelection	Please see **Annex B** (*Information on Directors and Executive Officers of the DIS*) for the profiles of nominees for election to the Board.

Item 2. **Dissenters' Right of Appraisal**

Under the RCC's Sections 41 and 80, stockholders shall have the right to dissent and demand payment of the fair value of their shares in the following instances:

(a) in case of any amendment to the Articles of Incorporation that has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

(b) in case of sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the RCC;

(c) in case of merger or consolidation; and

(d) in case of investment of corporate funds by MONDE in any other corporation or business or for any purpose other than the primary purpose for which MONDE was organized.

No matters or actions that may give rise to a stockholders' exercise of their appraisal rights will be taken up at the Meeting.

Item 3. **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

(a) Other than election to office, none of MONDE's directors or officers (or nominees for election as director or any of their associates) have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Meeting.

(b) None of MONDE's directors has informed MONDE that they intend to oppose any action to be taken at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) **Number of Shares Outstanding as of April 30, 2024:**

Type of Shares	Number of Shares Outstanding	Number of Votes Entitled
Common	17,968,611,496	One (1) vote per share except in the election of directors where one (1) share is entitled to as many votes as there are directors to be elected

(b) All stockholders of record as of May 31, 2024 ("**Record Date**") are entitled to receive notice of, and to vote at, the Meeting.

(c) **Manner of Voting**

Article IV, Sections 2.1, 2.2, and 8.3 of MONDE's Amended By-Laws ("**Amended By-Laws**") provide:

2.1 Subject to the Amended By-Laws' Article IV, Section 8.3, each share of stock entitles the person in whose name it is registered in the books of MONDE to one vote, provided the share has not been declared delinquent.

2.2 Stockholders may vote at all meetings either in person, through remote communication, *in absentia*, or be represented by proxy, subject to compliance with rules and regulations as may be issued by the [SEC] from time to time. Proxies must be in writing and signed and in accordance with the existing laws, rules and regulations of the SEC. Duly accomplished proxies shall be presented to the Corporate Secretary for inspection and record not later than seven (7) business days prior to the date of the stockholders' meeting. Validation of proxies shall be made at least five (5) business days prior to the date of the stockholders' meeting. A stockholder may also attend, participate, and vote by remote communication or in absentia as allowed under the Revised Corporation Code, provided the requirements and procedures to be followed by such stockholder to indicate their/its chosen mode of attendance is stated in the notice of the affected stockholders' meeting.

8.3 For the election of directors, it is necessary that the majority of the outstanding capital stock be present or represented. Stockholders casting votes through remote communication or *in absentia*, electronically or otherwise, shall be deemed present for purposes of determining the existence of a quorum. The election of directors shall be by ballot and each stockholder entitled to vote may cast the vote in person, by proxy, through remote communication, or *in absentia*, electronically or otherwise, to which the number of shares they own entitles them for as many persons as are directors to be elected multiplied by the number of their shares shall equal, or they may distribute them on the same principle among as many candidates they may see fit, provided that the whole number of votes cast by them shall not exceed the number of shares owned by them multiplied by the whole number of directors to be elected.

Stockholders may vote on the resolutions for approval through remote communication, *in absentia*, or by proxy, subject to validation procedures. A stockholder voting by remote communication or *in absentia* shall be deemed present for purposes of quorum. **Annex A** has the detailed instructions for voting.

(d) **Security Ownership of Certain Record and Beneficial Owners and Management**

(1) **Security Ownership of Certain Record and Beneficial Owners of more than 5% as of April 30, 2024:**

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of total outstanding shares)
Common	**Hartono Kweefanus** JL Syamsurizal Kota Adm. Jakarta Pusat, Indonesia (Director)	Hartono Kweefanus (same as record owner)	Indonesian	4,214,244,600	23.4534%
Common	**Hoediono Kweefanus**[1] JL Raya Darmo 65 Surabaya, Indonesia (Director)	Hoediono Kweefanus (same as record owner)	Indonesian	948,324,600	5.2777%
Common	**Betty T. Ang**[2] 45B Park Terraces Condominium, Palm Drive, Ayala Center, Makati (Director)	Betty T. Ang (same as record owner)	Filipino	3,265,920,000	18.1757%
Common	**Henry Soesanto**[3] Unit 45A, Discovery Primea Suites, 6749 Ayala Avenue, Brgy. Urdaneta, Makati City (Director)	Henry Soesanto (same as record owner)	Indonesian	1,548,681,396[4]	8.6188%
Common	**My Crackers, Inc.** 1763 P.M. Guanzon St. Paco, Manila	Keng Sun Mar Peter Mar	Filipino	1,228,611,496	6.8375%
Common	**PCD Nominee Corporation (Non-Filipino)**[5] Philippine Depository & Trust Corp., 29th Floor, BDO	PCD participants acting for themselves	Various Non-Filipino	1,525,543,777[7]	8.4900%

[1] Mr. Hoediono Kweefanus is the spouse of Ms. Betty. T. Ang. As such, under Rule 3.1.2 of the SRC Implementing Rules and Regulations ("**SRC IRR**"), Mr. Hoediono Kweefanus is deemed to have an indirect beneficial interest in Ms. Betty Ang's 3,265,920,000 shares.

[2] Ms. Betty T. Ang is the spouse of Mr. Hoediono Kweefanus. As such, under the SRC IRR, Ms. Betty Ang is deemed to have an indirect beneficial interest in Mr. Hoediono Kweefanus' 948,324,600 shares.

[3] Mr. Henry Soesanto is the spouse of Ms. Monica Darmono. As such, under the SRC IRR, Mr. Henry Soesanto is deemed to have an indirect beneficial interest in Ms. Monica Darmono's 765,897,596 shares.

[4] This is inclusive of Mr. Henry Soesanto ownership of another 40,000,000 shares through PCD Nominee Corp. (Non-Filipino) which brings his total ownership percentage to 8.619% and PCD Nominee Corp. (Non-Filipino)'s total ownership percentage to 8.490%.

[5] PCD Nominee Corporation is the registered owner of the shares it holds in the books of MONDE's Stock and Transfer Agent ("**STA**"). PCD Nominee Corporation is a corporation wholly owned by the Philippine Depository and Trust Corporation, Inc. ("**PDTC**"), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the PDTC's current system, only PCD participants (*i.e.,* brokers and custodians) are recognized by the PDTC as the owners of the lodged shares.

[7] This excludes Mr. Henry Soesanto ownership of another 40,000,000 shares through PCD Nominee Corp. (Non-Filipino) which brings PCD Nominee Corp. (Non-Filipino)'s total ownership percentage to 8.490%.

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (of total outstanding shares)
	Equitable Tower 8751 Paseo de Roxas, Makati City	or for their customers[6]			
Common	**PCD Nominee Corporation (Filipino)** Philippine Depository & Trust Corp., 29th Floor, BDO Equitable Tower 8751 Paseo de Roxas, Makati City	PCD participants acting for themselves or for their customers	Filipino	2,555,031,823	14.2194%

(2) **Security Ownership of Directors and of Management (Executive Officers) as of April 30, 2024:**

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
DIRECTORS				
Common	Hartono Kweefanus	(direct) 4,214,244,600	Indonesian	23.4534%
Common	Hoediono Kweefanus[8]	(direct) 948,324,600	Indonesian	5.2777%
Common	Betty T. Ang[9]	(direct) 3,265,920,000	Filipino	18.1757%
Common	Henry Soesanto[10]	(direct) 1,548,681,396[11]	Indonesian	8.6188%
Common	Monica Darmono[12]	(direct) 765,897,596[13]	Indonesian	4.2624%
Common	Kataline Darmono	(direct) 2 Monica Darmono is the beneficial owner of these 2 shares	Indonesian	0.0000%
Common	Nina Perpetua D. Aguas	(direct) 2 Henry Soesanto is the beneficial owner of these 2 shares	Filipino	0.0000%
Common	Marie Elaine Teo	(direct) 2 Monica Darmono is the beneficial owner of these 2 shares	Singaporean	0.0000%
Common	Anabelle L. Chua	(direct) 20,001 Henry Soesanto is the beneficial owner of 1 share	Filipino	0.0001%
CEO and Four Most Highly Compensated Officers				
Common	Betty T. Ang	(direct) 3,265,920,000	Filipino	18.1757%

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[6] Each beneficial owner of shares through a PCD participant (*i.e.*, brokers and custodians) is the beneficial owner to the extent of the number of shares in his/her/its account with the PCD participant. Based on the reports provided to MONDE by the STA, out of the PCD Nominee Corporation account, none of the PCD participants hold more than 5% of MONDE's outstanding capital stock for various trust accounts as of April 30, 2024.
[8] Mr. Hoediono Kweefanus is the spouse of Ms. Betty. T. Ang. Please refer to footnote 1
[9] Ms. Betty T. Ang is the spouse of Mr. Hoediono Kweefanus. Please refer to footnote 2.
[10] Mr. Henry Soesanto is the spouse of Ms. Monica Darmono. Please refer to footnote 3.
[11] Mr. Henry Soesanto has indirect beneficial ownership over the following shares: one share held in the name of Director Anabelle L. Chua as qualifying share, two shares in the name of Director Nina Perpetua D Aguas as qualifying shares, and one share in the name of Ramon Felicisimo M. Lopez. 40,000,000 of Mr. Soesanto's shares are in scripless form and held through PCD Nominee Corp. (Non-Filipino).
[12] Ms. Monica Darmono is the spouse of Mr. Henry Soesanto. As such, under the SRC IRR, Ms. Monica Darmono is deemed to have an indirect beneficial interest in Mr. Henry Soesanto's 1,548,681,396 shares.
[13] Ms. Monica Darmono has indirect beneficial ownership over the following shares: two shares held in the name of Director Kataline Darmono as qualifying shares, and two shares in the name of Director Marie Elaine Teo as qualifying shares.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent (of total outstanding shares)
Common	Henry Soesanto (CEO)[14]	(direct) 1,548,681,396	Indonesian	8.6188%
Common	Rico A. Gonzales[15]	(indirect) 250,000	Filipino	0.0014%
Common	Marivic N. Cajucom-Uy	(direct) 687,800	Filipino	0.0038%
Common	Samuel C. Sih	(direct) 3,600,000	Filipino	0.0200%
Other Executive Officers/Management Team Members				
Common	Helen G. Tiu	(direct) 4,575,000	Filipino	0.0255%
Common	Jesse C. Teo	(direct) 1,422,700	Filipino	0.0079%
Common	Michael J. Paska	(direct) 150,000	American	0.0008%
Common	Michael Stanley D. Tan[16]	(direct and indirect) 518,600	Filipino	0.0029%
Common	Daniel Teichert[17]	(direct) 159,700	German	0.0009%
Common	Jon Edmarc R. Castillo[18]	(direct and indirect) 65,300	Filipino	0.0004%
Common	Katherine C. Lee-Bacus	(direct) 45,900	Filipino	0.0003%
Common	Anne Katherine N. Santos[19]	(indirect) 23,400	Filipino	0.0001%
Common	Wendy T. Antioquia	(direct) 1,093,000	Filipino	0.0061%
Common	Melissa C. Pabustan	(direct) 375,000	Filipino	0.0021%
Common	Jocelyn Jones G. So	-	Hong Kong SAR Chinese	0.0000%
Common	Luzviminda M. Mercurio	(direct) 10,000	Filipino	0.0001%
Common	Maria Olivia Y. Misa	-	Filipino	0.0000%
Common	Elvira S. Mensalvas	(direct) 255,000	Filipino	0.0014%
All Directors and Officers as a group		10,756,319,599		59.8617%

(3) Voting Trust Holders of 5% or more

MONDE knows of no person holding more than 5% of common shares under a voting trust or similar agreement.

(4) Changes in Control

No change of control in MONDE has occurred since the beginning of its last calendar year.

Item 5. Directors and Executive Officers

(a) Information Required of Directors and of Executive Officers

(1) Directors and Executive Officers

In accordance with the Amended By-Laws' Article I, Section 2.1, MONDE's directors hold office for one (1) year or until their successors' election and qualification.

The following are MONDE's incumbent directors:

Hartono Kweefanus, Chairperson Emeritus
Kataline Darmono, Chairperson
Hoediono Kweefanus, Vice-Chairperson

[14] Please refer to footnote 11.
[15] Mr. Rico A. Gonzales has indirect beneficial ownership over the 250,000 shares held by his spouse.
[16] Mr. Michael Stanley D. Tan has indirect beneficial ownership over the 94,200 shares held by his spouse.
[17] At its meeting held on November 8, 2023, MONDE's Board appointed Mr. Daniel Teichert, MONDE's Chief Risk Management Officer, as the concurrent Interim Head of MONDE's Internal Audit Function, to replace Ms. Shiela P. Alarcio effective November 30, 2023.
[18] Mr. Jon Edmarc R. Castillo has indirect beneficial ownership over the 30,300 shares held by his spouse.
[19] Ms. Anne Katherine N. Santos has indirect beneficial ownership over the 23,400 shares held by her spouse.

Betty T. Ang
Henry Soesanto
Monica Darmono
Nina Perpetua D. Aguas, Lead Independent Director
Marie Elaine Teo, Independent Director
Anabelle L. Chua, Independent Director

Ms. Anabelle L. Chua was elected as an independent director effective September 22, 2023 to replace Mr. Romeo L. Bernardo who served from June 30, 2023 to September 12, 2023. Mr. Bernardo had to resign from MONDE following his appointment to the Monetary Board of the Bangko Sentral ng Pilipinas ("**BSP**"). Ms. Chua serves Mr. Bernardo's unexpired term as independent director.

*Please see **Annex B** for additional information.*

The following are MONDE's executive officers and members of the management team:

Betty T. Ang, President
Henry Soesanto, Executive Vice-President and Chief Executive Officer
Monica Darmono, Treasurer
Helen G. Tiu, Corporate Secretary
Marivic N. Cajucom-Uy, Chief Sustainability Officer
Rico A. Gonzales, Chief Business Officer
Jesse C. Teo, Chief Financial Officer
Michael J. Paska, Chief Investor Relations Officer
Michael Stanley D. Tan, Chief Operations Officer
Daniel Teichert, Chief Risk Management Officer and Interim Chief Internal Audit Executive
Jon Edmarc R. Castillo, Chief Compliance Officer and PSE Company Information Officer
Katherine C. Lee-Bacus, Assistant Corporate Secretary
Anne Katherine N. Santos, Assistant Corporate Secretary
Samuel C. Sih, Chief Commercial Officer
Wendy T. Antioquia, Regional Research and Development Director
Melissa C. Pabustan, Chief Marketing Officer
Jocelyn Jones G. So, Chief Information and Digital Officer
Luzviminda M. Mercurio, Chief People and Culture Officer
Maria Olivia Y. Misa, Head of Corporate and Government Affairs
Elvira S. Mensalvas, Quality Assurance Department Head

*Please see **Annex B** for additional information.*

In accordance with the Amended By-Laws and other charters and procedures including endorsement by MONDE's Corporate Governance, Nominations, and Remuneration Committee ("**CGNRC**")[20], the Board unanimously approved the Final List of Qualified Candidates ("**Final List**") for election during the Meeting as members of the Board. The Final List of nominees is below:

Hartono Kweefanus
Kataline Darmono
Hoediono Kweefanus
Betty T. Ang
Henry Soesanto
Monica Darmono
Nina Perpetua D. Aguas (as independent director)

[20] The CGNRC comprises independent directors Marie Elaine Teo (Chairperson), Nina Perpetua D. Aguas, and Anabelle L. Chua.

Anabelle L. Chua (as independent director)
Ramon Felicisimo M. Lopez (as independent director)

(*collectively, the "*Nominees*".*)

Hartono Kweefanus, Hoediono Kweefanus, Betty T. Ang, Monica Darmono, and Kataline Darmono were nominated by Henry Soesanto. Henry Soesanto was nominated by Monica Darmono. Nina Perpetua D. Aguas, Anabelle L. Chua, and Ramon Felicisimo M. Lopez were nominated as independent directors by a minority stockholder, Aaron Jeric M. Legaspi.[21] All Nominees, with the exception of Mr. Ramon Felicisimo M. Lopez, are incumbent MONDE directors as of the date of this Information Statement. A summary of the Nominees' respective qualifications is in Annex B.

The CGNRC has evaluated the Nominees' respective qualifications as provided in the applicable laws and regulations. In accordance with SEC Memorandum Circular No. 5, series of 2017, the Certifications executed by the individuals nominated to serve as independent directors are attached here as Annex C.

In accordance with the Amended By-Laws, the Final List is final and binding upon shareholders, and no other nomination shall be entertained or allowed during any meeting of the shareholders for the election of directors (including the Meeting).

(2) Significant Employees

While MONDE values the contribution of each of its executive and non-executive employees, MONDE believes that there is no single executive or non-executive employee whose resignation or loss would have a material adverse impact on MONDE's business.

(3) Family Relationships

Hartono Kweefanus, Hoediono Kweefanus, and Monica Darmono are siblings. Betty T. Ang is married to Hoediono Kweefanus. Henry Soesanto is married to Monica Darmono. Kataline Darmono is the daughter of Hartono Kweefanus.

There are no other known family relationships either by consanguinity or affinity up to the fourth civil degree between and among MONDE's incumbent directors and executive officers.

(4) Involvement in Certain Legal Proceedings

To the best of MONDE's knowledge and belief and after due inquiry, none of the directors, the Nominees, or the executive officers of MONDE and its subsidiaries (the "Group"), in the five-year period prior to the date of this Information Statement, had: (1) any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a two-year period of that time; (2) been convicted by final judgment in a criminal proceeding, domestic or foreign, or has been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offenses; (3) been subjected to any order, judgment, or decree, not subsequently reversed, suspended, or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities, or banking activities; or (4) been found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange, or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

[21] Mr. Legaspi beneficially owns 353,100 common shares or 0.0020% of MONDE's total voting shares. He is not related to any of the Nominees.

The Group is not involved in any litigation, arbitration, or claims (including personal injuries, employee compensation or product liability claims) of material importance, and the Group is not aware of any litigation, arbitration, or claims of material importance pending or threatened against it that would have a material adverse effect on its business, financial condition, or results of operations.

(5) Certain Relationships and Related Transactions

The Group, in its regular conduct of business, has entered into transactions with associates and other related parties principally comprising advances and reimbursement of expenses, purchase and sale of trade inventory/merchandise, leasing, and administrative service agreements. Sales and purchases of goods and services to and from related parties are made on an arm's length basis and at current market prices at the time of the transactions. Under MONDE's Material Related Party Transactions Policy, the Board oversees the proper implementation of the system for identifying, monitoring, measuring, controlling, and reporting material related party transactions ("**MRPTs**"), in accordance with the requirements of the SEC's Memorandum Circular No. 10 S. of 2019, or the *Rules on Material Related Party Transactions for PLCs*. For details on the Group's Related Party Transactions, please refer to Note 23 of the Annual Audited Consolidated Financial Statements and Supplementary Schedules as of December 31, 2023 and Note 20 of the Unaudited Interim Consolidated Financial Statements as of March 31, 2024, which are all part of the Management Report, attached as **Annex D**.

Directors, officers, and employees are required to promptly disclose any business and family-related transactions with MONDE to ensure that they are at arm's length, under fair terms, and will inure to MONDE's and its shareholders' best interest in accordance with applicable laws and regulations.

(6) Appraisals and Performance Report for the Board

The directors' attendance record for Board meetings in 2023 is as follows:

Director	No. of Meetings Attended/Held	Attendance Percentage
Hartono Kweefanus	9/9	100.0%
Kataline Darmono	8/9	88.9%
Hoediono Kweefanus	9/9	100.0%
Betty T. Ang	9/9	100.0%
Henry Soesanto	9/9	100.0%
Monica Darmono	9/9	100.0%
Romeo L. Bernardo[a]	5/5	100.0%
Nina Perpetua D. Aguas	9/9	100.0%
Marie Elaine Teo	9/9	100.0%
Anabelle L. Chua	4/4	100.0%

[a] Former independent director Mr. Romeo L. Bernardo resigned from the Board effective September 14, 2023 upon his appointment to the Monetary Board of the BSP and not as a result of any disagreement with MONDE on any matter relating to its operations, policies, or practices. Mr. Bernardo was replaced by Ms. Anabelle L. Chua on September 22, 2023.

The Board established committees to assist in exercising its authority and monitoring MONDE's performance in accordance with MONDE's Manual on Corporate Governance ("**CG Manual**"), and related SEC circulars.

The incumbent members of the Board's Audit Committee and their attendance at meetings in 2023 are as follows:

Committee Members	No. of Meetings Attended/Held	Attendance Percentage
Anabelle L. Chua (Chairperson)	2/2	100.0%
Romeo L. Bernardo	4/4	100.0%
Nina Perpetua D. Aguas	6/6	100.0%
Marie Elaine Teo	6/6	100.0%

The incumbent members of the Board's CGNR Committee and their attendance at meetings in 2023 are as follows:

Committee Members	No. of Meetings Attended/Held	Attendance Percentage
Marie Elaine Teo (Chairperson)	4/4	100.0%
Romeo L. Bernardo	2/2	100.0%
Nina Perpetua D. Aguas	4/4	100.0%
Anabelle L. Chua	1/1	100.0%

The incumbent members of the Board's Risk and Related Party Transactions Committee and their attendance at meetings in 2023 are as follows:

Committee Members	No. of Meetings Attended/Held	Attendance Percentage
Nina Perpetua D. Aguas (Chairperson)	2/2	100.0%
Romeo L. Bernardo	N/A	N/A
Marie Elaine Teo	2/2	100.0%
Anabelle L. Chua	2/2	100.0%

The incumbent members of the Board's Executive Committee and their attendance at meetings in 2023 are as follows:

Committee Members	No. of Meetings Attended/Held	Attendance Percentage
Henry Soesanto (Chairperson)	1/1	100.0%
Betty T. Ang	1/1	100.0%
Romeo L. Bernardo	1/1	100.0%
Nina Perpetua D. Aguas	N/A	N/A
Monica Darmono	1/1	100.0%
Kataline Darmono	1/1	100.0%

The Board undergoes a formal assessment process annually whereby each director completes an evaluation questionnaire that is intended to provide insights on the effectiveness of the Board, its Committees, the Chairperson, and the directors. The assessment criteria or metrics include board composition; board roles, functions and processes; information management; representation of shareholders; management of MONDE's performance; succession planning; dynamics and relationships; and other best practices in corporate governance. The aggregated results are presented to the Board during a Board meeting at the end of the assessment process. Pursuant to the recommendation of the SEC's Code of Corporate Governance for PLCs and of MONDE's Revised Manual on Corporate Governance, this annual performance assessment is to be conducted by an independent third-party every three years. For 2023, an external facilitator, the Institute of Corporate Directors ("**ICD**"), supported the conduct by MONDE's Board of its annual self-evaluation, complying with Recommendation 6.1 of the SEC's Code of Corporate Governance for PLCs.

(b) Resignation of Directors

From Listing Date up to the present, no director has resigned or declined to stand for re-election to the Board due to any disagreement with MONDE on any matter relating to MONDE's operations, policies, or practices. Mr. Delfin Lazaro's resignation from the Board on April 27, 2022 was for personal reasons, and Mr. Romeo Bernardo resigned effective September 14, 2023 upon his appointment to the Monetary Board.

(c) Parent Company

MONDE has no parent company.

Item 6. Compensation of Directors and of Executive Officers

(a) Executive Compensation

The aggregate compensation paid or incurred during the last two calendar years, as well as those estimated to be paid in the ensuing calendar year, to MONDE's Chief Executive Officer ("**CEO**") and senior executive officers are as follows:

Name and Principal Position	Year	Salary (in ₱)	Other Variable Benefits (in ₱)	Total (in ₱)
Betty Ang *President*	2022-2024			
Henry Soesanto *Chief Executive Officer*	2022-2024			
Rico A. Gonzales[22] *Chief Business Officer*	2023-2024			
Marivic N. Cajucom-Uy *Chief Sustainability Officer*	2022-2024			
Samuel C. Sih *Chief Commercial Officer*	2022-2024			
Helen G. Tiu[23] *Corporate Secretary*	2022			
Total compensation of the CEO and 5 most highly compensated officers	2022	29,902,461.00	125,494,378.00	155,396,839.00
	2023	61,221,686.65	133,966,245.58	195,187,932.23
	2024 (est.)	63,432,031.00	147,362,870.00	210,794,901.00
All other officers and Directors as a group unnamed[24]	2022	97,867,978.00	88,714,439.00	186,582,417.00
	2023	90,615,168.00	76,029,767.00	166,644,935.00
	2024 (est.)	78,758,728.00	72,760,000.00	151,518,728.00

[22] CEO Mr. Henry Soesanto, President Ms. Betty T. Ang, Chief Business Officer Mr. Rico A. Gonzales, Chief Sustainability Officer Ms. Marivic N. Cajucom-Uy, and Chief Commercial Officer Mr. Samuel C. Sih were CEO and four most highly compensated officers in 2023. Chief Business Officer Mr. Rico A. Gonzales joined MONDE in May 2023.

[23] Atty. Helen G. Tiu retired on July 2022 as Chief Legal Officer but remains as MONDE's Corporate Secretary. She was one of the top five most highly compensated officers in 2022.

[24] The salary of "All Other Officers and Directors as a Group Unnamed" decreased in 2023 compared to 2022 as a result of the resignation of one of the officers in November 2023. For 2024 (est.), the amount decreased further because one of the officers was seconded to an indirect subsidiary.

Name and Principal Position	Year	Salary (in ₱)	Other Variable Benefits (in ₱)	Total (in ₱)
Total	2022	127,770,439.00	214,208,817.00	341,979,256.00
	2023	151,836,854.65	209,996,012.58	361,832,867.23
	2024 (est.)	142,190,759.00	220,122,870.00	362,313,629.00

(b) Compensation of Directors

Under the Amended By-Laws' Article I, Section 5, "directors shall be entitled to receive from MONDE fees and other compensation for their services in accordance with Section 29 of the Revised Corporation Code. In no case shall the total yearly compensation of directors exceed three percent (3.0%) of the net income before income tax of MONDE during the preceding year. The Board's Corporate Governance, Nominations, & Remuneration (*i.e.*, CGNR) Committee shall have the responsibility of recommending such fees and other compensation of directors. In discharging this duty, the CGNR Committee shall be guided by the principle that directors should be fairly remunerated for their performance and for work required and responsibility assumed in a company of MONDE's size and scope."

(1) Standard Arrangements

Other than payment of reasonable per diems for the attendance by independent directors at the meetings of the Board and of Board Committees, there are no other arrangements pursuant to which the directors are compensated, directly or indirectly, for any services provided as a director and for their committee participation or special assignments.

On March 1, 2021, the Board approved a resolution fixing the current meeting fees of independent directors, as follows:

Board Meeting Fee per meeting attended (per diem)	₱	240,000.00
Board Committee Meeting Fee per meeting attended (per diem)	₱	120,000.00

Directors who are not independent directors do not receive meeting fees or any other remuneration. The foregoing meeting fees were determined before the current independent directors became members of the Board. The current independent directors did not participate in the determination of said meeting fees.

In accordance with the requirement of the RCC's Sections 29 and 49 relating to an annual report of the total compensation of each director, below is a table showing the gross compensation received by the directors in 2022 and 2023, as well as those estimated to be payable in 2024.

	2022 (in ₱)			2023 (in ₱)			2024 – estimate (in ₱)		
	Board Meetings	Committee Meetings	Total	Board Meetings	Committee Meetings	Total	Board Meetings	Committee Meetings	Total
Non-Independent Directors	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Independent Directors									
Delfin L. Lazaro	480,000.00	1,080,000.00	1,560,000.00	-	-	-			
Romeo L. Bernardo	1,440,000.00	960,000.00	2,400,000.00	1,200,000.00	840,000.00	2,040,000.00			
Nina Perpetua D. Aguas	1,920,000.00	1,680,000.00	3,600,000.00	2,160,000.00	1,440,000.00	3,600,000.00	1,440,000.00	1,320,000.00	2,760,000.00
Marie Elaine Teo	1,920,000.00	1,680,000.00	3,600,000.00	2,160,000.00	1,440,000.00	3,600,000.00	480,000.00	600,000.00	1,080,000.00
Anabelle L. Chua	-	-	-	960,000.00	600,000.00	1,560,000.00	1,440,000.00	1,200,000.00	2,640,000.00
[Nominee to be elected]	-	-	-	-	-	-	960,000.00	600,000.00	1,560,000.00
Total	**5,760,000.00**	**5,400,000.00**	**11,160,000.00**	**6,480,000.00**	**4,320,000.00**	**10,800,000.00**	**4,320,000.00**	**3,720,000.00**	**8,040,000.00**

(2) Other Arrangements

Other than as disclosed above, there are no arrangements pursuant to which any of the directors were compensated or are to be compensated, directly or indirectly, by MONDE for services rendered as directors or Board Committee officers during 2023 and 2024.

As mentioned, Directors (other than Independent Directors) do not receive meeting fees nor any other form of remuneration as such. Thus, no meeting fees or any other form of remuneration were incurred or paid to non-independent directors for their services as such in 2022 and 2023.

(c) Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no employment contracts between MONDE and its executive officers.

There are neither special compensatory plans nor arrangements with respect to an executive officer that has resulted or will result from the resignation, retirement, or any other termination of such executive officer's employment with MONDE, or from a change in control of MONDE, or a change in an executive officer's responsibilities following a change in control of MONDE.

(d) Warrants and Options Outstanding: Repricing

There are no outstanding warrants or options held by the CEO, by executive officers, nor by all directors and officers as a group.

Item 7. Independent Public Accountants

(a) Appointment of External Auditor

The Board's Audit Committee is responsible for recommending the appointment, reappointment, and/or removal of MONDE's external auditor. It is likewise in charge of evaluating non-assurance work, if any, of the external auditor, and determining whether any non-assurance work would conflict with the external auditor's duties or would pose a threat to the external auditor's independence.

The Audit Committee recommended the re-election of SyCip Gorres Velayo & Co. ("**SGV**") as MONDE's principal accountant and external auditor.

(b) External Auditor for the Recently Completed Calendar Year

SGV served as MONDE's principal accountant and external auditor in the most recently completed calendar year.

(c) Participation of the External Auditor in the Meeting

SGV Representatives for the current year and for the most recently completed calendar year are expected to participate at the Meeting. They will have the opportunity to make a statement if they so desire and are expected to be available to respond to appropriate questions.

(d) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

MONDE has engaged SGV for the six most recent calendar years. There were no disagreements with SGV on any matter of accounting and financial disclosure.

(e) **Audit and Audit-Related Fees**

Fees billed for SGV's professional services for the last three completed calendar years are as follows:

Year	Audit and Audit-Related Fees (in ₱)
2023	23,766,791.00
2022	20,870,000.00
2021	36,770,000.00

SGV performs year-end audits as well as other audit-related services for compliance purposes. The total amount of fees paid to SGV & Co. for (i) audit and (ii) audit-related services for the year 2023 is ₱23,766,791.00 which is broken down as follows: (a) audit fees of ₱19,045,601.00 for the audit of MONDE's and its subsidiaries' year-end financial statements for the period ended December 31, 2023; and (b) audit-related fees of ₱4,721,190.00 for the review of the quarterly financial statements of MONDE and its subsidiaries (*i.e.*, Monde M.Y. San Corporation and Sarimonde Foods Corporation).

The Board's Audit Committee has existing policies to review the audit and non-assurance services rendered by the independent external auditor. MONDE is proscribed from engaging the independent auditor for certain non-assurance services which are expressly prohibited by prevailing SEC regulations to be performed by an independent auditor for its audit clients. This is to ensure that the external auditor remains independent/maintains the highest level of independence from MONDE, both in fact and appearance.

MONDE will comply with the requirement under paragraph (3)(B)(ix) of the SEC's Revised Securities Regulation Code (SRC) Rule 68 ("**SRC Rule 68**") as amended, on the rotation of the external auditor.

Item 8. **Compensation Plans**

No matters or actions with respect to any compensation plan pursuant to which cash or non-cash compensation may be paid or distributed will be taken up during the Meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. **Authorization or Issuance of Securities Other than for Exchange**

No matters or actions concerning authorization or issuance of securities will be taken up during the Meeting.

Item 10. **Modification or Exchange of Securities**

No matters pertaining to the modification or exchange of MONDE's securities will be taken up during the Meeting.

Item 11. **Financial and Other Information**

The audited financial statements of MONDE (also referred to in said financial statements as the "**Parent Company**") and its subsidiaries (collectively referred to in said financial statements as the "**Group**") as of and for the year ended December 31, 2023; the additional components of the audited financial statements required by the SEC under SRC Rule 68, as amended, the Group's unaudited interim consolidated financial statements for the period ended March 31, 2024; the Group's Management's Discussion and Analysis or Plan of Operation as of and for the year ended December 31, 2023; and the Group's Management Discussion and Analysis of the results of operations and financial condition as of March 31, 2024, are all part of the Management Report, attached as **Annex D**.

Item 12. **Mergers, Consolidations, Acquisitions and Similar Matters**

There is no proposed merger, consolidation, acquisition by sale, or liquidation of MONDE that will be presented during the Meeting.

Item 13. **Acquisition or Disposition of Property**

There are no matters or actions to be taken up in the Meeting with respect to acquisition or disposition of any property by MONDE requiring stockholders' approval under the RCC.

Item 14. **Restatement of Accounts**

As used herein and in other sections of this Information Statement, unless the context otherwise requires, the Group refers to MONDE and its subsidiaries where MONDE has control [as defined under SRC IRR Rule 3, 3.1.8 (Definition of Terms) and in the Philippine Financial Reporting Standards ("**PFRSs**")]. PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards ("**PAS**"), and Interpretations issued by the Philippine Interpretations Committee.

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

Please refer to Note 2 of the attached MONDE's audited financial statements on the Summary of Significant Accounting Policies for the accounting of the new PFRS and PAS which became effective in 2023.

D. OTHER MATTERS

Item 15. **Action with Respect to Reports**

(a) Approval of minutes of the previous stockholders' meeting held on June 30, 2023 (**Annex E**) covering the following matters:

i. approval of the minutes of the annual stockholders' meeting held on June 24, 2022;

ii. management report;

iii. ratification of the 2022 audited financial statements;

iv. the ratification of acts of the Board and of MONDE officers from June 24, 2022 to June 30, 2023 [including the election of officers, board committee chairpersons and members, and lead independent director; re-allocation or change in the use of IPO proceeds; authorizing MONDE to enter into agreements or execute applications/forms needed by MONDE in the normal course of business and designating MONDE representatives and signatories regarding the same; authorizing MONDE to buy and/or sell company vehicles; approval of change in designation of certain key officers (*i.e.,* Chief Risk Officer and Chief Investor Relations Officer); reversal of retained earnings appropriation and declaration of cash dividends; authorizing MONDE to appropriate retained earnings; approval of the budget for year 2023; approval and/or removal of signatories for transactions with banks, financial intermediaries, and trust investment companies; approval of certain amendments to MONDE's Material Related Party Transactions Policy; approval of revised policy on non-audit services; approval of MONDE's sustainability policy; approval of the Board and Board Committee evaluation materials or forms and the results of the assessment; designation of MONDE representatives to certain government agencies (whether local or foreign) in connection with applications and actions before such government agencies including authorizing them to be signatories for related forms and/or agreements, as needed; authorizing MONDE to enter into hedging transactions with certain bank and non-bank financial institutions; authorizing MONDE to open, re-activate, and/or close accounts with banks and non-bank financial intermediaries and to avail of their services, and/or products (including internet/ online banking facilities, derivative transactions, supply chain financing agreements) as well as agree to operational details concerning such availments and designating signatories for the same; approval of MONDE's 2022 annual audited consolidated financial statements; approval of MONDE's interim unaudited financial statements for each quarter; authorizing MONDE to borrow from or extend loans (including refinance and guarantee and/or act as surety with respect to existing loans) to, and/or increase equity investments in, various subsidiaries and/or affiliates; appointment of MONDE officers (*i.e.,* Chief Information and Digital Officer, and Chief Strategy Officer [later Chief Business Officer]); authorizing MONDE to appoint representatives in connection with court, administrative and/or other legal proceedings (including extrajudicial compromise agreements) involving MONDE; approval for subscription by MONDE to (i) 820,268,295 common shares of Figaro Coffee Group, Inc., and (ii) 665,845 Series B preferred shares of Terramino, Inc.; approval of certain investment parameters for the investment by the company of foreign currency held; designation of authorized signatories for endorsement of stock certificates; designation of proxies of MONDE to stockholders' meetings of its subsidiaries, affiliates, and investee-companies; authorizing MONDE to apply with the SEC for equity restructuring; authorizing the Meeting to be held via remote communication on June 30, 2023, setting the record date for the Meeting, endorsement to stockholders at the Meeting of external auditor's appointment and fixing its remuneration, and authorizing the CEO to execute the information statement; approval of the agenda for the Meeting; approval of CGNR Committee's recommendation regarding the Final List for election of directors at the Meeting; the acts of the officers those taken to implement the resolutions of the Board and its Committees in the general conduct of business; and matters covered in the disclosures to the SEC and/or the Philippine Stock Exchange ("**PSE**")];

v. election of directors (including 3 independent directors) for the ensuing year; and

vi. appointment of external auditor and fixing its remuneration.

(b) Ratification of the 2023 Annual Audited Consolidated Financial Statements.

Item 16. **Matters Not Required to be Submitted**

MONDE will request the stockholders to note the management report comprising the message of the Chairperson, the respective reports of the CEO and the CFO.

Item 17. **Amendment of Charter, By-Laws, or Other Documents**

No action is to be taken during the Meeting with respect to amending any of MONDE's Charter, By-Laws, or other documents.

Item 18. **Other Proposed Actions**

(a) Election of the members of the Board, including the independent directors, for the ensuing year.

(b) Ratification of all acts of the Board, Board Committees, Officers, and Management for the period June 30, 2023 to June 28, 2024.

(i) election of officers, board committee chairpersons and members, and lead independent director (including interim lead independent director, and interim board committee chairperson and member) as well as the appointment of their successors, if necessary;

(ii) approval of the re-allocation or change in the use of IPO proceeds;

(iii) authorizing MONDE to enter into, amend, or terminate agreements and/or execute applications/forms reports and/or certifications needed by MONDE in the normal course of business (*e.g.,* non-disclosure or confidentiality agreements; corporate communications, public affairs management and government relations-related agreements; investment management agreements; trust agreements; labor-related, training, and/or recruitment-related agreements; employee benefits-related agreements; employment contracts, collection servicing agreements; marketing-related agreements; talent agreements; co-branding agreements; co-promotion agreements; internal audit-related agreements; construction agreements; supply chain or logistics-related agreements; trading terms agreements; supply agreements; service agreements; integrated facilities agreements; electricity supply agreements; advisory contracts and engagement letters; lease agreements; hauling agreements; waste treatment and/or disposal agreements; machine & calibration service agreements; security services agreements; quality assurance-related agreements; credit line agreements; compliance-related agreements; consultancy agreements; distributorship agreements; endorsement agreements; payment arrangements; licensing agreements; subscription agreements; software- or information technology-related agreements; sales-related agreements; memoranda of agreement; accommodation agreements; data sharing agreements) and advisement reports, including amendments to the foregoing agreements, and/or designating MONDE representatives and signatories regarding the same;

(iv) approval of change in designation of certain key officers (*i.e.,* Chief Risk Management Officer and Chief Business Officer);

(v) declaration of cash dividends;

(vi) authorizing MONDE to buy and/or sell company vehicles;

(vii) approval of the budget for year 2024;

(viii) approval and/or removal of signatories for transactions with banks, financial intermediaries, and trust investment companies;

(ix) approval of certain amendments to MONDE's Conflict of Interest Policy;

(x) approval of the Board and Board Committee evaluation materials or forms and the results of the assessment;

(xi) designation of authorized signatories/representatives to transact business on MONDE's behalf with certain government agencies (whether local or foreign) as are required by law or regulations, in connection with applications and actions before such government agencies including authorizing them to be signatories for related forms and/or agreements, as needed;

(xii) authorizing MONDE to enter into hedging transactions with certain bank and non-bank financial institutions;

(xiii) authorizing MONDE to open, re-activate, and/or close accounts with banks and non-bank financial intermediaries and to avail of their services and/or products (including internet/online banking facilities, derivative transactions, and supply chain financing agreements) as well as agree to operational details concerning such availments and designating signatories for the same;

(xiv) noting Monde Nissin Singapore Pte. Ltd ("**MNSPL**")'s report on the latter's receipt of a significant risk reduction measure consisting of a financial support commitment offered by MONDE's controlling shareholders (through the controlling shareholders' family holding company, MNSG

Holdings Pte. Ltd.) that shall result in a partial reduction of accumulated impairments (if any) recognizable with respect to MNSPL's Meat Alternative Business for the next ten (10) years;

(xv) authorizing MONDE to permanently discard, dispose of, and write off certain assets from its books of accounts;

(xvi) appointment of trustee to MONDE's retirement fund;

(xvii) authorizing MONDE to acquire 99,995 shares of its subsidiary KBT International Holdings, Inc. from the minority shareholders thereof;

(xviii) approval for the subscription by MONDE to an additional 47,000,000 ordinary shares in its wholly owned subsidiary MNSPL at an aggregate subscription price of £47.0 Million;

(xix) authorizing MONDE to establish scholarships and research grants to certain students;

(xx) approval of MONDE's 2023 annual audited consolidated financial statements;

(xxi) approval of MONDE's interim unaudited financial statements for each quarter;

(xxii) authorizing MONDE to borrow from or extend loans (including refinance and guarantee existing loans) to various subsidiaries and/or affiliates as well as to appoint enforcement agents in connection therewith;

(xxiii) appointment of the Interim Chief Internal Audit Executive;

(xxiv) authorizing MONDE to appoint representatives in connection with court, administrative and/or other legal proceedings (including extrajudicial compromise agreements) involving MONDE;

(xxv) designation of proxies of MONDE to stockholders' meetings of its subsidiaries, affiliates, and investee-companies;

(xxvi) authorizing the Meeting to be held via remote communication on June 28, 2024, setting the record date for the Meeting, appointment of external auditor and fixing its remuneration, and authorizing the CEO to execute the information statement;

(xxvii) approval of the agenda for the Meeting;

(xxviii) approval of CGNR Committee's recommendation regarding the final list of nominees for directors for election at the Meeting;

(xxix) the acts of the officers taken by them to implement the resolutions of the Board and its Committees; and

(xxx) matters covered in the disclosures to the SEC and/or the PSE.

(c) Appointment of external auditor and fixing its remuneration.

Item 19. Voting Procedures

(a) Vote Required

The affirmative vote of at least a majority of the issued and outstanding capital stock entitled to vote and represented at the Meeting is required for the approval of the matters presented to the stockholders for decision. Cumulative voting applies to the election of directors.

(b) **Manner of Voting**

Except in the election of directors where one (1) share is entitled to as many votes as there are directors to be elected, in all other items for approval, each share of stock entitles its registered owner as of Record Date to one vote, provided the share has not been declared delinquent. Given that the holding of the Meeting is done virtually via an online platform, stockholders will be allowed to vote only either through remote communication, electronically *in absentia*, or by appointing the CEO as proxy, in accordance with the instructions set out in **Annex A**.

For the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected, multiplied by the number of such stockholder's shares shall equal, or the stockholder may distribute them on the same principle among as many candidates they/it may see fit, provided the whole number of votes cast by the stockholder shall not exceed the number of shares owned by them/it multiplied by the total number of directors to be elected.

Proxies shall be executed digitally by the stockholder through the secure online portal (see Annex A) or submitted via email to the Corporate Secretary at corporate.secretary@mondenissin.com, for inspection and recording not later than seven (7) business days prior to the date of the Meeting, or on or before 5:00 P.M. PHT of June 19, 2024. Validation of proxies shall be done on or before June 21, 2024.

A stockholder may vote through remote communication by using the digital ballot available at https://conveneagm.com/ph/MONDE2024ASM before the Meeting or live during the Meeting.

A stockholder may also vote electronically *in absentia* using the digital ballot available at https://conveneagm.com/ph/MONDE2024ASM. A stockholder voting electronically *in absentia* shall be deemed present for purposes of quorum.

All votes will be counted and tabulated by MONDE's Corporate Secretary and her designated assistants and the results will be independently validated by a third party.

Item 20. **Participation of Stockholders by Remote Communication**

Pursuant to the Amended By-Laws, the Board during its meeting on May 8, 2024, approved the holding of the Meeting in a fully virtual format. The stockholders may only attend the Meeting by remote communication, and by voting *in absentia*, as provided in item 4(c) and item 19 above, or voting by appointing the CEO as their proxy.

The Meeting's live webcast shall be accessible through the following online web address: https://conveneagm.com/ph/MONDE2024ASM. To enable MONDE to identify the stockholders participating via remote communication and record their presence for purposes of quorum, stockholders intending to participate in the Meeting by remote communication must register no later than 5 P.M. PHT on June 19, 2024 at the following webpage: https://conveneagm.com/ph/MONDE2024ASM.

Stockholders may send questions or comments pertaining to any item on the Meeting's agenda through the secure online portal until 5:00 P.M. PHT of June 19, 2024, and during the Meeting. All other communications should be sent by email to investor.relations@mondenissin.com, copying corporate.secretary@mondenissin.com. The detailed instructions for participating through remote communication are in **Annex A**.

Item 21. **Acceptance of Stockholder Proposals on Agenda Items**

Stockholders of record as of Record Date owning (alone or together with other stockholders) at least 5% of MONDE's total outstanding capital stock may submit proposals on items for inclusion in the Meeting's agenda on or before 5:00 P.M. PHT of June 19, 2024.

UNDERTAKING

MONDE will post the full version of this SEC Form 20-IS (Information Statement), together with all its annexes including MONDE's Consolidated Audited Financial Statements as of December 31, 2023, as well as its Interim Consolidated Unaudited Financial Statements as of March 31, 2024, on MONDE's website at the link: www.mondenissin.com upon its approval by the SEC.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in Makati City, Metro Manila, Philippines on June 3, 2024.

MONDE NISSIN CORPORATION
By:

HENRY SOESANTO
Executive Vice President
Chief Executive Officer

ANNEX A

Requirements and Procedure for Voting and Participating in the Meeting

REQUIREMENTS AND PROCEDURE FOR VOTING AND PARTICIPATING IN THE 2024 ANNUAL STOCKHOLDERS' MEETING OF MONDE NISSIN CORPORATION

A. CONDUCT OF THE VIRTUAL MEETING. – Monde Nissin Corporation's ("**MONDE's**") 2024 Annual Stockholders' Meeting (the "**Meeting**") is on June 28, 2024, Friday, at 10 a.m. Philippine Time (PHT), entirely on an online basis through the AGM@Convene virtual platform accessible at https://conveneagm.com/ph/MONDE2024ASM.

Pursuant to the Revised Corporation Code's Sections 23 and 57, stockholders who participate in the Meeting by remote communication or *in absentia* shall be deemed present for quorum purposes.

B. RECORD DATE. – Only stockholders of record at the close of business on May 31, 2024 ("**Record Date**") are entitled to participate in and vote at the Meeting.

C. NOTICE OF MEETING AND OTHER DOCUMENTS. – The Information Statement (SEC Form IS-20) and its attachments, minutes of the previous meetings of stockholders, and other documents related to the Meeting, are available at www.mondenissin.com and https://conveneagm.com/ph/MONDE2024ASM.[1]

D. REGISTRATION. – Stockholders intending to participate in the Meeting by remote communication must register at https://conveneagm.com/ph/MONDE2024ASM starting June 6, 2024 at 9 a.m. PHT until June 19, 2024 at 5 p.m. PHT ("**Registration Period**"). Stockholders encountering issues using or accessing the AGM@Convene online portal may contact AGM@Convene at support@conveneagm.com for technical support.

The registration requirements are as follows:

1. FOR INDIVIDUAL STOCKHOLDERS WITH CERTIFICATED SHARES:

    a. A clear scanned copy of the stockholder's valid government-issued ID showing the stockholder's photograph, signature, and other personal details, in JPG, PNG, or PDF format, and with a file size no larger than 12MB. Acceptable IDs include Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, Social Security System ID, Pag-IBIG ID, Senior Citizen ID, Voter's ID, Philippine Identification System ID ("**PhilSys ID**"), National ID, and Alien Certificate of Registration/Immigration Certificate of Registration; and

    b. The stockholder's valid and active email address.

2. FOR CORPORATE STOCKHOLDERS WITH CERTIFICATED SHARES:

    a. A clear scanned copy of the stockholder's Secretary's Certificate stating the full name of the stockholder's representative and authorizing such representative to represent, and vote or execute the proxy on behalf of, the stockholder in the Meeting, in JPG, PNG, or PDF format and with a file size no larger than 12MB;

    b. A clear scanned copy of the valid government-issued ID of the stockholder's representative showing the representative's photograph, signature, and other personal details, in JPG, PNG, or PDF format, and with a file size no larger than 12MB. Acceptable IDs include Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, Social Security System ID, Pag-IBIG ID, Senior Citizen ID, Voter's ID, PhilSys ID, Philippine Identification Card, and Alien Certificate of Registration/Immigration Certificate of Registration; and

    c. The authorized representative's valid and active email address.

[1] Pursuant to the Securities and Exchange Commission's Notice dated February 23, 2024, publicly-listed companies holding their Meeting are allowed to post Meeting-related materials on their website as an alternative mode of distribution of such materials to their stockholders.

3. FOR INDIVIDUAL STOCKHOLDERS WHO ARE BENEFICIAL OWNERS UNDER A PCD PARTICIPANT/BROKER'S ACCOUNT, OR INDIVIDUAL STOCKHOLDERS WITH SCRIPLESS SHARES

   a. A clear scanned copy (in JPG, PNG, or PDF format and with a file size no larger than 12MB) of either a: (i) certification issued by the broker or PCD participant indicating the beneficial owner-stockholder's name and his/her shareholdings in MONDE as of Record Date (May 31, 2024), or (ii) sub-proxy issued by the broker or PCD participant to the beneficial owner-stockholder;

   b. A clear scanned copy of the beneficial owner-stockholder's valid government-issued ID showing the photograph, signature, and other personal details of the individual stockholder, in JPG, PNG, or PDF format, and file size no larger than 12MB. Acceptable IDs include Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, Social Security System ID, Pag-IBIG ID, Senior Citizen ID, Voter's ID, PhilSys ID, Philippine Identification Card, and Alien Certificate of Registration/Immigration Certificate of Registration; and

   c. The beneficial owner-stockholder's valid and active email address.

4. FOR CORPORATE STOCKHOLDERS UNDER A PCD PARTICIPANT/BROKER'S ACCOUNT, OR CORPORATE STOCKHOLDERS WITH SCRIPLESS SHARES

   a. A clear scanned copy (in JPG, PNG, or PDF format and with a file size no larger than 12MB) of either a: (i) certification issued by the broker or PCD participant indicating the corporate stockholder's name and its shareholdings in MONDE as of Record Date (May 31, 2024), or (ii) sub-proxy issued by the broker or PCD participant to the corporate stockholder;

   b. A clear scanned copy of the corporate stockholder's Secretary's Certificate (or its equivalent for corporates registered or incorporated in jurisdictions other than the Philippines) stating the full name of the corporate stockholder's individual representative authorized and authorizing such representative to represent, and vote or execute the proxy on behalf of, the corporate stockholder in the Meeting, in JPG, PNG, or PDF format, and with a file size no larger than 12MB;

   c. A clear scanned copy of the valid government-issued ID of the corporate stockholder's representative showing the individual representative's photograph, signature, and other personal details, in JPG, PNG, or PDF format, and with a file size no larger than 12MB. Acceptable IDs include Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, Social Security System ID, Pag-IBIG ID, Senior Citizen ID, Voter's ID, PhilSys ID, Philippine Identification Card, and Alien Certificate of Registration/Immigration Certificate of Registration; and

   d. The authorized representative's valid and active email address.

5. FOR STOCKHOLDERS WITH JOINT ACCOUNTS UNDER A PCD PARTICIPANT/BROKER'S ACCOUNT OR JOINT ACCOUNT HOLDERS UNDER A BROKER'S ACCOUNT WITH SCRIPLESS SHARES

   a. A clear scanned copy (in JPG, PNG, or PDF format and with a file size no larger than 12MB) of either a: (i) certification issued by the broker indicating all the joint account holders'/stockholders' names/identities and their shareholdings in MONDE as of Record Date (May 31, 2024) or (ii) sub-proxy executed by the broker or PCD participant in favor of the representative designated by all the joint account holders;

   b. An authorization letter duly signed by all joint account holders/stockholders (or their duly-authorized representatives through Secretary's Certificates for corporate stockholders) indicating their designated representative who shall be authorized to participate in the Meeting, in JPG, PNG, or PDF format, and with a file size no larger than 12MB. The designated representative maybe one of the joint account holders/stockholders;

c. Clear scanned copies of the joint stockholders' and authorized representative's valid government-issued ID with the photographs, signatures, and other personal details, in JPG, PNG, or PDF format and with a file size no larger than 12MB. Acceptable IDs include Driver's License, Passport, Unified Multi-Purpose ID, Professional Regulation Commission ID, Social Security System ID, Pag-IBIG ID, Senior Citizen ID, Voter's ID, PhilSys ID, Philippine Identification Card, and Alien Certificate of Registration/Immigration Certificate of Registration; and

d. The authorized representative's valid and active email address.

Deficiencies or inconsistencies in the information provided to MONDE will result in a failed attempt to register with the AGM@Convene virtual platform and will render the account holder ineligible to participate in the Meeting.

E. REGISTRATION PROPER – Registrants who have submitted complete requirements within the Registration Period will receive an email notice from AGM@Convene (agmaccounts@conveneagm.com) requesting them to (a) verify their email and (b) nominate a password ("**Verification Email**"). Registrants who do not receive a Verification Email within three (3) business days from submission of complete requirements should send an email to support@conveneagm.com, **copying** MONDE's Corporate Secretary at corporate.secretary@mondenissin.com.

F. VOTING

1. Successful registrants may vote on **agenda item numbers 4 to 9** using any of the following methods:

    a. by appointing MONDE's Chief Executive Officer ("**CEO**") as their proxy through the AGM@Convene virtual platform. Duly accomplished proxies must be submitted via the AGM@Convene virtual platform on or before June 19, 2024 at 5:00 p.m. PHT. The appointment of MONDE's CEO as proxy may be revoked through the secure online portal at any time *prior to* 5:00 p.m. PHT on June 19, 2024. Proxies may no longer be revoked after 5 p.m. on June 19, 2024. Proxies will be validated upon their submission and until June 21, 2024;

    b. by appointing MONDE's CEO as their proxy by submitting the duly accomplished proxy form (attached to MONDE's Information Statement) via email to corporate.seccretary@mondenissin.com. Duly accomplished proxies must be submitted to MONDE on or before June 19, 2024 at 5:00 p.m. PHT. The appointment of MONDE's CEO as proxy may be revoked by sending an email to MONDE's Corporate Secretary at corporate.secretary@mondenissin.com *prior to* 5:00 p.m. PHT on June 19, 2024. Proxies may no longer be revoked after 5 p.m. on June 19, 2024. Proxies will be validated upon their submission and until June 21, 2024;

    c. by remote communication using the digital ballot accessible on the AGM@Convene virtual platform. The option to vote by remote communication through the AGM@Convene virtual platform will be made available after a stockholder's registration application has been authenticated and approved. A stockholder voting by remote communication may cast their vote from the time they complete the registration process until 5:00 p.m. PHT of June 27, 2024, or may opt to cast their votes live at any time during the entire duration of the Meeting until its adjournment; and

    d. by voting *in absentia* using the digital ballot accessible on the AGM@Convene virtual platform. The option to vote in absentia through the AGM@Convene virtual platform will be made available after a stockholder's registration application has been authenticated and approved. Stockholders are allowed to cast their votes *in absentia* until June 27, 2024 at 5:00 p.m. PHT.

2. MONDE's Corporate Secretary and her designated assistants will tabulate votes received. An independent third party assurance provider will validate the voting results.

3. The Corporate Secretary will report the preliminary results of the voting during the Meeting. The final results, as validated by an independent third party assurance provider, will be indicated in the minutes of the Meeting.

G. MEETING PROPER

1. The Meeting's live webcast will be broadcasted at https://conveneagm.com/ph/MONDE2024ASM.

2. During the Meeting, each of the proposed resolutions will be shown on the screen as the relevant agenda item is taken up. Stockholders may send questions or comments pertaining to any item on the Meeting's agenda through the secure online portal until 5 p.m. PHT of June 19, 2024, and during the Meeting.

3. The Corporate Secretary shall report the preliminary tally of votes received and inform the stockholders if a particular resolution has been carried or disapproved. The total number of votes cast for all items for approval, as of 5 p.m. PHT of June 27, 2024, shall be flashed on the screen. The final voting results, as validated by an independent third party assurance provider, will be reflected in the minutes of the Meeting.

4. The Meeting proceedings will be recorded in audio and video format. The Meeting's video recording will be accessible at www.mondenissin.com.

H. OTHER MATTERS

1. A stockholder who has successfully registered may submit a question or comment pertaining to any item on the agenda until 5 p.m. PHT on June 19, 2024, and during the Meeting, through the secure online portal.

2. For any questions on these guidelines, please contact the following:
    a. corporate.secretary@mondenissin.com
    b. support@conveneagm.com
    c. investor.relations@mondenissin.com

ANNEX B

Information on Directors and Executive Officers

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

Members of the Board of Directors

Mr. Hartono Kweefanus, Indonesian, 74 y.o., Chairperson Emeritus. Also: chairman of the board of Monde M.Y. San Corporation, PT Khong Guan Biscuit Indonesia, and KBT International Holdings, Inc.; director of Monde Land, Inc., Monde Nissin Singapore Pte. Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, Suntrak Corporation, Monexco International Ltd., and Monde Nissin (Thailand) Co., Ltd. Graduated from Nanyang University, Singapore, majoring in Industrial and Business Management. Mr. Kweefanus has been a MONDE Director for 44 years.

Ms. Kataline Darmono, Indonesian, 45 y.o., Chairperson of the Board. Also: member, board of PT Wahana Mekar Lestari and PT Khong Guan Biscuit Indonesia. Received her Bachelor of Arts, majoring in Finance, from Lehigh University, Pennsylvania, USA, and her Master of Business Administration from Pepperdine University, California, USA. Joined MONDE as Non-Executive Director on April 12, 2021.

Mr. Hoediono Kweefanus, Indonesian, 72 y.o., Vice Chairperson. Also: president and director of P.T. Nissin Biscuit and P.T. Monde Makkota; Vice-Chairman of KBT International Holdings, Inc.; director of Monde Nissin Singapore Pte. Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, Monexco International Ltd., and Monde Nissin (Thailand) Co. Ltd. Graduated from Nanyang University Singapore with a Bachelor of Commerce degree. Mr. Kweefanus has been a MONDE Director for 11 years.

Ms. Betty T. Ang, Filipino, 69 y.o., President. Also a director of Suntrak Corporation. Graduated from Assumption College with a Bachelor of Science in Commerce, majoring in Business Management. Ms. Ang has been MONDE President and Director for more than 44 years, being with MONDE since its incorporation on May 23, 1979.

Mr. Henry Soesanto, Indonesian, 72 y.o., Executive Vice-President, and Chief Executive Officer. Also: president of Monde M.Y. San Corporation; Chairman of the Board of Sarimonde Foods Corporation, All Fit & Popular Foods, Inc. and Monde Nu-Agri Corporation; and director of Monde Land, Inc., Monde Nissin Singapore Pte. Ltd., Monde Nissin UK Ltd., Monde Nissin International Investments Ltd., Monde Nissin Holdings (Thailand) Ltd., Monde Nissin New Zealand Limited, Suntrak Corporation, KBT International Holdings, Inc., Monexco International Ltd., and Monde Nissin (Thailand) Co. Ltd. Also treasurer and director at Monde Malee Beverage Corporation. Graduated from the Institute of Technology, Surabaya, Indonesia with a Bachelor of Science, majoring in Chemical Engineering, and a Master of Science in Chemical Engineering, and finished US-based eCornell University's Plant-Based Nutrition Certificate Program. Mr. Soesanto has been a MONDE Director for 35 years, being with MONDE for 42 years.

Ms. Monica Darmono, Indonesian, 69 y.o., Treasurer. Also: treasurer and director of KBT Holdings, Inc.; and director at Monexco International Ltd, and Monde Malee Beverage Corporation. Graduated from the Standard College of Singapore with a Bachelor of Science, majoring in Accounting. Ms. Darmono has been a MONDE Director for 18 years.

Ms. Nina Perpetua D. Aguas, Filipino, 71 y.o., Lead Independent Director. Also current executive chairperson of Insular Life Assurance Co.; chairman of Insular Healthcare, Inc.; chairman and trustee of Insular Foundation; and director of Unionbank of the Philippines, Pilipinas Shell Petroleum Corporation, and the Insurance Institute for Asia & the Pacific. Formerly chairman of the Bank of Florida; member of the World Bank Group's Advisory Council on Gender and Development, and The Philippine Stock Exchange's Market Integrity Board; director of City Savings Bank, Philippine Life Insurance Association, Shell Company of the Philippines, Pilipinas Shell Petroleum Corporation, and Mapfre Insular Insurance Corporation; CEO and Independent Board Trustee of The Insular Life Assurance Co. Ltd.; President and CEO of the Philippine Bank of Communications; Managing Director and Head of Private Bank – Asia Pacific and Managing Director and Retail Banking Head – Asia Pacific of the Australia and New Zealand (ANZ) Banking Ltd., Singapore; and managing director and head of corporate center compliance in New York for Citigroup, Inc. Received her Bachelor of Science in Commerce, Accounting from the University of Santo Tomas. Joined MONDE as an Independent Director on April 15, 2021.

Ms. Marie Elaine Teo, Singaporean, age 57 y.o., Independent Director. Currently Chairman of The TENG Company Ltd.; also: director of Mapletree Investments Pte Ltd.; ICHX Tech Pte Ltd, and Tsao Foundation; non-executive independent director of Olam Group Limited, and Capital International Fund; and governing board member of Duke NUS Medical School. Has over 20 years of direct public market investment experience. Formerly chairperson of Capital International Research Inc.; director of Mapletree Oakwood Holdings Pte. Ltd., Tantallon Capital Advisors, and GK Goh Holdings Ltd; independent director of Caregivers Alliance Ltd.; member of the international advisory panel of CIMB Group Holdings Berhad; member of the International Development Group of the Jesuit Refugee Service; and partner and senior advisor of Holdingham Group. Held oversight and board level responsibilities in Asia for global emerging markets and group operations across risk control, portfolio management, operations, human capital, and client services at the Capital Group companies. Holds a Bachelor of Arts (Honours) in Experimental Psychology from Oxford University. Joined MONDE as an Independent Director on April 7, 2021.

Ms. Anabelle L. Chua, Filipino, age 63 y.o., Independent Director. Formerly director and member of Audit, and Capital Markets Development Committees of The Philippine Stock Exchange, Inc.; director, chairperson of Finance Committee, and member of Finance, Audit, Risk Management, Nominations and Governance, and Related Party Transaction Committees of Meralco; director, chairperson of the Technology Group Governance Committee, and member of the Audit Committee and Risk and Compliance Committee of Maya Philippines, Inc.; director and member of the Audit Committee and Technology Governance Committee of Mayabank, Inc.; director of Smart Communications, Inc., ePLDT Inc., Smart Broadband, Inc., Digital Telecommunications Phils., Inc., Digitel Mobile Phils, Inc., PLDT Communications and Energy Ventures, Inc., Philippine Telecommunications Investment Corporation, PLDT Global Investments Holdings, Inc., PLDT Global Corporation, PLDT Capital Pte Ltd., MediaQuest Holdings Inc., TV5 Network Inc., Cignal TV, Philstar Daily Inc., Pilipino Star Printing Co., Inc., Pilipino Star Ngayon, Inc., Philstar Global Corporation, Business World Publishing Corporation, Beacon Electric Asset Holdings Inc., Eastern Telecommunications Philippines Inc., Vega Telecom Inc., Voyager Innovations Inc., PLDT- Smart Foundation, Meralco PowerGen Corporation, Global Business Power Corporation, and Securities Clearing Corporation of the Philippines; held the following positions in PLDT, Inc.: Group Chief Financial Officer and Senior Vice President, Chief Risk Management Officer, and Treasurer; Chief Financial Officer of Smart Communications, Inc.; held the following positions in Citibank, N.A.: Corporate Finance Senior Transactor and Market Execution Head, Customer Risk Management Head, Business MIS Head, Financial Accounting Head, and Financial Analyst; controller of Solid Pacific Finance Ltd.; and banking assistant of Phil. National Oil Company. Received her Bachelor of Science in Business Administration and Accountancy from the University of the Philippines (magna cum laude), and ranked number 1 in the October 1982 Certified Public Accountant Board Examinations. Awarded the ING-FINEX CFO of the Year in 2021. Joined MONDE as an Independent Director on September 22, 2023.

<u>Nominee to the Board of Directors for election at the stockholders' meeting:</u>

All the incumbent directors of MONDE, except Independent Director Ms. Teo, have been nominated for re-election to the Board of Directors for F.Y. 2024-2025. Ms. Teo will not stand for re-election for F.Y. 2024-2025.

Below is information on Mr. Ramon Felicisimo M. Lopez, who is being nominated by a qualified shareholder to the position of Independent Director.

Mr. Ramon Felicisimo M. Lopez, Filipino, age 63 y.o., Currently Independent Director of SM Investments Corporation, AIC Group of Companies Holding Corporation, New Marketlink Pharmaceutical Corporation, and Seedbox Securities, Inc.; trustee and vice chairman of Valenzuela City Technological College; Philippine Governor and chairman of the Governing Board of the Economic Research Institute for ASEAN and East Asia; member of the board of advisors of Packworks Venture Pte. Ltd.; member of the advisory board of the Bayan Family of Foundations; and vice chairman and interim President and Chief Executive Officer of Asian Consulting Group. Formerly secretary of the Philippine Department of Trade and Industry; chairperson of the Board of Investments, Philippine Economic Zone Authority, National Development Company, Export Development Council, Anti-Red Tape Authority Advisory Council, Center for International Trade Expositions and Missions, and Halal Board; independent director of Asian Consulting Group; vice president and head of strategic planning of RFM Corporation; executive director of Go Negosyo; and director of Aboitiz Feedall Holdings, Inc., Pilmico Foods

Corporation, and Pilmico Animal Nutrition Corporation[1]. Received his Bachelor of Arts in Economics from the University of the Philippines, and Masters in Development Economics from Williams College, Massachusetts, USA. Awarded the 2016 Nation Builders Award for Government Service, 2017 Philippine Innovation Man of the Year, Order of Sikatuna (with a rank of Datu), 2020 People of the Year by People Asia, Presidential Medal of Merit in 2022, and the Lifetime Contributor of the Year by The Asia CEO Awards 2022.

Executive Officers

Atty. Helen G. Tiu, Filipino, 63 y.o., Corporate Secretary and Chief Legal Counsel. She was MONDE's Data Protection Officer from June 26, 2019 to March 22, 2022, and Chief Legal Officer from July, 2017 to July, 2022. Also director of Sarimonde Foods Corporation, Monde Rizal Properties, Inc., Monde Malee Beverage Corporation, and Monde Nu-Agri Corporation, and corporate secretary of Monde M. Y. San Corporation, Sarimonde Foods Corporation, All Fit & Popular Foods, Inc., Monde Malee Beverage Corporation, and Monde Nu-Agri Corporation; trustee, Harvard Law School Alumni Association of the Philippines; corporate secretary, Philstar Daily, Inc., Pilipino Star Ngayon, Inc., Pilipino Star Printing Co., Inc., Philstar Global Corporation, and JS Publications (The Freeman) Co., Inc. Previously: independent director at NiHAO Mineral Resources International, Inc., Asiabest Group International, Inc., and Dizon Copper Silver Mines, Inc.; director in Petron Corporation; president of the Harvard Law School Alumni Association of the Philippines; corporate secretary for Aboitiz Transport System Corporation (now 2Go Group, Inc.); partner at SGV & Co.; Head Executive Assistant to the Secretary of Energy at the Philippine Department of Energy; instructor at the College of Business Administration, University of the Philippines. Member, Integrated Bar of the Philippines, UP Women Lawyers' Circle, Inc., Good Governance Advocates and Practitioners of the Philippines (GGAPP), and Harvard Club of the Philippines Foundation, Inc. Received her Bachelor of Science in Business Administration and Accountancy (cum laude), and Bachelor of Laws, from the University of the Philippines, and her Master of Laws from Harvard University. She has been MONDE's Corporate Secretary since May, 2014.

Ms. Marivic N. Cajucom-Uy, Filipino, 59 y.o., Chief Sustainability Officer. Joined MONDE in 1989, serving in various capacities, including Sustainability Director, Internal Consulting Director, Core Business Strategy Director, Marketing Director, and Marketing Manager. Received her Bachelor of Arts in Economics (cum laude) from the University of the Philippines. She has been with MONDE for 35 years.

Mr. Rico A. Gonzales, Filipino. 58 y.o., Chief Business Officer. Previously: Chief Strategy Officer, Monde Nissin Corporation; Chief Strategy Officer, Monde Nissin Singapore Pte. Ltd.; Managing Director, Meval International Pte. Ltd.; General Manager, Lemnis Lighting Asia Pte. Ltd.; Chief Executive Officer, Philips Electronics & Lighting Inc.; General Manager, Philips Electronics Singapore; Channel Development Director, Philips Electronics & Lighting Inc.; and Sales Manager – Associate Director, Procter & Gamble, Philippines. Received his Bachelor of Science in Business Administration from University of the Philippines. Joined MONDE in May 2023.

Mr. Jesse C. Teo, Filipino, 52 y.o., Chief Financial Officer. Also: director at Monde Nissin Singapore Pte. Ltd., Monde Nissin UK Ltd., Monde Nissin New Zealand Ltd., Sarimonde Foods Corporation, All Fit & Popular Foods, Inc., and Monde Nu-Agri Corporation, and Chief Financial Officer at Sarimonde Foods Corporation, All Fit and Popular Foods, Inc., and Monde Nu-Agri Corporation. Received his degree in BS Management – Honours Program from Ateneo de Manila University. Has been with MONDE for nine years.

Mr. Michael J. Paska, American, 54 y.o., Chief Investor Relations Officer. Previously: independent consultant at Asian Development Bank, and was connected with Edtech Capital Advisors, Amalgamated Investment Bancorporation, Fortman Cline Capital Markets, Groveland Capital, Whitebox Advisors, Wachovia Securities (now Wells Fargo), Progress Energy, Andersen Consulting (now Accenture), and the US' Central Intelligence Agency (CIA). He has a Bachelor of Science in Electrical Engineering from the University of Minnesota, a Master of Economics from North Carolina State University, and an MBA from the University of Chicago. Joined MONDE in 2019.

Mr. Michael Stanley D. Tan, Filipino, 52 y.o., Chief Operations Officer. Previously, Value Creation Officer and Supply Chain Director. Previously: held various positions in Procter and Gamble in the Philippines, Vietnam, and

[1] Mr. Ramon Felicisimo M. Lopez was elected as director of Aboitiz Feedall Holdings, Inc., Pilmico Foods Corporation, and Pilmico Animal Nutrition Corporation on May 27, 2024.

Malaysia across the 4 Global Business Units including Senior Director and Supply Chain Manager, and was Asia Internal Consultant for integrated Work System in Product Supply. Received his Bachelor of Science in Electrical Engineering (Magna cum Laude) from Silliman University. Joined MONDE in 2018.

Mr. Daniel Teichert, German, 45 y.o., Chief Risk Management Officer and Interim Chief Internal Audit Executive. Previously: various financial management roles, including: Vice President Finance and IT Sourcing Division, Siemens Inc. Philippines; CFO, ATOS Philippines; Vice President Corporate — Head of Finance, Atlantic, Gulf and Pacific. Member, Good Governance Advocates and Practitioners of the Philippines. He has degrees in Industriekaufmann (IHK, DE) from Siemens AG "Stammhauslehre," Bachelor in Commercial Economics from Hogeschool Zeeland, NL, and Betriebswirt (VWA), Verwaltungs und Wirtschaftakademie, (Essen DE). Joined MONDE in 2016.

Atty. Jon Edmarc R. Castillo, Filipino, 37 y.o., Chief Compliance Officer and PSE Company Information Officer. Previously: Senior Associate, SyCip Salazar Hernandez & Gatmaitan; Litigation, Labor, and Permits Manager, Philex Mining Corporation; Researcher, University of the Philippines Law Center. Member and Accredited Arbitrator, Integrated Bar of the Philippines. Certified Compliance Officer, Center for Global Best Practices; Alumnus, University of the Asia and the Pacific Center for Research and Communication Data Protection Officer Foundational and Certification Program. Member, Philippine Institute of Arbitrators; Member, Good Governance Advocates and Practitioners of the Philippines. Received his Bachelor of Arts (Magna Cum Laude) and Juris Doctor Degrees from the University of the Philippines. Joined MONDE in 2020.

Atty. Katherine C. Lee-Bacus, Filipino, 34 y.o., Assistant Corporate Secretary. Previously: Associate, SyCip Salazar Hernandez & Gatmaitan; Associate, Risk and Internal Audit, Isla Lipana & Co; Audit Specialist, Bank of the Philippine Islands. Member, Integrated Bar of the Philippines. Certified Compliance Officer, Center for Global Best Practices; Alumnus, University of the Asia and the Pacific Center for Research and Communication Data Protection Officer Foundational and Certification Program. Received her J.D. from Ateneo Law School, and her Bachelor of Science in Accountancy (magna cum laude) from Saint Louis College. Joined MONDE in 2021.

Atty. Anne Katherine N. Santos, Filipino, 35 y.o., Assistant Corporate Secretary. Previously: Senior Associate, SyCip Salazar Hernandez & Gatmaitan. Member, Integrated Bar of the Philippines. Certified Compliance Officer, Center for Global Best Practices; Alumnus, University of the Asia and the Pacific Center for Research and Communication Data Protection Officer Foundational and Certification Program. Received her J.D. from Ateneo Law School, and her Bachelor of Science in Management Engineering from Ateneo de Manila University. Joined MONDE in 2021.

Mr. Samuel C. Sih, Filipino, 60 y.o., Chief Commercial Officer. He has degrees in BS Commerce Major in Business Management, and Graduate Studies – Management from De La Salle University. He has been with MONDE for 35 years.

Ms. Wendy T. Antioquia, Filipino, 57 y.o., Regional Research and Development Director. Previously: General Manager-Biscuits and Wafer Business Unit, R&D Head, and R&D Specialist. Received her Bachelor of Science degree in Food Technology from the University of the Philippines; member of the Philippine Association of Food Technologists. She has been with MONDE for 31 years.

Ms. Melissa Chua-Pabustan, Filipino, 51 y.o., Chief Marketing Officer. She was previously connected with RFM Corporation. Has degrees in BS Applied Economics and BS Marketing Management from De La Salle University. She has been with MONDE for 27 years.

Ms. Jocelyn Jones G. So, Hong Kong SAR Chinese, 59 y.o., Chief Information and Digital Officer. Previously with PCCW Solutions Ltd. as: Senior Vice President and CMT Industry Head; Senior Vice President, Business Process Unit, HKT; and Senior Vice President, Systems Solutions Development and Integration. Received her Bachelor of Science in Math, Major in Computer Science from Ateneo de Manila University and her Master of Business Administration, Major in Information Technology from University of Western Sydney. Joined MONDE in 2022.

Ms. Luzviminda M. Mercurio, Filipino, 58 y.o., Chief People & Culture Officer. Previously: Vice President for HR-Training and Staffing, GE Consumer Finance; HR and Organization & Talent Development Manager, Mondelez Philippines (previously Kraft Foods Philippines); Regional Learning and Development Leader – ASEAN Region, General Electric; and CEO, Strategic Learning and Professional Development Consulting. Received her Bachelor of

Arts in Communication from the University of the Philippines; finished the Leadership & Management Development Program of Ateneo Graduate School of Business. Joined MONDE in 2021.

Atty. Maria Olivia Y. Misa, Filipino, 54 y.o., Head of Corporate and Government Affairs. Previously: Head of Government and Industry Affairs, Nestlé Philippines; Head of Compliance, Nestlé Nutrition Southeast Asia & Pacific Region; Regional Regulatory Affairs Director- Asia Pacific, Mead Johnson Nutrition (now Reckitt); Corporate Relations Director- Asia Pacific, Middle East and Africa, Abbott Nutrition. Member of the Integrated Bar of the Philippines and UP Women Lawyers Circle, Inc. Member of the Board and Corporate Secretary of Philippine Chamber of Food Manufacturers, Inc. Received her Bachelor of Science in Economics and Juris Doctor from the University of the Philippines, and certifications for International Food Law and Food Safety at the Michigan State University. Joined MONDE in January 2023.

Ms. Elvira S. Mensalvas, Filipino, 61 y.o., serves as Head of Quality Assurance (QA). Also: trustee, GS1 Philippines, Inc. Previously: director, Philippine Chamber of Food Manufacturers, Inc. She has been with MONDE for 32 years.

ANNEX C

Certifications of the Nominees for Independent Directors

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **NINA PERPETUA D. AGUAS**, a national of the Philippines, of legal age and a resident of 322 Mango Drive, Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law, hereby declare that:

1. I am a nominee for independent director of Monde Nissin Corporation ("**MNC**") and have been its independent director since April 15, 2021.

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Shell Pilipinas Corporation (formerly, Pilipinas Shell Petroleum Corporation)	Non-Executive Director	Aug 2021 – Present
Monde Nissin Corporation	Independent Director	Apr 2021 - Present
Insurance Institute for Asia & the Pacific	Director	May 2018 - Present
Insular Life Assurance Co. Ltd.	Executive Chairperson	Jan 2018 – Present
Union Bank of the Philippines	Director	Jan 2016 – Present
Insular Health Care, Inc.	Chairperson	Jan 2016 – Present
Insular Foundation, Inc.	Chairperson and Trustee	Jan 2016 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of MNC, as provided for in the Revised Corporation Code, the Securities Regulation Code [and its implementing rules and regulations ("**SRC IRR**")], and circulars and other issuances of the Securities and Exchange Commission.

4. I am not related to any director/officer/substantial shareholder of MNC or its subsidiaries and affiliates including the relationship provided under Rule 38.2.3 of the SRC IRR.

5. I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Revised Corporation Code, the Securities Regulation Code and the SRC IRR, the Code of Corporate Governance and circulars and other issuances of the Securities and Exchange Commission.

7. I shall inform the Corporate Secretary of MNC of any changes in the abovementioned information within five days from its occurrence.

Done, this ___ day of APR 26 2024 2024.

NINA PERPETUA D. AGUAS

Affiant's Signature over Printed Name

REPUBLIC OF THE PHILIPPINES}
MAKATI CITY } ss.

SUBSCRIBED AND SWORN to before me on the date and at the place stated above, affiant personally appeared before me and exhibited to me her Passport No. P7293536B issued at DFA Manila on 29 Jul 2021.

Doc. No. 52 ;
Page No. 12 ;
Book No. II ;
Series of 2024.

ATTY. GARNY-LUISA S. ALEGRE
Notary Public for Makati City
Appointment No. M-219 until December 31, 2024
Roll of Attorneys No. 53666
PTR No. 10074759MN / 1-02-2024/Makati City
IBP No. 331554/12-19-2023
MCLE Compliance No. VII-0002539 valid until April 14, 2025
21st Floor, 6750 Office Tower, Ayala Avenue
Makati City, 1226 Metro Manila, Philippines

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ANABELLE L. CHUA**, Filipino, of legal age and a resident of 200 Swallow Drive, Greenmeadows Village 1, Quezon City, after having been duly sworn to in accordance with law, hereby declare that:

1. I am being nominated to assume a directorship position as an independent director of Monde Nissin Corporation ("**MNC**").

2. As of the date of this Certification, I am not affiliated with any company or government-owned and controlled corporation.

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of MNC, as provided for in the Revised Corporation Code, the Securities Regulation Code [and its implementing rules and regulations ("**SRC IRR**")], and circulars and other issuances of the Securities and Exchange Commission.

4. I am not related to any director/officer/substantial shareholder of MNC or its subsidiaries and affiliates including the relationship provided under Rule 38.2.3 of the SRC IRR.

5. I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Revised Corporation Code, the Securities Regulation Code and the SRC IRR, the Code of Corporate Governance and circulars and other issuances of the Securities and Exchange Commission.

7. I shall inform the Corporate Secretary of MNC of any changes in the abovementioned information within five days from its occurrence.

Done, this 22nd day of April 2024.

ANABELLE L. CHUA
Affiant's Signature over Printed Name

REPUBLIC OF THE PHILIPPINES}
CITY OF MAKATI CITY } ss.

SUBSCRIBED AND SWORN to before me at the date and place stated above, affiant personally appeared before me and exhibited to me her Passport No. P7458770A issued at DFA Manila on 6 June 2018, and expiring on 5 June 2028.

Doc. No. 17;
Page No. 11;
Book No. II;
Series of 2024.

ATTY. GARNY-LUISA S. ALEGRE
Notary Public for Makati City
Appointment No. M-219 until December 31, 2024
Roll of Attorneys No. 53666
PTR No. 10074759MN/ 1-02-2024/Makati City
IBP No. 331554/12-19-2023
MCLE Compliance No. VII-0002539 valid until April 14, 2025
21st Floor, 6750 Office Tower, Ayala Avenue
Makati City, 1226 Metro Manila, Philippines

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RAMON FELICISIMO M. LOPEZ**, Filipino, of legal age and a resident of 3306 Pioneer Highlands Tower 1, Pioneer corner Madison Sts., Mandaluyong City, Metro Manila 1554, after having been duly sworn to in accordance with law, hereby declare that:

1. I am a nominee for independent director of Monde Nissin Corporation ("**MNC**").

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
SM Investments Corporation (PSE-listed)	Independent Director	Aug 2022 – Present
AIC Group of Companies Holding Corporation	Independent Director	Aug 2022 – Present
New Marketlink Pharmaceutical Corporation	Independent Director	Jul 2022 – Present
Valenzuela City Technological College	Trustee and Vice Chairman	Aug 2022 – Present
Economic Research Institute for ASEAN and East Asia	Philippine Governor and Chairman of the Governing Board	Feb 2024 – Present
Seedbox Securities, Inc.	Independent Director	July 2023 – Present
Packworks Venture Pte. Ltd.	Member of the Board of Advisors	Jan 2023 – Present
Asian Consulting Group	Vice Chairman and Interim President and CEO	Apr 2024 – Present
Bayan Family of Foundations	Advisory Board Member	Apr 2023 – Present

3. I possess all the qualifications and none of the disqualifications to serve as an independent director of MNC, as provided for in the Revised Corporation Code, the Securities Regulation Code [and its implementing rules and regulations ("**SRC IRR**")], and circulars and other issuances of the Securities and Exchange Commission.

4. I am not related to any director/officer/substantial shareholder of MNC or its subsidiaries and affiliates including the relationship provided under Rule 38.2.3 of the SRC IRR.

5. I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Revised Corporation Code, the Securities Regulation Code and the SRC IRR, the Code of Corporate Governance and circulars and other issuances of the Securities and Exchange Commission.

7. I shall inform the Corporate Secretary of MNC of any changes in the abovementioned information within five days from its occurrence.

Done, this ___ day of APR 26 2024 2024, at Makati City.

RAMON FELICISIMO M. LOPEZ
Affiant's Signature over Printed Name

REPUBLIC OF THE PHILIPPINES}
CITY OF MAKATI } ss.

SUBSCRIBED AND SWORN to before me this ____ day of APR 26 2024 2024 at the place stated above, affiant personally appeared before me and exhibited to me his Passport No. P8288238A issued by DFA Manila on 10 August 2018.

Doc. No. 53;
Page No. 12;
Book No. II;
Series of 2024.

ATTY. GARNY-LUISA S. ALEGRE
Notary Public for Makati City
Appointment No. M-219 until December 31, 2024
Roll of Attorneys No. 53666
PTR No. 10074759MN/ 1-02-2024/Makati City
IBP No. 331554/12-19-2023
MCLE Compliance No. VII-0002539 valid until April 14, 2025
21st Floor, 6750 Office Tower, Ayala Avenue
Makati City, 1226 Metro Manila, Philippines

ANNEX D

Management Report

MANAGEMENT REPORT

A. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS OF DECEMBER 31, 2023

SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The Group's business's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have impacted its results in the past, and which will continue to influence its results in the foreseeable future. Factors other than those discussed below could also significantly impact the Group's business's results of operations and financial condition in the future.

Demand and Pricing

The Group's results of operations are affected by consumers' demand for its products, and pricing, in turn, influences demand. When determining its selling prices, the Group considers various factors, including, among others, prices of raw materials and packaging materials, taxes, fuel prices and other costs of doing business, distribution channels, and general economic conditions. The Group believes that instant noodles, bread, biscuits, and culinary aids are considered consumer staples. For the year ended December 2023, noodles, biscuits, beverages, and packaged cakes have seen increasingly strong performance. These products can be sensitive to movements in disposable incomes, changes in product prices, and competitive pressures. Volume, as well as value proved generally resilient to the adverse effects of persistently high inflation.

Demand for fast-moving consumer goods is price elastic in general, particularly for consumers in the lower socio-economic classes where disposable income is limited. When prices increase or during periods of relatively weak economic growth where disposable income falls, consumers tend to switch to comparable lower-priced staple products and cut back on their consumption of discretionary products, particularly those in the lower socio-economic classes.

In addition, demand for fast-moving consumer goods is also influenced by the relative price relationships between such goods, consumer products, and other products and services in general. Consumers are prone to adjust their buying choices according to shifts in the perceived value-for-money propositions of the products. The Group intends to continue to innovate its products to enhance their perceived product value.

Changes in Consumer Tastes and Preferences

The Group's future growth will depend on its ability to maintain the competitive positions of its product portfolios and brands by proactively anticipating and responding to constant changes in consumer tastes and preferences. A key element in maintaining the market share for the Group's product portfolios is the ability to continuously and successfully introduce new products and product extensions to capture prevailing consumer preferences.

Consumer preferences may change due to various factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle and leisure activity patterns, changes in regulations, and actions of competitors, any of which may affect consumers' perception of and willingness to purchase the Group's products. This may then significantly impact the results of the Group.

The Group regularly keeps abreast of the evolving consumer preferences and believes that its current broad array of products can address the shifts in trends. To take advantage of the "premiumization" trend, particularly from the growing and rising middle class seeking higher quality and higher value products, the Group expanded its mass premium segment (the segment between premium and mainstream price points) by launching instant noodles with Asian flavors and instant pasta under the *Lucky Me!* brand and introducing *Monde Specials* as its mass premium packaged baked goods line offering high-quality baked products such as sponge cake, among other initiatives.

Effectiveness of Sales and Marketing Activities

The effectiveness of the Group's sales and marketing activities is critical to its market share expansion and revenue growth. The Group communicates with consumers through various channels and touchpoints, including advertisement on television, radio programs, social media platforms (such as YouTube, Facebook, Instagram, Tiktok, and Twitter), its website, program sponsorships, billboards, and brand activation roadshows. Customer touchpoints at the purchase stage include in-store promotions and loyalty programs. In addition, the Group partners with celebrities and other key influencers for media or online collaborations and events.

Advertising affects consumer awareness of the Group's products and brands, which, in turn, affects purchase decisions and, consequently, sales volumes. The Group believes that product differentiation and brand loyalty are achieved through its marketing and image-building efforts; and consumer brand preferences are the cumulative result of exposure to the brands over an extended period. However, the effects of these sales and marketing activities may be delayed, resulting in delayed revenue growth which may not be fully reflected during the period in which the sales and marketing activities took place.

Prices of Raw Materials and Packaging Materials

Direct materials are major components of the Group's cost of goods sold. Direct materials comprise raw materials and packaging materials. Raw materials primarily consist of wheat/flour, palm oil, sugar, and coconut oil. The Group sources raw materials and all its packaging materials globally.

Raw materials are subject to significant price volatility caused by various factors, including changes in global supply and demand, extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, and currency exchange rate fluctuations. In addition, the Group's ability to obtain raw materials and packaging materials is affected by factors beyond its control, including armed conflict, natural disasters, governmental laws and policies, interruptions in production by suppliers, and the availability of transportation.

The Group's profitability is dependent on, among other factors, its ability to anticipate and react to fluctuations in the price of commodities, raw materials, and packaging materials. An increase in prices for or shortage of the Group's raw materials and packaging materials generally leads to an increase in production costs or interruption in the Group's production schedules, each of which could adversely affect its operating margins. Production delays could lead to reduced sales volumes and profitability as well as the loss of market share. Conversely, favorable movements of raw material costs and other items might improve the Group's margins and results of operations. The Group has been able to mitigate price fluctuations in raw materials to some extent through a combination of (i) operational synergy, (ii) the use of short-term and long-term contracts with suppliers to lock in pricing, and (iii) diversification of sources of supply.

Given that a significant portion of the Group's flour requirement is produced in-house at its Santa Rosa facility, the Group enjoys consistent supply, quality, and cost savings for flour from this operational synergy. This is further enhanced by the Group's affiliate owns grain import terminal which allows independent procurement of wheat at scale. Operational synergy is also achieved in the supply of seasoning for instant noodles production, as the Group is operating a seasoning plant in Thailand to produce seasoning and condiments for its noodle plants in the Philippines.

Increases in costs of raw materials and packaging materials can typically be passed on to consumers. However, this may affect consumer demand as the Group's consumers are generally price sensitive. In some cases, these increases are not immediately passed on, if at all, to consumers to maintain or grow sales volumes and to protect the Group's market share. As a result, any material increase in the market price of raw materials could adversely affect the Group's operating margins, which may affect its financial position and operating performance.

Product Mix

The Group has a diversified product mix which primarily includes instant noodles, biscuits, and other fast-moving consumer products. The Group adopts a multi-brand approach, pursuant to which there are one or more brands or product lines under each product category. Under each brand, the Group offers products with different flavors, different package sizes and/or different types of products to provide varieties. For example, in the instant noodles product group, there are three product lines under the *Lucky Me!* brand: (i) wet pouch; (ii) dry pouch; and (iii) cups. Each *Lucky Me!* product line offers a wide array of flavors. The ability of the Group to continuously develop new products and launch product extensions to capture various consumer preferences enables the Group to successfully make available to its consumers a diverse and innovative product mix.

Typically, different products vary in product pricing, revenue growth rate, and gross profit margin. Each of the Group's brands has its own unique positioning with different marketing strategies and promotional costs. As a result, the Group's revenue and profitability are largely affected by its product mix.

Competition

The Group's products face competition from other domestic producers as well as from imported products and foreign brands. Competitive factors facing the Group's products include price, product quality, and availability, production efficiency, brand awareness and loyalty, distribution coverage, security of raw material supply, customer service, and the ability to respond effectively to changes in the regulatory environment as well as to shifting consumer tastes and preferences.

The Group's main competitors for the instant noodle segment are domestic producers which compete on pricing and regional brands that offer different flavors and taste experiences. The biscuits and other fast-moving consumer product groups face competition from multinational, national, regional, and local competitors. Similar to the instant noodle segment, these players compete on pricing, taste, and innovation. Changes in the competitive landscape, including new entrants into the market, consolidation of existing competitors, and other factors, could have a material impact on the Group's financials and results of operations.

Economic, Social and Political Conditions in the Philippines and Other Countries

The majority of the Group's assets and revenues are in or derived from its operations in the Philippines. Therefore, the Group's business, financial condition, results of operations, and prospects are substantially influenced by the economic, social, and political conditions in the Philippines, while the Group is also significantly exposed to global commodity markets, mainly those for agricultural goods and energy. The Philippine economy has experienced good GDP growth exceeding that of some of its emerging market peers. The state of public health emergency due to COVID 19 was formally lifted on July 21, 2023. The Philippine economy has experienced periods of slow or negative growth, high inflation, high interest rates, high fuel prices, high power rates, high other costs of doing business, and significant depreciation of the Peso. It has been significantly affected by weak economic conditions and volatilities in the global economy and the Asia-Pacific region. While presently all social and economic activity is operating without pandemic restrictions there is a low residual downside risk due to a possible infection resurgence caused by the occurrence of new variants that may evade previously gained immunity. In addition, global conflicts such as the Russia-Ukraine war and the various conflicts in the Middle East and their impacts on the global markets will continue to influence the Group materially in areas such as commodity and energy/fuel costs. While commodity costs generally trended down in 2023, the newly emergent threat of a larger middle east conflict around the Israel/Hamas war and Yemen could drive especially oil prices to unprecedented levels, as well as disrupt international shipping routes due to the Red Sea route being abandoned resulting in increased costs for longer routes. While the Group notes that the world market prices have gone down from their peak prices, a significant downside risk remains in case of escalations around these conflicts. As consumers grapple with uncertainty, their buying behavior and preferences may become more erratic as well.

Sales of most of the products of the Group's business have been influenced and will continue to be influenced, to some degree, by the general state of the Philippine economy as well as the stability of social and political conditions in the country. The agricultural policy stance may significantly influence the business's results especially around raw materials such as sugar and its related importation quotas, and consumer shifting between food groups as they are avoiding products impacted by high inflation. Recently, rice prices have been driving inflation and could further drive consumer decisions of having to make choices between food groups. The ongoing El Niño period might put further stress on the consumer's budgets in case of weak harvests. While sales of a portion of the Group's products such as biscuits, beverages, and packaged cakes can be sensitive to changes in income and social conditions, the Group offers products that are considered as staple items or components to staple items which are less sensitive to income changes and adverse economic, social, and political conditions. These include instant noodles, bread, and culinary aids.

The Group also conducts its business in Thailand, including export operations to select territories. As such, economic, social, and political conditions in Thailand may also affect the Group's business, financial condition, results of operations, and prospects. We note the contentious forming of the new government post the general election in Thailand in this context and anticipate possible disruptions and possible policy changes under a new administration. In addition, the economic environment globally may influence the planned expansion strategy of the export business as distributors act more cautiously on new product launches, advertising, and promotional spend. A successful execution of the expansion of the overseas business may provide possible upside to the Group. Global containers shipping in prices, as well as availability may influence growth and profitability of the export business in the upcoming periods. Container rates have begun increasing in 2023 due to the Red Sea situation with increased costs for routes around Africa with their additional two weeks journey time.

A significant portion of the Group's assets and revenue from its Meat Alternative Business are also located in or derived from its operations in the United Kingdom (UK). Therefore, economic, social, and political conditions in the UK may also affect the Group's business, financial condition, results of operations, and prospects. The UK continues to be affected by material levels of inflation, as well as the lingering effects of the exit from the European Union. Labor shortages in the food and transport industry and significant commodity and utility inflation are present and persisting in 2023, especially food inflation which is impacting consumers disposable income and purchasing habits. This strong inflation footprint, and the high interest rate environment, may impact the consumer buying behavior on a prolonged basis, as well as the company's input costs. The political environment in the UK presently provides additional uncertainty as crucial policy decisions around energy price support for industry, corporate taxation, and others are constantly evolving as the UK is gearing up for general election in 2024. This environment may impact the operation of the Group.

Seasonality

In the consumer goods industry, results of operations generally follow the seasonality of consumer buying patterns, and the Group's sales are affected accordingly. In the Philippines, most food and beverage products, including those of the Group, experience increased sales from October to December related to the Christmas and New Year's season. Consequently, the fourth quarter has historically been the APAC BFB Group's strongest quarter by volume for culinary aids and some of its biscuit products, including *M.Y. San Grahams*. Seasonality during certain events also affects the APAC BFB's sales. In addition, seasonality varies across product types. Some of the APAC BFB's products have distinct seasonality. For instance, *Lucky Me!* Wet pouch instant noodles see an increase in sales in the colder months due to consumers' preference for warm food. The Philippine government also sources instant noodles and crackers, as staples in its relief goods packages, from the APAC BFB for distribution to the public. A number of biscuit products experience higher sales during the school year as the APAC BFB's products are generally purchased for lunch boxes, between-meals, on-the-go consumption, and consumption at home. As a result, seasonality could affect the Group's financial condition and results of operations from one quarter to another. To counter the seasonality of some of its products, the Group developed marketing and advertising initiatives that encourage the sustained consumption of its products throughout the year. The Group believes that the diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio.

Innovation

In addition to its ability to introduce new product innovations and renovations, delivering on the Group's aspiration will also depend on the Group's ability to continuously drive loss-eliminating process innovations and work system innovation. Continuous improvement in process innovation and work system redesign will impact multiple fronts such as superior quality and consumer experience, fresher products to market, higher productivity, and improved sustainability via less wastage/use of resources and better process reliability.

Capacity and Utilization of the Group's Facilities

The ability of the Group to meet the demand for its products depends on its ability to build, maintain, and expand its production capacity. Capacity expansion affects the ability of the Group to introduce new products or new uses for its existing products, which, in turn, impacts the ability of the Group to be agile and responsive to rapidly changing customer needs and expectations.

Capacity improvement and expansion require significant capital investment. An investment in new technology or an enhancement of existing technology to increase capacity and utilization may result in operational challenges. Furthermore, the effects of these investments may be delayed, resulting in delayed revenue growth.

Financial Highlights and Key Indicators

The summary financial information presented as at December 31, 2023, 2022, 2021 and for the three years ended December 31, 2023, was derived from the Group's audited consolidated financial statements, prepared in accordance with Philippine Accounting Standards. The information below is not necessarily indicative of the results of future operations.

In this report and as defined below, Core Gross Profit, Core Gross Margin, Core EBITDA, Core EBITDA Margin, Core Income Before Tax, Core Income Before Tax Margin, Core Income (After Tax), Core Income (After Tax) Margin, Core Income (After Tax) at Ownership, and Core Income (After Tax) at Ownership Margin are internal management performance measures and are not measures of performance under Philippines Financial Reporting Standards (PFRSs). Thus, users of this report should not consider foregoing financial non-PFRS measures in isolation or as an alternative to Net Income as an indicator of the Group's operating performance or to cash flow from operating, investing, and financing activities.

Core Gross Profit is measured as Net sales excluding recall provision as sales deduction less Cost of Goods Sold (COGS) excluding non-recurring expenses (NRE). 2021 and 2023 NRE were nil on net sales and COGS. In 2022, COGS NRE pertains to expenses related to global strategic alignment initiatives to ensure products adhere to all food quality compliance standards in relevant jurisdictions. Core Gross Margin pertains to Core Gross Profit divided by segment net sales.

Core EBITDA is measured as net income excluding depreciation and amortization of property and equipment, asset impairments, financing income and expense, net foreign exchange gains (losses), net gains (losses) on derivative financial instruments, fair value gain on guaranty asset, and other non-recurring income (expenses) NRI(E). In 2023, NRE refers to SG&A NRE related to restructuring costs in Meat Alternative business. In 2022, NRE refers to sales deductions, COGS NRE, and SG&A NRE. SG&A NRE pertains to restructuring costs in Meat Alternative. In 2021, SG&A NRE pertains to IPO and COVID-19 related expenses. Core EBITDA margin pertains to Core EBITDA divided by segment net sales.

Core Income Before Tax is measured as net income excluding the effects of asset impairment, interest expenses related to lease liabilities, interest income, equity in net earnings (losses) of associates and joint ventures, net foreign exchange gains (losses) except those related to U.S dollar balances that the company hedge against foreign exchange risks, net gains (losses) on derivative financial instruments, fair value gain on guaranty asset and FVTL, and NRE as discussed above. Core Income Before Tax Margin pertains to Core Income Before Tax divided by segment net sales.

Core Income (After Tax) pertains to Core Income Before Tax less income tax based on recurring income tax rate per entity. Core Income (After Tax) Margin pertains to Core Income (after tax) divided by segment net sales.

Core Income (After Tax) at Ownership pertains to Core Income (After Tax) less core income attributable to non-controlling interest (NCI).

The following discussion should be read in conjunction with the attached Audited Consolidated Financial Statements and related notes of Monde Nissin Corporation ("**MNC**" or the "**Parent Company**" and its subsidiaries (collectively, referred to as the "**Group**") as at and for the twelve months ended December 31, 2023.

I - SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

I.A CORE INCOME AFTER TAX RECONCILIATION

in millions, except percentages

	FY2023 (Audited)	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	FY2022 (Audited)	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	FY2021 (Audited)	% to Net Sales (in %)
Net Sales [1]	80,170	100.0	6,230	8.4	73,940	100.0	4,656	6.7	69,284	100.0
Less: Cost of Goods Sold [2]	55,442	69.2	4,650	9.2	50,792	68.7	7,099	16.2	43,693	63.1
Gross Profit	24,728	30.8	1,580	6.8	23,148	31.3	(2,443)	(9.5)	25,591	36.9
Less: Sales, General & Administrative (SGA) [3]	14,298	17.8	(529)	(3.6)	14,827	20.1	(268)	(1.8)	15,095	21.8
Other Income (Expense)										
Miscellaneous Income [4]	30	0.1	30	*n/m*	–		–	–	–	–
Interest expense [5]	(523)	(0.7)	(285)	119.7	(238)	(0.3)	(157)	193.8	(81)	(0.1)
Foreign exchange gain/(loss) – net [6]	(49)	(0.1)	(620)	*n/m*)	571	0.8	309	117.9	262	0.4
	(542)	(0.7)	(875)	*n/m*)	333	0.5	152	84.0	181	0.3
Core Income Before Tax	9,888	12.3	1,234	14.3	8,654	11.7	(2,023)	(18.9)	10,677	15.4
Less: Provision for income tax [7]	2,262	2.8	199	9.6	2,063	2.8	(299)	(12.7)	2,362	3.4
Core Income (After Tax)	7,626	9.5	1,035	15.7	6,591	8.9	(1,724)	(20.7)	8,315	12.0
Less: Non-Controlling Interest	10	–	4	66.7	6	–	(124)	(95.4)	130	0.2
Core Income (After Tax) at Ownership	7,616	9.5	1,031	15.7	6,585	8.9	(1,600)	(19.5)	8,185	11.8

I.B REPORTED INCOME AFTER TAX RECONCILIATION

in millions, except percentages

	FY2023 (Audited)	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	FY 2022 (Audited)	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	FY 2021 (Audited)	% to Net Sales (in %)
Core Income (After Tax)	7,626	9.5	1,035	15.7	6,591	8.9	(1,724)	(20.7)	8,315	12.0
Other income (expenses)										
Fair Value gain on:										
Guaranty asset	1,302	1.6	1,302	*n/m*	–	–	–	–	–	–
Financial assets (FVTPL)	93	0.1	71	322.7	22	–	10	83.3	12	–
Foreign exchange gain (loss) [8]	129	0.2	278	*n/m*	(149)	(0.2)	(298)	*n/m*	149	0.2
Share in net earnings (losses) from associates and Joint ventures	36	0.1	48	*n/m*	(12)	–	(48)	*n/m*	36	0.1
Dividend Income	26	–	26	*n/m*	–	–	–	–	–	–
Miscellaneous income	174	0.2	31	21.7	143	0.2	(141)	(49.6)	284	0.4
	1,760	2.2	1,756	439.0	4	–	(477)	(99.2)	481	0.7
Finance income (expense)										
Finance Costs [9]	(158)	(0.2)	21	(11.7)	(179)	(0.3)	1,309	(88.0)	(1,488)	(2.1)
Finance Income	428	0.6	279	187.2	149	0.2	66	79.5	83	0.1
Loss on redemption of convertible note	–	–	–	–	–	–	1,579	*n/m*	(1,579)	(2.3)
Derivative gain (loss) - net	21	–	(1,285)	*n/m*	1,306	1.8	3,564	*n/m*	(2,258)	(3.3)
	291	0.4	(985)	*n/m*	1,276	1.7	6,518	*n/m*	(5,242)	(7.6)
Other non-recurring expenses (NREs)										
Impairment (loss)/reversal	(13,272)	(16.6)	8,102	(37.9)	(21,374)	(28.9)	(21,151)	*n/m*	(223)	(0.3)
IPO-related expenses	–	–	–	–	–		655	*n/m*	(655)	(0.9)
Others [10]	(515)	(0.6)	(69)	15.5	(446)	(0.6)	(233)	*n/m*	(213)	(0.3)
	(13,787)	(17.2)	8,033	(36.8)	(21,820)	(29.5)	(20,729)	*n/m*	(1,091)	(1.5)
Income Tax Provision [11]	3,483	4.3	2,549	273	934	1.3	152	*n/m*	782	1.1
Reported net income (after tax)	**(627)**	**(0.8)**	**12,388**	**(95.2)**	**(13,015)**	**(17.6)**	**(16,260)**	*n/m*	**3,245**	**4.7**

Note: See "Other Financial Data – reconciliation of PFRS and non-PFRS measures."

n/m = not meaningful %

[1] *2022 excludes ₱59 million recall provisions in Thailand due to selective EU recall.*

[2] *2022 excludes ₱129 million related to global strategic alignment initiatives.*

[3] *2021 to 2023 excludes Others SG&A NREs and impairment loss*

[4] *Incentives grant by Singapore Government related to MNSPL's meat alternative manufacturing operation.*

[5] *Recurring interest expense on Loans and Trust Receipts Payable*

[6] *Foreign exchange gain on U.S dollars balances for the Group's natural hedge.*

[7] *Based on recurring income tax rate per entity.*

[8] *Excluding foreign exchange gain on USD reserves for the Group's natural hedge (included in the Core Income calculation above)*

[9] *Excluding recurring interest expense on Loans and Trust Receipts Payable (included in the Core Income calculation above)*

[10] *"Others" in other NREs 2023 pertain to restructuring costs in Meat Alternative business, 2022 pertains to ₱252 million restructuring costs in Meat Alternative; ₱129 million related to global strategic alignment initiatives and ₱64 million related to recall provision in Thailand; 2021 pertains COVID-19 related expenses.*

[11] *2023 mainly due to reduction in deferred tax liabilities (DTL) related to PPE and brand impairment in Meat Alternative; 2022 mainly due to reduction in DTL due to brand impairment in Meat Alternative; From 2021 to 2023 income tax effect of Other Income (expenses) and non-recurring finance income (expenses); 2021 also includes one-off credit due to the impact of Corporate Recovery and Tax Incentives for Enterprise ("CREATE") law; To simplify, this is the difference between Total provision for income tax as reported and provision for income tax related to Core Income*

II – OPERATING SEGMENTS OF THE GROUP

As mentioned in the business overview section, the Group's two core businesses are the APAC BFB Business and the Meat Alternative Business.

Segment performance is evaluated based on: Core Earnings before interest, taxes, and depreciation and amortization, or Core EBITDA; Core EBITDA margin; Core Income (after tax) at Ownership and Core Income (after tax) at Ownership margin.

The table below presents certain financial information relating to the Group's results of operation by segment for the periods indicated.

	in millions, except percentages					
	FY 2023 (Audited)	% to Total (in %)	FY 2022 (Audited)	% to Total (in %)	FY 2021 (Audited)	% to Total (in %)
Net Sales						
APAC BFB	65,942	82.3	58,550	79.2	54,039	78.0
Growth vs. prior year	*12.6%*		*8.4%*		*2.1%*	
Meat Alternative	14,228	17.7	15,390	20.8	15,245	22.0
Growth vs. prior year	*-7.6%*		*1.0%*		*1.4%*	
Total	**80,170**	**100.0**	**73,940**	**100.0**	**69,284**	**100.0**
Growth vs. prior year	***8.4%***		***6.7%***		***2.0%***	
Gross Profit		% of Segment Net Sales (in %)		% of Segment Net Sales (in %)		% of Segment Net Sales (in %)
APAC BFB	21,715	32.9	18,152	31.0	19,564	36.2
Meat Alternative	3,013	21.2	4,996	32.5	6,027	39.5
Total	**24,728**	**30.8**	**23,148**	**31.3**	**25,591**	**36.9**
Core Income (after tax) at Ownership						
APAC BFB	8,582	13.0	6,857	11.7	7,534	13.9
Meat Alternative	(966)	(6.8)	(272)	(1.8)	651	4.3
Total	**7,616**	**9.5**	**6,585**	**8.9**	**8,185**	**11.8**
Core EBITDA (1)						
APAC BFB	13,544	20.5	10,568	18.0	11,829	21.9
Meat Alternative	(4)	(0.0)	618	4.0	1,471	9.6
Total	**13,540**	**16.9**	**11,186**	**15.1**	**13,300**	**19.2**

Note: (1) See "*Other Financial Data - Core EBITDA Reconciliation*"

RESULTS OF OPERATIONS

For the twelve months ended December 31, 2023, compared to the twelve months ended December 31, 2022.

Net Sales

Consolidated net sales increased by 8.4% on a reported basis and 9.2% on a comparable basis to ₱80,170 million in full year (FY) 2023 due to broad-based growth across categories in APAC BFB, offsetting softness in the Meat Alternative.

APAC BFB

APAC BFB net sales increased by 12.6% to ₱65,942 million in FY 2023 driven by solid performance in all geographic markets and categories. The domestic business grew 11.9% in FY 2023 driven by broad-based volume growth across categories led by noodles and supported by carryover price actions from 2022 and the first half (1H) of 2023. Noodles volume have fully recovered from a temporary decline in Q3 2022 and market share in the Philippines reached 67.5% in Q4 2023. Meanwhile, international business grew by 23.3% on a reported basis and 21.6% at a constant currency basis in FY 2023 primarily due strong growth in biscuits and noodles.

Meat Alternative

Net sales in the Meat Alternative segment decreased by 7.6% on a reported basis, decreased by 7.0% on a comparable and constant currency basis to ₱14,228 million in FY 2023 because of continued macro economic and category headwinds. Overall, UK and US sales declined on a comparable and constant currency basis by 6.8% and 29.4%, respectively, due to continuous challenge in the retail market. Meanwhile, foodservice growth remains positive in the face of economic and market challenges, net sales up by 6.0% in FY 2023 on a comparable basis.

Core Cost of Goods Sold

Cost of goods sold increased by 9.2% to ₱55,442 million in FY 2023, primarily due to higher volume in APAC BFB and higher commodity costs accross business segments.

APAC BFB

The cost of goods sold in the APAC BFB segment increased by 9.5% to ₱44,227 million in FY 2023, primarily due to higher sales volume and elevated prices of sugar and eggs in FY 2023, partly offset primarily by the lower prices of oil-based ingredients. However, the segment witnessed a positive impact due to decreased in prices of wheat, palm oil, and other oil-based ingredients, particularly noticeable during second half of 2023, as the average prices were lower than the second half 2022 and the first half of 2023.

Meat Alternative

The cost of goods sold in the Meat Alternative segment increased by 7.9% to ₱11,215 million in FY 2023 despite volume decline primarily due to elevated prices of key ingredients, partly offset by the decline in the average prices of utilities. Notably, while prices remain elevated, actual prices in the second half of 2023 and lock ins for 2024 are significantly lower than average prices in 2022 and the first half of 2023. Given the level of inventories, recent easing of prices are expected to support margin recovery in 2024.

Gross Profit

Gross profit increased by 6.8% on a reported basis and 9.3% on comparable basis to ₱24,728 million in FY 2023 due to solid improvement in APAC BFB, partly offset by the decline in the Meat Alternative segment.

APAC BFB

Gross profit for the APAC BFB segment increased by 19.6% to ₱21,715 million in FY 2023 primarily due to strong volume growth accross categories supported by carry-over selling price increases at the backdrop of declining commodity prices in the second half of 2023.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 39.7% on a reported basis as FY 2022 includes certain payments to customers that were reported as part of selling expenses in 2022 and Q1 to Q3 2023 which were reclassified to sales deduction in Q4 2023. Based on comparable FY 2022, FY 2023 decreased by 32.6% to ₱3,013 million due to volume decline and effect of hyperinflationary environment on input costs.

Core Sales, General and Administrative Expenses (SG&A) (excluding non-recurring expenses)

Sales, general and administrative expenses decreased by 3.6% on a reported basis and at par with FY 2022 on a comparable basis to ₱14,298 million in FY 2023. The higher spending in the APAC BFB segment to support volume growth was partly offset by the lower spending in Meat Alternative.

APAC BFB

SG&A in the APAC BFB segment increased by 7.8%, to ₱10,448 million in FY 2023. The increase was due to higher marketing, selling, transport, and other administrative expenses primarily to support growth and inflation. FY 2023 SG&A as percentage of sales slightly decreased by 0.7% against FY 2022, to 15.8% in FY 2023.

Meat Alternative

SG&A in the Meat Alternative segment decreased by 25% on a reported basis as FY 2022 includes certain payments to customers that were reported as part of marketing expenses in 2022 and Q1 to Q3 2023 which were reclassified to contra-revenue in Q4 2023. Based on a comparable FY 2022, FY 2023 decreased by 16.4% to ₱3,850 million reflecting the benefits of cost control measures and restructuring in view of continued topline challenges. These resulted to lower spending on advertising and promotions, salaries and wages, and other operating expenses. Moreover, FY 2023 SG&A as percentage of sales decreased by 3.9% on comparable basis, to 27.1%.

Core Foreign Exchange (forex) Gains/ Loss

Foreign exchange loss on U.S dollar in FY 2023 was at ₱49 million compared with forex gains of ₱571 million in FY 2022. FY 2023 forex loss on USD hedge has offset from forex gains on trust receipts, accounts payable transactions, and others that are being reported under non-core forex gain. FY 2022 gains were due to effective hedge program amidst unprecedented strengthening of U.S dollar against the Philippine peso. USD to PhP closing exchange was ₱51.00 in December 31, 2021, ₱55.755 in December 31, 2022, and ₱55.385 in December 31, 2023.

Core Income (After Tax)

Core income (after tax) significantly increased by 15.7% to ₱7,626 million in FY 2023, due to an all-time high result in APAC BFB.

Non-Core Foreign Exchange Gain/Loss

Non-Core foreign exchange (forex) gains in FY 2023 was ₱130 million. The gains were mainly on accounts payable, trust receipts and acceptance payable. Meanwhile, in FY 2022 the Group recognized forex loss of ₱149 million.

Finance Income

Finance income increased by 187.2% to ₱428 million in FY 2023 mainly from U.S dollar and peso-denominated market placements/time deposits.

Derivative Gain (Loss)

The Group recorded a derivate gain of ₱21 million in FY 2023 compared to a derivative gain of ₱1,306 million in FY 2022. FY 2022 derivative gains pertain to unwinding of non-deliverable cross-currency swap (CCS) agreement entered last March 4, 2022, with the notional amount of ₱5,839.5 (£85.0) million. The CCS was used to hedge the Parent Company's exposure to the GBP foreign exchange risk on its investment in MNSPL and was designated as net investment hedge.

Fair value gain on guaranty asset

The Group recorded a gain on fair value on guaranty asset amounting to ₱1,302 million in FY2023. This was related to the agreement ("Top-Up Deed") between MNSPL and MNSG Holdings Pte. Ltd. Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL's wholly owned subsidiary, MNUK. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUK starting from the calendar year ended December 31, 2023, and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed as at December 31, 2023.

Impairment Loss (before tax)

The Group recorded an impairment loss (before tax) amounting to ₱13,272 million in FY 2023 compared to ₱21,374 million in FY 2022 as a result of the annual impairment assessment. The impairments were made primarily on its Meat Alternative business following a review of the performance of the business, its future expectations, and overall current economic conditions in MNUK. In 2023, the additional impairment loss in Meat

Alternative was allocated to the value of property, plant and equipment (PPE)(₱7,188 million) and brand (₱6,173 million). Meanwhile, in 2022, the impairment loss on Meat Alternative business was allocated to the value of goodwill (₱16,501 million), brand (₱4,043 million), and PPE (₱620 million). The goodwill and brand were acquired through business combinations. The brand intangible is under Marlow Foods Limited, which owns the *Quorn* and *Cauldron* brand. Post acquisition, from 2015 to 2019, MNUK achieved Net Sales CAGR growth of around 9.8% (in GBP), a significant improvement from previous owners. Moreover, Meat Alternative segment consistently recorded a solid EBITDA between ₱1,899 million to ₱2,283 million from 2017 to 2020. However, unprecented macro headwinds and category headwinds, have put pressure on the top line and bottom line of Meat Alternative segment. MNUK's 2019 to 2023 Net Sales CAGR growth declined by negative 2% while Core EBITDA deteriorated to ₱1,471 million in FY 2021, ₱618 million in FY 2022, and neutral in FY2023 despite benefits from restructuring. In 2023, further deterioration in cash projection, discount rates, and projected capacity requirements resulted to additional impairment loss. *For more information, please see Note 3 of the Audited Consolidated Financial Statements.*

Other Non-Recurring Expenses (NRE)

Other non-recurring expenses increased by 15.5%, to ₱515 million FY 2023. The NRE in FY 2023 pertains to restructuring costs in Meat Alternative segment. Meanwhile, FY 2022 NREs pertain to first tranche of restructuring costs (₱252 million) in the Meat Alternative, expenses related to global strategic alignment initiatives (₱129 million), and provision in Thailand due to selective EU recall (₱64 million).

Losses Before Income Tax

In 2023, loss before income tax was at ₱1,847 million, from ₱11,886 million loss in 2022. As discussed in the foregoing, 2022 and 2023 losses were mainly due to non-cash, non-operational impairment in Meat Alternative business.

Total Income Tax Expense

Total income tax expense decreased from ₱1,129 million in 2022 to negative ₱1,221 million in 2023. The decrease was due to year on year movement in the deferred income tax expense which offset the increase in the current income tax expense due to higher taxable income in 2023. In 2023, the Group reported a negative deferred income tax amounting to ₱4,022 million primarily due to the reduction in the deferred tax liabilities (₱3,225 million) as a result of brand and PPE value impairment in Meat Alternative segment. In addition, the Group recognized adjustment in the deferred income tax amounting to ₱394 million. This was related to Corporate Interest Restrictions in MFL and MNUK. Meanwhile in 2022, the Group reported a negative deferred income tax amounting to ₱1,300 million primarily due to reduction in deferred tax liabilities as a result of the brand impairment, as discussed in the foregoing.

Reported Net Loss (after tax)

As a result of the foregoing, the Group reported net loss of ₱627 million in FY 2023 as compared to ₱13,015 million net loss in FY 2022.

For the year ended December 31, 2022, compared to the year ended December 31, 2021

Net Sales

Net sales grew by 6.7%, to ₱73,940 million in 2022 driven by price increases in all categories to mitigate higher commodity prices. 2022 overall volume sales were resilient despite temporary decline of noodles in Q3 due to strong growth of biscuits and other categories.

APAC BFB

Net sales in the APAC BFB segment increased by 8.4%, to ₱58,550 million in 2022. The increase was driven by 9.3% growth in the domestic business due to responsible price increases in all categories, robust volume growth in biscuits, beverages, packaged cakes, and culinary that surpassed pre-pandemic levels. Overall volume growth was softened by noodles' temporary decline in Q3 due to selective EU recall, which attracted media attention in the Philippines. However, noodles' full-year volume decline was tapered by the strong recovery in Q4 as sales volumes were up by 26.8% versus Q3 2022 and 10% versus Q4 2019. Biscuits, beverages, and packaged cakes volume growth was driven by increased mobility and resumption of face-to-face classes leading to more consumption occasions for these categories. Culinary growth was driven by the solid growth of *Mama Sita's* Oyster Sauce. Meanwhile, international business was down by 4.1% due to noodles decline as measures were implemented to strengthen regulatory compliance in all relevant jurisdictions.

Meat Alternative

Net sales in the Meat Alternative segment increased by 1.0%, to ₱15,390 million in 2022. Excluding the forex effect, overall net sales grew by 0.8% in 2022 due to price increases supported by solid volume growth in food service. While retail sales remained a challenge in 2022, *Quorn* has performed well against a competitor in the UK retail market, as evidenced by continued market share gain throughout 2022. Meanwhile, the food service business continued strong momentum across geographic markets, posting an overall growth of 51.5% for the year.

Core Cost of Goods Sold (COGS)

Cost of goods sold increased by 16.2%, to ₱50,792 million in 2022, primarily due to elevated commodity and energy prices.

APAC BFB

The cost of goods sold in the APAC BFB segment increased by 17.2%, to ₱40,398 million in 2022, primarily due to record commodity prices and partly due to delayed depletion of wheat and palm-oil that were secured earlier in the year to mitigate price and supply volatility risks. The effect on cost of tapered prices for wheat and palm-oil was delayed to 2023 due to temporary decline of noodles in Q3. Morever, the full year average actual prices of other key ingredients such as coconut oil, shortening liquid, and sugar have increased significantly in 2022 as compared last year.

Meat Alternative

The cost of goods sold in the Meat Alternative segment increased by 12.8%, to ₱10,394 million in 2022 despite volume decline, primarily due to higher commodity, energy prices and overhead costs.

Core Gross Profit

Gross profit decreased by 9.5%, to ₱23,148 million in 2022, primarily due to the effect of inflation partially mitigated by price increases.

APAC BFB

Gross profit for the APAC BFB segment decreased by 7.2%, to ₱18,152 million in 2022 due to commodity cost inflation, partially mitigated by price increases.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 17.1%, to ₱4,996 million in 2022 due to sales volume decline and cost inflation partly mitigated by price increases.

Core Sales, General and Administrative Expenses

Sales, general and administrative expenses (exluding non-recurring expenses and impairment loss) decreased by 1.8%, to ₱14,827 million in 2022 due to lower advertising and promotional expenses partly offset by higher logistic costs and investment in organization resources.

APAC BFB

Sales, general and administrative expenses in the APAC BFB segment decreased by 2.0%, to ₱9,694 million in 2022 due to lower advertising and promo partly offset by increased logistic costs due to volume increases and inflation.

Meat Alternative

Sales, general, and administrative (SG&A) expenses in the Meat Alternative segment decreased by 1.2% to ₱5,133 million in 2022. The decrease was due to the rationalization of R&D, advertising, and promotional activities, partly offset by strengthening R&D and administrative capabilities and one-time cost of living payments to all staff due to inflation.

Core Foreign Exchange Gains

Foreign exchange gains increased by 117.9%, to ₱571 million in 2022 due to the effective U.S dollar hedge program and the strengthening of U.S dollar against the Philippine peso.

Core Income (Before Tax)

Core income (after tax) declined by 19.0%, to ₱8,654 million in 2022, for the reasons discussed above.

Core Income (After Tax) at Ownership

Core Income (after tax) at Ownership declined by 19.5%, to ₱6,585 million in 2022. Core Income attributable to non-controlling interest was significantly down by 95.4%, from ₱130 million to ₱6 million, due to acquisition by the Parent Company on January 29, 2021, of the minority shares of MMYSC owned by MY Cracker Inc. (MCI).

Miscellaneous Income

Miscellaneous income decreased by ₱49.6%, to ₱143 million in 2022 as last year includes reversal of allowance for expected credit loss and impairment on advances due to effective collection efforts.

Non-Core Finance Costs

Interest expense significantly decreased from ₱1,488 million in 2021 to ₱178 million in 2022 mainly due to redemption of Arran's convertible notes and settlement of bank loans. 2021 includes ₱747 million related to interest accretion on Arran's convertible notes and interest on bank loans of MNC.

Derivative Gain (Loss)

The Group recorded derivative gains of ₱1,307 million in 2022 compared to a derivative loss of ₱2,258 million in 2021. 2022 derivative gains pertain to unwinding of non-deliverable cross-currency swap agreement entered last March 4, 2022, with the notional amount of ₱5,839.5 million (£85.0 million). Under the CCS agreement, the Group will receive Philippine Peso interest at 9% p.a. and will pay fixed Pound Sterling interest at 6% p.a. The Group will also pay the notional Pound Sterling amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS was used to hedge the Parent Company's exposure to the GBP foreign exchange risk on its investment in MNSPL and was designated as net investment hedge. On September 28, 2022, the Board of Directores approved to fully unwind the CCS agreement to take advantage of the weakening of Pound Sterling. Meanwhile, the derivative loss in 2021 was primarily due to the full settlement of Arran's convertible note last June 3, 2021. *For more information, please see Note 26 to the Audited Consolidated Financial Statements.*

Loss on Convertible Note Redemption

The Group recognized additional ₱1,579 million losses in 2021 on top of the derivative loss due to the full settlement of Arran's convertible note last June 3, 2021.

The derivative loss and loss on convertible note redemption are due to the difference between the face value of the note before redemption and the Group paid upon redemption.

Impairment Loss (before tax)

The Group recorded an impairment loss amounting to ₱21,374 million in 2022 as a result of the annual impairment assessment. The impairment loss in 2022 was primarily on intangible assets (₱20,547 million) and property, plant and equipment (PPE) (₱826 million). The intangibles impairment was a non-cash and non-operating and was caused by the application of a higher discount rate due to the prevailing higher interest rates and risks premiums, some margin compression, and rationalization of the demand trends in the meat alternative category. The impairment loss was applied on the value of goodwill (₱16,501 million) and brand (₱4,043 million) under Marlow Foods, which owns the *Quorn* and *Cauldron* brand. The goodwill and brand were acquired through business combinations. Meanwhile, the PPE impairments of ₱620 million and ₱206 million were recognized in the Meat Alternative and APAC BFB segment, respectively. The impairment on Meat Alternative segment was largely on Quorn fermenter assets due to production cost rationalization in UK, while in APAC BFB, the PPE impairment was primarily due to discontinued product line in MNC. *For more information, please see Note 3 the Audited Consolidated Financial Statements.*

Income Before Income Tax

In 2022, losses before income tax was at ₱11,886 million, from ₱4,825 million income in 2021. As discussed in the foregoing, 2022 losses was mainly due to non-cash, non-operational impairment in Meat Alternative business. Meanwhile, 2021 income was tapered by non-recurring losses related to redemption of Arran's convertible notes and IPO-related expenses.

Total Income Tax Expense

Total Income tax expense decreased by 28.5%, to ₱1,129 million in 2022. The decrease was due to year on year movement in the deferred income tax expense which offset the increase in the current income tax expense due to higher taxable income in 2022. In 2022, the Group reported a negative deferred income tax amounting to ₱1,300 million primarily due to reduction in deferred tax liabilities as a result of ₱4,043 million (£60.0 million) impairment on *Quorn* and *Cauldron* brand. Meanwhile in 2021, the Group recognized a deferred tax expense of ₱1,187 million as the UK government announced the increase in the tax rate from 19% to 25% in April 2023. In accordance with PAS 12.46, *Income Taxes*, current tax liabilities are measured at the amount expected to be paid to taxation authorities, using the rates/laws that have been enacted or substantially enacted as of balance sheet date. The adjustment on deferred tax liabilities pertain to items such as the brand value of Quorn and Cauldron.

Reported Net Income or Loss (after tax)

As a result of the foregoing, the Group recognized a net loss of ₱13,015 million in 2022 from net income of ₱3,245 million in 2021.

For the year ended December 31, 2021, compared to the year ended December 31, 2020

Net Sales

Net sales continued to grow in a challenging environment, up by 2.0%, to ₱69,284 million in 2021, driven by the APAC BFB segment and the favourable effect of foreign exchange (forex). Growth was softened by volume decline in the Meat Alternative segment.

APAC BFB

Net sales in the APAC BFB segment increased by 2.1%, to ₱54,039 million in 2021. The increase was primarily driven by high double-digit growth in the international sales, robust sales growth of noodles and culinary in the Philippines, and the effect of price increase in Q3 2021. High growth in international business was due to Thailand and Philippines export business even though sales were tapered by the shortage of shipping containers/vessels and port congestion. Moreover, Thailand's biscuits gained market share despite category decline primarily due to effective in-store execution and efficient promos. Noodles was able to sustain a high level of sales in the Philippines, grew low single-digit growth, despite volume upsurge last year. This was primarily driven by successful usage-building programs, proven strong relevance of the category, and price increase in Q3 2021. Culinary and cakes sales grew double-digit this year pushed by solid Q4 performance, while biscuits and beverage full year decline was tapered by stronger Q4 results. Biscuits grew single digit in Q4 primarily due to marketing push toward in-home consumption, mobility improvement, and price increase. Beverage also saw an encouraging trend, as Q4 sales grew high single-digit growth due to improvement in mobility and supply.

Meat Alternative

Net sales in the Meat Alternative segment up by 1.4%, to ₱15,245 million in 2021, driven by the positive effect of forex. Excluding the effect of forex, Meat Alternative's overall net sales growth was down by 3.9% due to volume decline across geographic markets. Meat Alternative sales were tapered by challenging macro-economic conditions in the UK and the effect of the COVID-19 pandemic. Effect of decline in retail segment was tapered by solid performance in food service segment, Q4 2021 was up 69% and full year was up by 36.0%. Further, carry-over price action in the UK and US helped soften the effect of volume decline.

Cost of Goods Sold

Cost of goods sold increased by 5.4%, from ₱41,440 million in 2020 to ₱43,693 million in 2021, primarily due to effect of rising commodity prices, higher utilities, repairs, and maintenance softened primarily by hedging and forward buying of wheat, palm, and edible oil.

APAC BFB

The cost of goods sold in the APAC BFB segment increased by 7.8%, to ₱34,475 million in 2021, primarily due to rising commodity prices, utilities, and repairs and maintenance. Prices of key raw materials and ingredients such wheat/flour, palm oil, coconut oil, and shortening liquid have increased significantly in 2021 as compared last year. The effect of rising commodity prices was partly softened by hedging, forward buying, continuing cost reduction initiatives in the supply chain. 2020 repairs were significantly low primarily due to the postponement of the planned repairs to focus more on the throughput. Further, this year's repairs include the purchase of various spare parts and the maintenance of the noodle lines.

Meat Alternative

The cost of goods sold in the Meat Alternative segment decreased by 2.5%, to ₱9,218 million in 2021, primarily due to the decline in volume across geographic markets and operational improvements partly offset by increasing energy cost which was more pronounced in Q4.

Gross Profit

Gross profit decreased by 3.5%, to ₱25,591 million in 2021, for the reasons discussed above.

APAC BFB

Gross profit for the APAC BFB segment decreased by 6.5%, to ₱19,564 million in 2021, for the reasons discussed above.

Meat Alternative

Gross profit for the Meat Alternative segment increased by 8.0%, to ₱6,027 million in 2021, for the reasons discussed above.

Core Sales, General and Administrative Expenses

Sales, general and administrative expenses (excluding non-recurring expenses and impairment loss) increased by 12.6%, to ₱15,095 million in 2021, primarily due to an increase in advertising and promotion expenses, a one-off credit in Meat Alternative due to fire insurance claims and a higher research and development expenses. The increase in advertising and promotion was primarily on brand building and consumer marketing activities. Moreover, advertising and promotion's year-on-year growth was higher partly due to the low base in APAC BFB, as last year's activities were postponed due to lockdowns.

APAC BFB

Sales, general and administrative expenses excluding non-recurring expenses in the APAC BFB segment increased by 4.6%, to ₱9,897 million in 2021. As explained above, the increase was mainly due to normalization of spend on advertising and promotional expenses.

Meat Alternative

Sales, general, and administrative expenses for the Meat Alternative segment increased by 31.7%, to ₱5,198 million in 2021. The increase was mainly due to brand building, consumer marketing, product development activities, and a one-off credit due to fire insurance claims received last Q1 2020.

Core Income (After Tax) at Ownership

Core Income (after tax) at Ownership decreased by 5.4%, to ₱8,185 million in 2021. Core Income attributable to non-controlling interest was significantly down by 82.1%, from ₱725 million to ₱130 million, due to acquisition by the Parent Company on January 29, 2021, of the minority shares of MMYSC owned by MCI.

Share in Net Losses of Associates and Joint Ventures

The Group reported a gain of ₱36 million in 2021, from a loss of ₱98 million in 2020. 2021 gain was mainly from KBT International Holdings, Inc. while the loss in 2020 was from SMFC. The Group started to consolidate SMFC in September 2020 as the result of increased ownership from 25% to 80%. The Group's share in the losses of SMFC went down to zero because of the effect of consolidating SMFC's operating results in 2021, which is now reflected in the group's core income.

Non-Core Foreign Exchange Gain – Net (excluding foreign exchange on USD reserves for a natural hedge against foreign exchange risks)

Net foreign exchange gain decreased by 83.7%, to ₱149 million in 2021, primarily due to a higher 2020 base. Last year's foreign exchange gain was driven by the realization of gain on payment of US dollar and pound sterling-denominated loans because of the strengthening of the Philippine Peso against the US dollar and pound sterling and the unrealized foreign exchange gain on convertible notes, which was pegged at US$1: ₱52.186 while the Philippine Peso closing rate was US$1: ₱48.036.

Miscellaneous Income

Miscellaneous income increased by 14.1%, to ₱284 million in 2021, due to reversal of allowance for ECL and impairment on advances due to effective collection efforts.

Impairment Loss

Impairment loss decreased by 78.0%, to ₱223 million in 2021. In 2021, impairment loss recognized were mainly from the Meat Alternative segment related to the underperforming reactor in its BF1 facility since it operated. This was softened by reversal of allowance in 2021 due to the improvement of the result of the operation of biscuit line in MNTH. In 2020, impairment loss recognized were from the Meat Alternative segment related to the introduction of a new forming production line which involved a new production process but resulted in fermentation capacity that was significantly lower than expected, and higher operating costs. The production line is still in use but the carrying value has been adjusted accordingly, and the Group expects that future capacity expansion projects will revert to established processes in the future. For additional information, please see *Notes 11 to 13 and 20 to the Audited Consolidated Financial Statements.*

Non-Core Finance Costs (excluding recurring interest on Loans Payable and Trust Receipts Payable)

Interest expense flat by 0.3%, to ₱1,488 million in 2021. Lower interest expense from bank loan was offset by recognition of cash variable interest amounting to ₱588 million. The cash variable interest is equal to the dividends received by the Parent Company's shareholder, Arran, that the latter would have received if the convertible note was converted into shares prior to the declaration of such dividend. The decrease in the interest expense from bank loans was due to the repayment of term loans. As at December 31, 2021, the Group's loan payable decreased by ₱22,547 million versus December 31, 2020, this was partly driven by the Parent Company's early repayment of the outstanding term loans amounting ₱15,565 million as part of the change in use of IPO proceeds approved by the Board last August 9, 2021.

Finance Income

Finance income decreased by 68.4%, to ₱83 million in 2021 mainly due to recognition of gain on loan modification amounting to ₱165 million in 2020. In 2020, the Parent Company and financial institutions amended the fixed rate from 4.5% to 3.75% and extended the maturity from October 26, 2020, to October 26, 2023. This modification in the contractual cash flows was not substantial and therefore did not result in the derecognition of the affected financial liabilities. As a result of this, the Group recognized a gain.

Derivative Gain (Loss)

The Group recorded derivative losses of ₱2,258 million in 2021 compared to the derivative gains of ₱99 million in 2020. The derivative loss for 2021 was primarily due to the full settlement of Arran's convertible note last June 3, 2021, while the derivative gains pertain to the one-time gain due to the unwinding of the European Union Knockout Option.

Loss on Convertible Note Redemption

The Group recognized additional ₱1,579 million losses in 2021 on top of the derivative loss due to redemption of Arran's convertible note on June 3, 2021.

The derivative loss and the loss on convertible note redemption are due to the difference between the carrying value of convertible note and related derivative liability as at June 3, 2021, redemption date, and the amount that the Group paid upon redemption.

Income Before Income Tax

Income before income tax decreased by 58.9%, to ₱4,825 million in 2021 due to the one-off loss related to the redemption of Arran's convertible note, IPO-related expenses, and others as discussed above.

Total Income Tax Expense

Income tax expense decreased by 56.8%, to ₱1,580 million in 2021, due to the lower income tax rate under the Corporate Recovery and Tax Incentives for Enterprise ("CREATE") Act from 30% to 25%, the recognition of the actual loss on redemption of the convertible note, and the reversal of previously recognized deferred tax liability related to the said note. The decrease was partly offset by the effect of the increase in deferred tax liability primarily in Meat Alternative. The UK tax rate was announced to increase from 19% to 25% by April 2023. As a result of the change in tax rate in UK, the Group adjusted its deferred tax liability on its *Quorn* and *Cauldron* brand by ₱1,335.6 million to reflect the expected tax rate as at December 31, 2021. MNUK also reflected impact of the super capital allowance for qualifying capital expenditures as at December 31, 2021. In accordance with PAS 12.46, *Income Taxes*, the current tax liabilities are measured at the amount expected to be paid to taxation authorities, using the rates/laws that have been enacted or substantially enacted as of the balance sheet date. The adjustment on deferred tax liability pertains to items such as the brand value of *Quorn* and *Cauldron*.

Reported Net Income (after tax)

As a result of the foregoing, net income declined by 59.8%, to ₱3,245 million in 2021. Net income as a percentage of net sales decreased by 7.2%, from 11.9% in 2020 to 4.7% in 2021.

STATEMENT OF FINANCIAL POSITION

Financial condition as at December 31, 2022, compared to as at December 31, 2023.

Current Assets

The Group's current assets increased by 11.6%, from ₱32,333 million as at December 31, 2022 to ₱36,090 million as at December 31, 2023.

	December 31, 2023		December 31, 2022		Increase/Decrease	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
	in millions, except percentages					
Cash and cash equivalents	16,679	46	11,629	36	5,050	43.4
Trade and other receivables	6,410	18	6,800	21	(390)	(5.7)
Inventories	9,187	25	10,879	34	(1,692)	(15.6)
Current financial assets	2,714	8	1,756	5	958	54.5
Prepayments and other current assets	1,100	3	1,269	4	(169)	(13.3)
Total Current Assets	36,090	100	32,333	100	3,757	11.6

Cash and cash equivalents increased by 43.4%, from to ₱11,629 million as at December 31, 2022 to ₱16,679 million as at December 31, 2023 due to higher cash inflow from operating activities of APAC BFB, decreased working capital requirements primarily due to declining commodity prices and lower stocks level. Total cash inflow partly reduced by outflow related to CapEX, investment related to Financial Assets at FVOCI, and partial payment of Marlow Foods Limited's (MFL) sterling term loan.

Inventories decreased by 15.6%, from to ₱10,879 million as at December 31, 2022 to ₱9,187 million as at December 31, 2023 due to declining commodity prices and lower stocks level in both business segments.

Current financials assets increased by 54.5%, from to ₱1,756 million as at December 31, 2022 to ₱2,714 million as at December 31,2023 due to reclassification of loans receivables that has maturity date of less than twelve months. Loans receivable that will mature are MNSPL's receivable to MNSG amounting to ₱162.3 million which has maturity date of July 3, 2024 and Parent Company's receivable to SSCC, amounting to ₱500.0 million that has date of August 4, 2024 as of December 31, 2023.

Prepayments and other current assets decreased by 13.3%, from ₱1,269 million as at December 31, 2022 to ₱1,100 million as at December 31, 2023 mainly due to usage of prepaid taxes and input VAT in MNUK.

Noncurrent Assets

The Group's noncurrent assets decreased by 2.0%, from ₱48,960 million as at December 31, 2022 to ₱48,005 million as at December 31, 2023 due additional impairment losses in meat alternative segment offset by the recognition of Guaranty asset.

	December 31, 2023		December 31, 2022		Increase/Decrease	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
	in millions, except percentages					
Property, plant and equipment	25,155	52	30,864	63	(5,709)	(18.5)
Guaranty asset	10,432	22	–	–	10,432	*n/m*
Intangible assets	8,813	19	14,483	30	(5,670)	(39.1)
Investments in associates and joint ventures	1,125	2	1,104	2	21	1.9
Deferred tax assets – net	937	2	868	2	69	7.9
Financial assets at FVOCI – Noncurrent	601	1	–	–	601	*n/m*
Noncurrent receivables	–	–	662	1	(662)	(100.0)
Other noncurrent assets	942	2	979	2	(37)	(3.8)
Total Noncurrent Assets	48,005	100	48,960	100	(955)	(2.0)

Property, plant and equipment decreased by 18.5% from ₱30,864 million as at December 31,2022 to ₱25,155 million as at December 31, 2023 mainly due impairment in Meat Alternative amounting to ₱7,188 million which offset additional capital expenditure in 2023 amounting to ₱3,641 million. For more information on the PPE impairment, please refer to the foregoing discussion of impairment loss for the period ended December 31, 2023.

Guaranty asset increased to ₱10,432 million as at December 31, 2023, from nil as at December 31, 2022. During the financial year ended December 31, 2023, MNSPL entered into an agreement ("Top-Up Deed") with MNSG Holdings Pte. Ltd., a Singaporean Company owned by a majority of the ultimate beneficial owners of MNSPL ("MNSG"). Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL's wholly owned subsidiary, MNUK. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUK starting from the calendar year ended December 31, 2023 and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed and engaged an independent valuation expert to determine the fair value of the guaranty asset at inception and as at December 31, 2023. Subsequent changes in fair value of the guaranty asset recognized in profit or loss.

	As at December 31, 2023, in millions
Guaranty asset:	
Initial recognition	₱9,104
Fair value gain on guaranty asset	1,302
Cumulative translation adjustment	26
	₱10,432

Intangible assets decreased by 39.1% from ₱14,483 million as at December 31,2022 to ₱8,813 million as at December 31, 2023 mainly due to the additional impairment on brand value under Marlow Foods, which owns *Quorn* and *Cauldron*. For more information, please refer to the foregoing discussion of impairment loss for the period ended December 31, 2023.

Deferred tax assets increased by 7.9% from ₱868 million as at December 31,2022 to ₱937 million as at December 31, 2023 mainly due to higher pension and refund liabilities.

The noncurrent financial assets at FVOCI pertain to subscription to 820,268,295 common shares out of the unissued authorized capital stock of Figaro Coffee Group (FCG), Inc. amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million. As at December 31, 2023, the fair value of FCG was based on quoted prices. The fair value of Terramino Inc. approximates its last transaction price.

The noncurrent receivables decreased by 100% from ₱662 million as at December 31, 2022 to nil as at December 31, 2023 due to reclassification to current receivables, as discussed in the foregoing.

Current Liabilities

The Group's current liabilities increased by 20.2%, from ₱14,752 million as at December 31, 2022 to ₱17,735 million as at December 31, 2023.

	December 31, 2023		December 31, 2022		Increase/Decrease)	
	Audited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in millions, except percentages					
Accounts payable and other current liabilities	11,684	66	11,323	77	361	3.2
Dividends Payable	2,156	12	–	–	2,156	*n/m*
Acceptances and trust receipts payable	1,608	9	2,362	16	(754)	(31.9)
Current portion of loans payable	1,200	7	270	2	930	344.4
Refund liabilities	407	2	201	1	206	102.5
Current portion of lease liabilities	89	1	386	3	(297)	(76.9)
Income tax payable	591	3	210	1	381	181.4
Total	**17,735**	**100**	**14,752**	**100**	**2,983**	**20.2**

Dividends Payable as at December 31, 2023, at ₱2,156 million from nil as at December 31, 2022. The Board approved the declaration cash dividends of ₱0.12 per share for stockholders of record date of November 29, 2023, which was paid last January 11, 2024.

Acceptances and trust receipts payable decreased by 31.9%, from ₱2,362 million as at December 31, 2022 to ₱1,608 million as at December 31, 2023 due to retirement of some trust receipts payable to save on interest expenses and in consideration of higher cash availability.

Current portion of loans payable increased by 344.4%, from ₱270 million as at December 31, 2022 to ₱1,200 million as at December 31, 2023 mainly due to MFL's availment of revolving /short-term credit loans.

Refund liabilities increased by 102.5%, from ₱201 million as at December 31, 2022 to ₱407 million as at December 31, 2023. The provision was consistent with PFRS 15.

Current portion of lease liabilities decreased by 76.9%, from ₱386 million as at December 31, 2022 to ₱89 million as at December 31, 2023 due to reclassification of portion of MNUK's lease liabilities from current to noncurrent.

Income tax payable increased by 181.4%, from ₱210 million as at December 31, 2022 to ₱591 million as at December 31, 2023 mainly due to income tax payable of MNC and MMYSC.

Noncurrent Liabilities

The Group's noncurrent liabilities decreased by 44.9%, from ₱14,270 million as at December 31, 2022 to ₱7,862 million as at December 31, 2023.

	December 31, 2023		December 31, 2022		Increase/Decrease	
	Audited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
			in millions, except percentages			
Loans payable	3,734	47	6,983	49	(3,249)	(46.5)
Deferred tax liabilities – net	382	5	4,320	30	(3,938)	(91.2)
Derivative liability	106	1	–	–	106	n/m
Lease liabilities	2,594	33	2,423	17	171	7.1
Pension liability	1,007	13	507	4	500	98.6
Other noncurrent liabilities	39	1	37	–	2	5.4
Total	**7,862**	**100**	**14,270**	**100**	**(6,408)**	**(44.9)**

Loans payable decreased by 46.5%, from ₱6,983 million as at December 31, 2022 to ₱3,734 million as at December 31, 2023 due to partial settlement of MFL's sterling term loan.

Deferred tax liabilities decreased by 91.2%, from ₱4,320 million as at December 31, 2022 to ₱382 million as at December 31, 2023 due to the recognition of impairment loss on PPE and brand under Meat Alternative segment.

Lease liabilities increased by 7.1%, from ₱2,423 million as at December 31, 2022 to ₱2,594 million as at December 31, 2023 due to reclassification of portion of MNUK's lease liabilities from current to noncurrent.

Pension liabilites increased by 98.6%, from ₱507 million as at December 31, 2022 to ₱1,007 million as at December 31, 2023 due to changes in the discount and salary increase rate assumptions.

Equity

The Group's total equity increased by 11.9% from ₱52,271 million as at December 31, 2022 to ₱58,498 million as at December 31, 2023 due to recognition of the results of operations for FY 2023.

Financial condition as at December 31, 2021, compared to as at December 31, 2022.

Current Assets

The Group's current assets increased by 5.6%, from ₱30,613 million as at December 31, 2021 to ₱32,333 million as at December 31, 2022, primarily due to higher inventories, investment in current financial assets partly offset by lower cash and cash equivalents.

	December 31, 2022		December 31, 2021		Increase (Decrease)	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
			in millions, except percentages			
Cash and cash equivalents	11,629	36	13,857	46	(2,228)	(16.1)
Trade and other receivables	6,800	21	6,249	20	551	8.8
Inventories	10,879	34	8,572	28	2,307	26.9
Current financial assets	1,756	5	166	–	1,590	958.3
Prepayments and other current assets	1,269	4	1,769	6	(500)	(28.3)
Total	32,333	100	30,613	100	1,720	5.6

Cash and cash equivalents decreased by 16.1%, from ₱13,857 million as at December 31, 2021 to ₱11,629 million as at December 31, 2022, primarily due to payments related to trust receipts, income tax and capital expenditures.

Inventories increased by 26.9%, from ₱8,572 million as at December 31, 2021 to ₱10,789 million as at December 31, 2022, primarily due to elevated commodity and energy prices and higher finished goods in APAC BFB in view of higher demand.

Current financials assets as at December 31, 2022 pertains to the financial assets at FVTPL accounts. Last year, the current financial asset pertains to loans receivable of MNSPL to MNSG which was entered last July 3, 2020, with original maturity date of July 3, 2022. In 2022, this was reclassified to non-current as both parties agreed to extend the maturity date to July 3, 2024.

Prepayments and other current assets decreased by 28.3%, from ₱1,769 million as at December 31, 2021 to ₱1,269 million as at December 31, 2022, mainly due to usage of prepaid income tax due to higher taxable income in 2022 resulting to payable position.

Noncurrent Assets

The Group's noncurrent assets decreased by 29.3%, from ₱69,245 million as at December 31, 2021 to ₱48,960 million as at December 31, 2022 due to impairment of intangibles in Meat Alternative.

	December 31, 2022		December 31, 2021		Increase (Decrease)	
		% to Total		% to Total		
	Audited	(In %)	Audited	(In %)	Amount	In %
			in millions, except percentages			
Intangible assets	14,483	30	35,647	51	(21,164)	(59.4)
Property, plant and equipment	30,864	63	29,952	43	912	3.0
Investments in associates and joint ventures	1,104	2	1,094	2	10	0.9
Deferred tax assets – net	868	2	886	1	(18)	(2.0)
Noncurrent receivables	662	1	500	1	162	32.4
Other noncurrent assets	979	2	1,166	2	(187)	(16.0)
Total	48,960	100	69,245	100	(20,285)	(29.3)

Intangible assets decreased by 59.4%, from ₱35,647 million as at December 31, 2021 to ₱14,483 million as at December 31, 2022 due to impairment of goodwill and brand value under Marlow Foods, which owns *Quorn* and *Cauldron*. The impairment was caused by the application of higher discount rate due to prevailing higher interest rates and risk premiums, some margin compression, and rationalization of the trend in the meat alternative category. For additional information on intangible assets impairment, see foregoing discussions under impairment loss under this section and Notes 11 to 13, and 20 to the Audited Consolidated Financial Statements.

Noncurrent receivables increased by 32.4%, from ₱500 million as at December 31, 2021 to ₱662 million as at December 31, 2022 due to reclassification of loans receivable of MNSPL to MNSG from current to noncurrent as both parties agreed to extend the maturity of the loan to July 3, 2024.

Other noncurrent assets decreased by 16.0%, from ₱1,166 million as at December 31, 2021 to ₱979 million as at December 31, 2022 due to application of advances to customers and amortization of deferred input VAT related to capital expenditures (CapEx). In addition, under the TRAIN Law, starting January 1, 2022, all input tax on purchases of capital goods shall already be allowed to be claimed outright upon purchase/payment and shall no longer be subject to amortization.

Current Liabilities

The Group's current liabilities decreased by 34.2%, from ₱22,409 million as at December 31, 2021 to ₱14,752 million as at December 31, 2022.

	December 31, 2022		December 31, 2021		Increase (Decrease)	
	Audited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
	in millions, except percentages					
Accounts payable and other current liabilities	11,323	77	11,156	50	167	1.5
Acceptances and trust receipts payable	2,362	16	3,715	17	(1,353)	(36.4)
Current portion of loans payable	270	2	6,999	31	(6,729)	(96.1)
Refund liabilities	201	1	304	1	(103)	(33.9)
Current portion of lease liabilities	386	3	97	–	289	297.9
Income tax payable	210	1	138	1	72	52.2
Total	**14,752**	**100**	**22,409**	**100**	**(7,657)**	**(34.2)**

Acceptances and trust receipts payable decreased by 36.4%, from ₱3,715 million as at December 31, 2021 to ₱2,362 million as at December 31, 2022 due to retirement of some trust receipts payable to save on interest expenses and in consideration of higher cash availability.

The **current portion of loans payable** as at December 31, 2021, pertains to MNUK's outstanding loan which was reclassified from noncurrent. As at December 31, 2021, loans of MFL, a wholly-owned UK-based indirect subsidiary, was reclassed to current portion as MFL exceeded the gross leverage covenant threshold of 3.0x. To address this issue, MFL entered into a sterling term loan facility amounting to ₱7,081 million (£105.0 million) on June 1, 2022, and repaid its existing financial indebtedness on June 9, 2022.

Refund liabilities decreased by 33.9%, from ₱304 million as at December 31, 2021 to ₱201 million as at December 31, 2022, mainly due to timely actualization of returns as effect of process improvements.

Income tax payable increased by 52.2%, from ₱138 million as at December 31, 2021 to ₱210 million as at December 31, 2022. Income tax payable was low as at December 31, 2021 due to utilization of prepaid income tax from the implementation of CREATE Act and lower taxable income due to recognition of actual loss on redemption on Arran's convertible notes.

Noncurrent Liabilities

The Group's noncurrent liabilities increased by 58.0%, from ₱9,033 million as at December 31, 2021 to ₱14,270 million as at December 31, 2022, mainly due to refinancing of MFL's loan partly offset by reduction in deferred tax liabilities.

	December 31, 2022		December 31, 2021		Increase (Decrease)	
	Audited	% to Total	Audited	% to Total	Amount	In %
	in millions, except percentages					
Loans payable	6,983	49	–	–	6,983	*n/m*
Deferred tax liabilities – net	4,320	30	5,702	64	(1,382)	(24.2)
Lease liabilities	2,423	17	2,662	29	(239)	(9.0)
Pension liability	507	4	649	7	(142)	(21.9)
Other noncurrent liabilities	37	–	20	–	17	85.0

	December 31, 2022		December 31, 2021		Increase (Decrease)	
	Audited	% to Total	Audited	% to Total	Amount	In %
	in millions, except percentages					
Total	14,270	100	9,033	100	5,237	58.0

Loans payable as at December 31, 2022 pertains to MNUK's new loan agreement amounting to ₱7,081 million (£105.0 million) entered into last June 1, 2022, with maturity date of June 2025 subject to extension of 2 years, primarily used to refinance old loan. Please see discussion under current portion of loans payable.

Deferred tax liability decreased by 24.2%, from ₱5,702 million as at December 31, 2021 to ₱4,320 million as at December 31, 2022, mainly due to reduction on deferred tax liabilities due to ₱4,043 million (£60.0 million) impairment on brand value of Marlow Foods Inc, which owns the Quorn and Cauldron brand.

Pension liability decreased by 21.9%, from ₱649 million as at December 31, 2021 to ₱507 million as at December 31, 2022, primarily due to contribution paid by MMYSC.

Equity

The Group's total equity decreased by 23.6%, from ₱68,416 million as at December 31, 2021 to ₱52,271 million as at December 31, 2022 due to recognition of the results of operations for year-to-date 2022.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's principal sources of liquidity are cash flows from its operations, borrowings, and IPO proceeds. For the twelve months ended December 31, 2021, and 2022, the Group's cash flows from operations were sufficient to provide for its operations and dividend payments. The IPO proceeds financed the Company's capital expenditure (CapEx) requirements for 2021 and 2022. For the twelve months ended December 31, 2023, the Group's cash flows from operations were sufficient to provide for its operations, dividends, and CapEx requirements.

The Group's principal requirements for liquidity are for purchases of raw materials and payment of other operating expenses, investments in production equipment, payment of cash dividends, and other working capital requirements.

The cash flows of the Group are primarily from the operations of its APAC BFB Business. The Group expects that its operating cash flow will continue to be sufficient to fund its operating expenses, dividend payments, and CapEx. The Group also maintains long- and short-term credit facilities with various financial institutions, which can support any temporary liquidity requirements. Any excess capital expenditure beyond the operating cash flow will be funded by remaining IPO proceeds (for APAC BFB only) and bank borrowings.

Cash Flows

The following discussion of the Group's cash flows for the year ended December 31, 2023, 2022, and 2021, should be read in conjunction with the statements of cash flows and notes included in Audited Consolidated Financial Statements.

The table below sets forth the principal components of the Group's statements of cash flows for the years indicated.

	Twelve months Ended December 31,		
	2023	2022	2021
		in millions	
Net cash flows provided by operating activities	13,291	5,483	13,474
Net cash flows used in investing activities	(4,781)	(6,042)	(7,471)
Net cash flows from (used in) financing activities	(3,468)	(1,684)	686
Net increase in cash and cash equivalents	**5,042**	**(2,243)**	**6,689**
Effect of Exchange Rate Changes on cash and cash equivalents	8	15	75

Cash and cash equivalents at beginning of year	11,629	13,857	7,093
Cash and cash equivalents as at December 31	16,679	11,629	13,857

Net cash flow provided by operating activities

The net cash flows provided by operating activities were ₱13,291 million for the year ended December 31, 2023. Cash generated from operations (after adjusting for, among other things, depreciation, and amortization, and working capital changes) was ₱15,299 million. The Group generated cash from interest received amounting to ₱412 million and paid income taxes of ₱2,420 million.

The net cash flows provided by operating activities were ₱5,483 million for the year ended December 31, 2022. Cash generated from operations (after adjusting for, among other things, depreciation, and amortization, and working capital changes) was ₱7,718 million. The Group generated cash from interest received amounting to ₱122 million and paid income taxes of ₱2,356 million.

The net cash flows provided by operating activities were ₱13,474 million for the year ended December 31, 2021. The Group's income before income tax for the year was ₱4,825 million. Cash generated from operations (after adjusting for, among other things, depreciation, and amortization, and working capital changes) was ₱13,928 million. The Group generated cash from interest received amounting to ₱82 million and paid income taxes of ₱537 million.

Net cash flows used in investing activities

The Group's net cash flows used in investing activities were ₱4,781 million for the year ended December 31, 2023. The cash outflow primarily for the Group's payments for CapEx of ₱3,641 million. The other cash outflow pertain to Parent company subscription to 820,268,295 common shares out of the unissued authorized capital stock of Figaro Coffee Group, Inc. amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million.

The Group's net cash flows used in investing activities were ₱6,042 million for the year ended December 31, 2022. The cash outflow primarily for the Group's payments for CapEx of ₱4,432 million and net investment in current financial assets ₱1,734 million.

The Group's net cash flows used in investing activities were ₱7,471 million for the year ended December 31, 2021. The cash outflow primarily for the Group's payments for CapEx of ₱5,216 million and MNC also bought the additional shares in MMYSC from MCI, amounting to ₱1,822 million, increasing its ownership to 100%.

Net cash flows used in financing activities

The net cash flows used in financing activities were ₱3,468 million for the year ended December 31, 2023. The net cash outflow primarily due to partial settlement of MFL's sterling term loan amounting to ₱2,705 million (net of new availment). The other cash outlow pertains to payment of interest expense (₱453 million) and lease liabilities (₱333 million)

The Group's net cash flows used in financing activities were ₱1,684 million for the year ended December 31, 2022. The cash outflow was primarily used in cash dividends of ₱2,517 million partly offset by cash inflow of ₱920 million from derivate income arising from unwinding of cross-currency swap.

The net cash flows inflows in financing activities were ₱686 million for the year ended December 31, 2021. The net cash inflows amount consisted primarily of the IPO proceeds of ₱48,931 million additional paid-in capital (net of transaction costs). The cash outflow was primarily used in settlement of the outstanding loans amounting to ₱23,115 million, full settlement of Arran's convertible notes ₱13,352 million, cash dividends of ₱10,061 million, and interest expenses amounting to ₱1,437 million from bank loans, trust receipts, and cash variable interest from convertible notes.

FINANCIAL RATIOS / KEY PERFORMANCE INDICATORS

The following are the major financial ratios that the Group uses and monitors.

The top five key performance indicators are Sales Growth, Gross Margin, Core Income After Tax margin, Core EBITDA margin, and Interest rate coverage ratio.

	As at December 31,		
	2023	2022	2021
Current ratio	2.03	2.19	1.37
Acid test ratio	1.45	1.37	0.90
Solvency ratio	0.55	0.38	0.18
Debt-to-equity ratio	0.44	0.56	0.46
Asset-to-equity ratio	1.44	1.56	1.46
	Twelve months Ended December 31,		
	2023	2022	2021
Net Sales Growth	8.4%	6.7%	2.0%
Gross Margin	30.8%	31.3%	36.9%
Core Income After Tax margin (at ownership)	9.5%	8.9%	11.8%
Core EBITDA Margin	16.9%	15.1%	19.2%
Interest rate coverage ratio	17.84	21.75	8.4

The manners by which the ratios are computed are as follows:

Financial ratios	Formula
Current ratio	Current assets / Current liabilities
Acid test ratio	Cash and cash equivalents + Current receivables+ Current Financial Assets / Current liabilities
Solvency ratio	Net income attributable to equity holders of the Company + Depreciation and amortization + Impairment Loss – FMV gain on guaranty asset / Total liabilities
Debt-to-equity ratio	Total liabilities (current + noncurrent) / Equity attributable to equity holders of the Company
Asset-to-equity ratio	Total assets (current + noncurrent) / Equity attributable to equity holders of the Company
2022 Interest rate coverage ratio [1]	Core EBITDA / Finance Costs
Net Sales Growth	Current period net sales – prior period net sales / Prior period net sales
Gross margin	Gross profit / Net Sales
Core EBITDA Margin	Core EBITDA / Net Sales
Core Income After Tax (at ownership)	Core Income after-tax at Ownership / Net sales

[1] 2023 and 2022 calculation based on titan loan convenant's formula; 2021 EBITDA/Finance Costs

Capital Expenditures

The Group's Capital Expenditures (CapEx) were primarily attributable to positioning the Group's APAC BFB Business and Meat Alternative Business to develop new business, expand the Group's production capacity and capability, and improve operational efficiencies. The Group invested in the construction of a new manufacturing plant, new production lines, and machineries.

The table below sets out the Group's estimated 2024 CapEx plan and actual spend for the twelve months ended December 31, 2023, 2022, and 2021.

	Plan	Actual		
	2024	2023	2022	2021
		(in ₱ millions)		
APAC BFB	6,211	2,611	2,373	3,399
Meat Alternative	1,000	1,030	2,059	1,817
Total	**7,211**	**3,641**	**4,432**	**5,216**

In 2023, The Group's major CapEx in its APAC BFB segment was primarily for the contruction of new bakery manufacturing lines for additional capacity and capability and investment in various machineries to improve operational efficiencies. Meanwhile in 2021 and 2022, the Group's major CapEx in its APAC BFB segment was primarily for the continued construction of a new manufacturing plant in Malvar, Batangas, investment in various machineries to improve operational efficiencies, capabilities, and new Noodles production line.

In 2023, The Group's major CapEx in its Meat Alternative segment was primarily for its long life past design capability and other capabilities. In 2021 and 2022, the Group's major capital expenditures in its Meat Alternative segment was to increase production fermentation capacity. Additional investment in 2022 mainly in increasing capacity to produce deli products.
2024 capital plan in APAC BFB is primarily to improve capacity, development capability, and operational efficiences. Meat Alternative's 2024 plan mainly to improve operational/cost efficiences.

No assurance can be given that the Group's capital expenditures plan will not change or that the amount of the capital expenditures for any project or as whole will not change in future years from current expectations.

OTHER FINANCIAL DATA

I. RECONCILIATION OF PFRS TO NON-PFRS MEASURES

The following tables set out PFRS to non-PFRS reconciliation for the period indicated:

	Twelve Months Ended December 31, 2023			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
		(in ₱ millions)		
NET SALES	80,170	–	–	80,170
Less: COST OF GOODS SOLD	55,442	–	–	55,442
GROSS PROFIT	24,728	–	–	24,728
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	13,272	89	(13,361)	–
General and administrative expenses	7,775	–	(439)	7,336
Selling expenses	7,038	–	(76)	6,962
	28,085	89	(13,876)	14,298
Core Other Income/(Expense)				
Miscellaneous Income	–	–	30	30
Interest Expense – Orchid + Trust Receipts	–	(523)	–	(523)
Forex loss on USD Stockpile	–	(49)	–	(49)
	-	(572)	30	(542)
CORE INCOME BEFORE TAX	(3,357)	(661)	13,906	9,888
OTHER INCOME (CHARGES)				
Gain (Loss) on Change in FV of Guaranty Asset	1,302	–	–	1,302
Foreign exchange gain (loss) – net	80	49	–	129
Share in net earnings of an associate	36	–	–	36
Market valuation gain (loss) on financial instruments at fair value through profit or loss	93	–	–	93
Miscellaneous + dividend Income	230	–	(30)	200
	1,741	49	(30)	1,760
INCOME BEFORE FINANCE INCOME (EXPENSES)	(1,615)	(612)	13,876	11,649
FINANCE INCOME (EXPENSES)				
Finance Income	428	–	–	428
Finance Costs	(681)	523	–	(158)
Derivative gain	21	–	–	21
	(232)	523	–	291
Other Non-Recurring Expenses				
Impairment Reversal/(Loss) -Net	–	89	(13,361)	(13,272)
Restructuring costs in MNUK	–		(515)	(515)
	-	89	(13,876)	(13,787)
INCOME BEFORE INCOME TAX	(1,848)	–	–	(1,848)
PROVISION FOR CURRENT INCOME TAX				
Current	2,801	–	–	2,801
Deferred	(4,022)	–	–	(4,022)
PROVISION FOR CURRENT INCOME TAX	(1,221)	–	–	(1,221)
NET INCOME FROM CONTINUING OPERATIONS	(627)	–	–	(627)

	2022			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
		(in ₱ millions)		
NET SALES [1]	73,881	59	–	73,940
COST OF GOODS SOLD [2]	50,921	(129)	–	50,792
GROSS PROFIT	22,960	188	–	23,148
SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net [3]	21,374	(210)	(21,164)	-
General and administrative expenses [4]	7,588	–	(252)	7,336
Selling expenses [5]	7,496	(6)	–	7,491
	36,458	(216)	(21,416)	14,827
Core Other Income/(Expense)	–		–	–
Interest Expense – Orchid + Trust Receipts	–	(238)	–	(238)
Forex gain on USD Stockpile	–	571	–	571
	-	333	-	333
CORE INCOME BEFORE TAX	(13,498)	736	21,416	8,654
OTHER INCOME (CHARGES)				
Foreign exchange gain (loss) – net	422	(571)	–	(149)
Share in net earnings of an associate	(12)	–	–	(12)
Market valuation gain (loss) on financial instruments at fair value through profit or loss	22	–	–	22
Miscellaneous Income	143	–	–	143
	574	(571)	–	4
INCOME BEFORE FINANCE INCOME (EXPENSES)	(12,924)	166	21,416	8,658
FINANCE INCOME (EXPENSES)				
Finance income	149	–	–	149
Finance costs	(417)	238	–	(179)
Derivative gain	1,306	–	–	1,306
	1,038	238	–	1,276
Other Non-Recurring Expenses				
Impairment loss – Net	–	(210)	(21,164)	(21,374)
Others	-	(194)	(252)	(446)
	-	(404)	(21,416)	(21,820)
INCOME BEFORE INCOME TAX	(11,886)	–	–	(11,886)
PROVISION FOR CURRENT INCOME TAX				
Current	2,429	–	–	2,429
Deferred	(1,300)	–	–	(1,300)
PROVISION FOR CURRENT INCOME TAX	1,129	–	–	1,129
REPORTED NET INCOME	(13,015)	–	–	(13,015)

(1) ₱59 million recall provisions in Thailand due to selective EU recall.
(2) ₱129 million related to global strategic alignment initiatives.
(3) Meat Alternative ₱20,544 million non-cash, non-operating impairment of intangibles assets and ₱620 million PPE, and ₱207 million in APAC BFB primarily due to discontinued product line in MNC.
(4)₱252 million restructuring costs in UK
(5) ₱5 million recall provision in Thailand

	2021			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
		(in ₱ millions)		
NET SALES	69,284	–	–	69,284
COST OF GOODS SOLD	43,693	–	–	43,693
GROSS PROFIT	25,591	–	–	25,591
SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	223	61	(284)	-
General and administrative expenses [1]	7,619	(868)	–	6,751
Selling expenses	8,344	–	–	8,344
	16,186	(807)	(284)	15,095
Core Other Income / (Expense)				
Interest Expense – Orchid + Trust Receipts	–	(81)	–	(81)
Forex gain on USD Stockpile	–	262	–	262
	-	181	–	181
CORE INCOME BEFORE TAX	9,405	988	284	10,677
OTHER INCOME (CHARGES)				
Foreign exchange gain (loss) – net	410	(262)	–	149
Share in net earnings of an associate	36	–	–	36
Miscellaneous Income	296	–	–	296
	743	(262)	-	481
INCOME BEFORE FINANCE INCOME (EXPENSES)	10,148	726	284	11,159
FINANCE INCOME (EXPENSES)				
Finance income	83	–	–	83
Finance costs	(1,569)	81	–	(1,488)
Loss on CN redemption	(1,579)	–	–	(1,579)
Derivative gain	(2,258)	–	–	(2,258)
	(5,323)	81	–	(5,242)
Other Non-Recurring Expenses				
Impairment loss – Net	–	61	(284)	(223)
IPO-related expenses [1]	–	(655)	–	(655)
Others [1]	–	(213)	–	(213)
	-	(807)	(284)	(1,091)
INCOME BEFORE INCOME TAX	4,825	–	–	4,825
PROVISION FOR CURRENT INCOME TAX				
Current	393	–	–	393
Deferred	1,187	–	–	1,187
PROVISION FOR CURRENT INCOME TAX	1,580	–	–	1,580
REPORTED NET INCOME	3,245	–	–	3,245

[1] Non-recurring expense in APAC BFB related to IPO-related expenses ₱655 million and ₱213 million COVID-19 related expenses.

II. EBITDA Reconciliation

The following tables set out EBITDA reconciliation with respect to the Group's business segments for the period indicated:

	For the twelve months ended December 31, 2023 (Audited)		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions)		
Income before Income Tax	11,922	(13,769)	(1,847)
Finance Costs	241	441	682
Finance Income	(395)	(33)	(428)
EBIT	11,768	(13,361)	(1,593)
Derivative Gain	(21)	–	(21)
Foreign Exchange (Gain)/Loss	(61)	(20)	(81)
Gain Change in FV of Guaranty Asset	-	(1,302)	(1,302)
Restructuring costs in MNUK	-	515	515
Impairment (Reversal)/Loss	(89)	13,361	13,272
Dividend Income	(22)	–	(22)
Depreciation and Amortization Expense	1,969	803	2,772
EBITDA	**13,544**	**(4)**	**13,540**

	For the twelve months ended December 31, 2022 (Audited)		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions)		
Income before Income Tax	9,824	(21,710)	(11,886)
Interest Expense	234	182	416
Interest Income	(144)	(5)	(149)
EBIT	9,914	(21,533)	(11,619)
Derivative Gain	(1,306)	–	(1,306)
Foreign Exchange (Gain) – Net	(402)	(20)	(422)
Other non-recurring expenses	194	252	446
Impairment Loss	210	21,164	21,374
Depreciation and Amortization Expense	1,958	755	2,713
EBITDA	**10,568**	**618**	**11,186**

	For the twelve months ended December 31, 2021 (Audited)		
	APAC BFB	Meat Alternative	Total
	(in ₱ millions)		
Income before Income Tax	4,335	490	4,825
Interest Expense	1,514	55	1,569
Interest Income	(82)	(1)	(83)
EBIT	5,767	544	6,311
Derivative Gain	2,258	–-	2,258
Loss on redemption of CN	1,579	–	1,579
Foreign Exchange Gain – Net	(412)	1	(411)
Depreciation and Amortization Expense	1,829	642	2,471
Impairment loss (reversal)	(61)	284	223
Non-recurring expense (IPO and COVID-related)	869	–	869
EBITDA	**11,829**	**1,471**	**13,300**

III. FINANCIAL LIABILITIES

The following table summarizes the Group's financial liabilities as at December 31, 2023 and 2022.

	2023 In ₱, in millions					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Financial Liabilities						
Accounts payable and other current liabilities*	2,541	8,247	7			10,795
Dividends payable		2,156				2,156
Loans payable		21	1,200	3,813		5,034
Acceptance and trust receipts payable			1,607			1,607
Lease liabilities		63	182	947	6,763	7,955
	2,541	10,487	2,996	4,760	6,763	27,547

	2022 (In ₱ millions)					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Financial Liabilities						
Accounts payable and other current liabilities*	2,664	8,186	89			10,938
Loans payable			275	7,081		7,356
Acceptance and trust receipts payable			2,362			2,362
Lease liabilities		71	252	985	7,044	8,351
	2,664	8,257	2,978	8,066	7,044	29,007

** Excluding statutory payables*
*** including amount of interest*

Off-Balance Sheet Arrangements

As at December 31, 2023, the Group did not have any material off-balance sheet arrangements or obligations (including contingent obligations), and other relationships of the Group will unconsolidated entities or other persons created during the reporting period that were likely to have a current or future effect on the Group's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Quantitative and Qualitative Disclosure of Market Risk

The Group's APAC BFB Business and Meat Alternative Business are exposed to various types of market risks in the ordinary course of business, including foreign currency risk, commodity price risk, interest rate risk, liquidity risk, and credit risk. For more information on risks discuss below, see Note 26 to Audited Consolidated Financial Statements.

1. Foreign Currency Risk

The Group operates internationally and is exposed to foreign currency risk arising from currency fluctuations in respect of business transactions denominated in foreign currencies. The Group enters derivative transactions to manage foreign currency risks, including currency swaps and currency options.

2. Commodity Price Risk

The Group is exposed to price volatility arising from the utilization of certain commodities as raw materials, packaging materials, and fuel in its production processes. To minimize the Group's risk of potential losses due to volatility of international crude and product prices, the Group enters into short and longer tenor contracts for commodities such as flour and palm oil.

3. Interest Rate Risk

The Group is exposed to interest rate risk arising from its long-term debt obligations with floating interest rates. The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowings.

4. Liquidity Risk

The Group is exposed to the risk of not meeting its payment obligations when they fall due. The Group manages its liquidity risk by monitoring and maintaining a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding, and mitigate the effects of fluctuations in cash flows.

5. Credit Risk

The Group is exposed to the risk that a counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating (primarily trade receivables) and financing activities. The Group manages its credit risk by monitoring receivables from each customer.

Contingencies

As at December 31, 2023, the Group is involved in various legal proceedings and regulatory assessments, and management believes that these proceedings will not have a material effect on the consolidated financial statements. Disclosure of additional details beyond the present disclosure may seriously prejudice the Group's position and negotiating strategy.

Capital Commitments

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱2,055.4 million, ₱1,447.5 million, and ₱1,423.5 million as at 2023, 2022 and 2021, respectively.

OTHER MATTERS

Commodity Prices

The Company continues to see gradual easing of commodity prices in the global markets. The impact of easing commodity prices was reflected in FY 2023 for wheat, palm oil and other oil-based ingredients. The Parent Company has fully secured estimated requirements for wheat until Q3 2024 and partially secured for Q4 2024. Meanwhile, for palm oil/olien the Parent company has substantially secured until Q3 2024.

Labor Matters

As at December 31, 2023, MONDE's daily paid rank and file employees at MONDE's Sta. Rosa Laguna Plant belonged to and were represented by one trade union, namely the Confederation of Filipino Workers – Monde Nissin Corporation Chapter (the "**Union**"). As of the same date, MONDE has a five-year collective bargaining agreement ("**CBA**") with the Union until April 30, 2026. MONDE is set to re-negotiate the economic provisions for the CBA with the Union by May 1, 2024. Salary increase and supplemental benefits such as one-time signing and mid-year bonuses, medical and bereavement assistance are consistently part of the CBA.

MONDE's Davao Plant rank and file employees recently filed a petition for certification election ("**PCE**") before the Department of Labor and Employment Region XI Regional Office ("**DOLE**") for recognition as the sole and exclusive bargaining agent of Davao Plant's rank and file employees. Conferences before the DOLE are currently on-going in connection with the PCE. MONDE's subsidiary, SMFC is also awaiting the CBA proposals from its daily paid rank and file union, after the DOLE has certified SMFC's union has the sole and exclusive bargaining agent of its daily paid rank and file employees. MONDE does not expect the on-going labor proceedings to have a material effect on its business, financial condition, and results of operations, and it is not aware of any circumstances that would give rise to material labor disputes and has not experienced any labor strikes.

Others

There are no unusual items regarding the nature and amount affecting assets, liabilities, equity, net income, or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.

There were no material changes in estimates of amounts reported in prior interim periods of the current year or changes in estimates of amounts reported in prior financial years.

There were no other known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or income from continuing operations, except those stated above and in the Management's Discussion and Analysis of Factors affecting the Operations, Financial Position and Financial Performance.

Below is the foreign exchange rate used in the translation of the Income Statement and Balance Sheet Items to Philippine Peso.

	Twelve months average			Closing Rate		
	For the period ended December 31,			As at December 31,		
	2023	2022	2021	2023	2022	2021
1GBP	69.1980	67.2705	67.7180	70.609	67.4394	68.5347
1USD	55.6502	54.5002	48.8946	55.385	55.7550	51.0000

B. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS OF MARCH 31, 2024

SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The Group's business's results of operations are affected by a variety of factors. Set out below is a discussion of the most significant factors that have impacted its results in the past, and which will continue to influence its results in the foreseeable future. Factors other than those discussed below could also significantly impact the Group's business's results of operations and financial condition in the future.

Demand and Pricing

The Group's results of operations are affected by consumers' demand for its products, and pricing, in turn, influences demand. When determining its selling prices, the Group considers various factors, including, among others, prices of raw materials and packaging materials, taxes, fuel prices and other costs of doing business, distribution channels, and general economic conditions. The Group believes that instant noodles, bread, biscuits, and culinary aids are considered consumer staples. These products can be sensitive to movements in disposable incomes, changes in product prices, and competitive pressures. Volume, as well as value proved generally resilient to the adverse effects of persistently high inflation.

Demand for fast-moving consumer goods is price elastic in general, particularly for consumers in the lower socio-economic classes where disposable income is limited. When prices increase or during periods of relatively weak economic growth where disposable income falls, consumers tend to switch to comparable lower-priced staple products and cut back on their consumption of discretionary products, particularly those in the lower socio-economic classes.

In addition, demand for fast-moving consumer goods is also influenced by the relative price relationships between such goods, consumer products, and other products and services in general. Consumers are prone to adjust their buying choices according to shifts in the perceived value-for-money propositions of the products. The Group intends to continue to innovate its products to enhance their perceived product value.

Changes in Consumer Tastes and Preferences

The Group's future growth will depend on its ability to maintain the competitive positions of its product portfolios and brands by proactively anticipating and responding to constant changes in consumer tastes and preferences. A key element in maintaining the market share for the Group's product portfolios is the ability to continuously and successfully introduce new products and product extensions to capture prevailing consumer preferences.

Consumer preferences may change due to various factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle and leisure activity patterns, changes in regulations, and actions of competitors, any of which may affect consumers' perception of and willingness to purchase the Group's products. This may then significantly impact the results of the Group.

The Group regularly keeps abreast of the evolving consumer preferences and believes that its current broad array of products can address the shifts in trends. To take advantage of the "premiumization" trend, particularly from the growing and rising middle class seeking higher quality and higher value products, the Group expanded its mass premium segment (the segment between premium and mainstream price points) by launching instant noodles with Asian flavors and instant pasta under the *Lucky Me!* brand and introducing *Monde Specials* as its mass premium packaged baked goods line offering high-quality baked products such as sponge cake, among other initiatives.

Effectiveness of Sales and Marketing Activities

The effectiveness of the Group's sales and marketing activities is critical to its market share expansion and revenue growth. The Group communicates with consumers through various channels and touchpoints, including advertisement on television, radio programs, social media platforms (such as YouTube, Facebook, Instagram, X, and TikTok), its website, program sponsorships, billboards, and brand activation roadshows. Customer touchpoints at the purchase stage include in-store promotions and loyalty programs. In addition, the Group partners with celebrities and other key influencers for media or online collaborations and events.

Advertising affects consumer awareness of the Group's products and brands, which, in turn, affects purchase decisions and, consequently, sales volumes. The Group believes that product differentiation and brand loyalty are achieved through its marketing and image-building efforts; and consumer brand preferences are the cumulative result of exposure to the brands over an extended period. However, the effects of these sales and marketing activities may be delayed, resulting in delayed revenue growth which may not be fully reflected during the period in which the sales and marketing activities took place.

Prices of Raw Materials and Packaging Materials

Direct materials are major components of the Group's cost of goods sold. Direct materials comprise raw materials and packaging materials. Raw materials primarily consist of wheat/flour, palm oil, sugar, and coconut oil. The Group sources raw materials and all its packaging materials globally.

Raw materials are subject to significant price volatility caused by various factors, including changes in global supply and demand, extreme weather conditions, size of harvests, transportation and storage costs, governmental agricultural policies, and currency exchange rate fluctuations. In addition, the Group's ability to obtain raw materials and packaging materials is affected by factors beyond its control, including armed conflict, natural disasters, governmental laws and policies, interruptions in production by suppliers, and the availability of transportation.

The Group's profitability is dependent on, among other factors, its ability to anticipate and react to fluctuations in the price of commodities, raw materials, and packaging materials. An increase in prices for or shortage of the Group's raw materials and packaging materials generally leads to an increase in production costs or interruption in the Group's production schedules, each of which could adversely affect its operating margins. Production delays could lead to reduced sales volumes and profitability as well as the loss of market share. Conversely, favorable movements of raw material costs and other items might improve the Group's margins and results of operations. The Group has been able to mitigate price fluctuations in raw materials to some extent through a combination of (i) operational synergy, (ii) the use of short-term and long-term contracts with suppliers to lock in pricing, and (iii) diversification of sources of supply.

Given that a significant portion of the Group's flour requirement is produced in-house at its Santa Rosa facility, the Group enjoys consistent supply, quality, and cost savings for flour from this operational synergy. This is further enhanced by the Group's affiliated own grain import terminal which allows independent procurement of wheat at scale. Operational synergy is also achieved in the supply of seasoning for instant noodles production, as the Group is operating a seasoning plant in Thailand to produce seasoning and condiments for its noodle plants in the Philippines.

Increases in costs of raw materials and packaging materials can typically be passed on to consumers. However, this may affect consumer demand as the Group's consumers are generally price sensitive. In some cases, these increases are not immediately passed on, if at all, to consumers to maintain or grow sales volumes and to protect the Group's market share. As a result, any material increase in the market price of raw materials could adversely affect the Group's operating margins, which may affect its financial position and operating performance.

Product Mix

The Group has a diversified product mix which primarily includes instant noodles, biscuits, and other fast-moving consumer products. The Group adopts a multi-brand approach, pursuant to which there are one or more brands or product lines under each product category. Under each brand, the Group offers products with different flavors, different package sizes and/or different types of products to provide varieties. For example, in the instant noodles product group, there are three product lines under the *Lucky Me!* brand: (i) wet pouch; (ii) dry pouch; and (iii) cups. Each *Lucky Me!* product line offers a wide array of flavors. The ability of the Group to continuously develop new products and launch product extensions to capture various consumer preferences enables the Group to successfully make available to its consumers a diverse and innovative product mix.

Typically, different products vary in product pricing, revenue growth rate, and gross profit margin. Each of the Group's brands has its own unique positioning with different marketing strategies and promotional costs. As a result, the Group's revenue and profitability are largely affected by its product mix.

Competition

The Group's products face competition from other domestic producers as well as from imported products and foreign brands. Competitive factors facing the Group's products include price, product quality, and availability, production efficiency, brand awareness and loyalty, distribution coverage, security of raw material supply, customer service, and the ability to respond effectively to changes in the regulatory environment as well as to shifting consumer tastes and preferences.

The Group's main competitors for the instant noodle segment are domestic producers which compete on pricing and regional brands that offer different flavors and taste experiences. The biscuits and other fast-moving consumer product groups face competition from multinational, national, regional, and local competitors. Similar to the instant noodle segment, these players compete on pricing, taste, and innovation. Changes in the competitive landscape, including new entrants into the market, consolidation of existing competitors, and other factors, could have a material impact on the Group's financials and results of operations.

Economic, Social and Political Conditions in the Philippines and Other Countries

The majority of the Group's assets and revenues are in or derived from its operations in the Philippines. Therefore, the Group's business, financial condition, results of operations, and prospects are substantially influenced by the economic, social, and political conditions in the Philippines, while the Group is also significantly exposed to global commodity markets, mainly those for agricultural goods and energy. The Philippine economy has experienced good Gross Domestic Product ("GDP") growth exceeding that of some of its emerging market peers. This is projected to continue in 2024 with growth rates projected to be at the top of the ASEAN peer group. The Philippine economy has experienced periods of slow or negative growth, high inflation, high interest rates, high fuel prices, high power rates, high other costs of doing business, and significant depreciation of the Peso. It has been significantly affected by weak economic conditions and volatilities in the global economy and the Asia-Pacific region. In addition, global conflicts such as the Russia-Ukraine war and the various conflicts in the Middle East and their impacts on the global markets will continue to influence the Group materially in areas such as commodity and energy/fuel costs. While key commodity costs of the Group continue to trend down in 1Q 2024, the continued threat of a larger middle east conflict contagion around the Israel/Hamas war and Yemen could drive especially oil prices to unprecedented levels, as well as disrupt international shipping routes due to the Red Sea route being abandoned resulting in increased costs for longer routes. While the Group notes that the world market prices have gone down from their peak prices, a significant downside risk remains in case of escalations around these conflicts. Furthermore, recently cocoa has reached all-time highs due to production concerns which the group is monitoring even if this is immaterial to the Group's overall cost of goods sold. As consumers grapple with economic uncertainty, their buying behavior and preferences may become more erratic as well.

Sales of most of the products of the Group's Business have been influenced and will continue to be influenced, to some degree, by the general state of the Philippine economy as well as the stability of social and political conditions in the country. The agricultural policy stance may significantly influence the business's results especially around raw materials such as sugar and its related importation quotas, and consumer shifting between food groups as they are avoiding products impacted by high inflation. Recently, rice prices continue to drive inflation and could further impact consumer decisions of having to make choices between food groups. The ongoing El Nino period might put further stress on the consumer's budgets in case of weak harvests. While sales of a portion of the Group's products such as biscuits, beverages, and packaged cakes can be sensitive to changes in income and social conditions, the Group offers products that are considered as staple items or components to staple items which are less sensitive to income changes and adverse economic, social, and political conditions. These include instant noodles, bread, and culinary aids. In addition, consumers continue to down-trade and opt for affordable shelf-stable food items wherein instant noodles are among the cheapest meal options.

The Group also conducts its business in Thailand, including export operations to select territories. As such, economic, social, and political conditions in Thailand may also affect the Group's business, financial condition, results of operations, and prospects. We note the contentious forming of the new government post the general election in Thailand in this context and attached possible disruptions and possible policy changes under a new administration. In addition, the economic environment globally may influence the planned expansion strategy of the export business as distributors act more cautiously on new product launches, advertising, and promotional spend. A successful execution of the expansion of the overseas business may provide possible upside to the Group. Global containers shipping in prices, as well as availability may influence growth and profitability of the export business in the upcoming periods. Container rates have begun increasing in 2023 due to the Red Sea situation with increased costs for routes around Africa with their additional two weeks journey time.

A significant portion of the Group's assets and revenue from its Meat Alternative Business are also located in or derived from its operations in the United Kingdom (UK). Therefore, economic, social, and political conditions in the UK may also affect the Group's business, financial condition, results of operations, and prospects. The UK continues to be affected by inflation, as well as the lingering effects of the exit from the European Union. Labor shortages in the food and transport industry and significant commodity and utility inflation are present and persisting in 2024, food inflation which is impacting consumers disposable income and purchasing habits has been noted to abate to more manageable levels in recent months. The effects of the previous periods of significant inflation, and the high interest rate environment, may impact the consumer buying behavior on a prolonged basis, as well as the company's input costs. The political environment in the UK presently provides additional uncertainty as crucial policy decisions around energy price support for industry, corporate taxation, and others are constantly evolving as the UK is gearing up for general election in 2024. This environment may impact the operation of the Group.

Seasonality

In the consumer goods industry, results of operations generally follow the seasonality of consumer buying patterns, and the Group's sales are affected accordingly. In the Philippines, most food and beverage products, including those of the Group, experience increased sales from October to December related to the Christmas and New Year's season. Consequently, the fourth quarter has historically been the APAC BFB Group's strongest quarter by volume for culinary aids and some of its biscuit products, including *M.Y. San Grahams*. Seasonality during certain events also affects the APAC BFB's sales. In addition, seasonality varies across product types. Some of the APAC BFB's products have distinct seasonality. For instance, *Lucky Me!* Wet pouch instant noodles see a flat sales in the cold months due to consumers' preference for warm food. The effect of seasonality is also evident in Q1 2024 as our noodles business delivers flat sales perfomance while beverage business delivers 20% growth as these are affected by the extremely hot weather in the Philippines. The Philippine government also sources instant noodles and crackers, as staples in its relief goods packages, from the APAC BFB for distribution to the public. A number of biscuit products experience higher sales during the school year as the APAC BFB's products are generally purchased for lunch boxes, between-meals, on-the-go consumption, and consumption at home. As a result, seasonality could affect the Group's financial condition and results of operations from one quarter to another. To counter the seasonality of some of its products, the Group developed marketing and advertising initiatives that encourage the sustained consumption of its products throughout the year. The Group believes that the diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio.

Innovation

In addition to its ability to introduce new product innovations and renovations, delivering on the Group's aspiration will also depend on the Group's ability to continuously drive loss-eliminating process innovations and work system innovation. Continuous improvement in process innovation and work system redesign will impact multiple fronts such as superior quality and consumer experience, fresher products to market, higher productivity, and improved sustainability via less wastage/use of resources and better process reliability.

Capacity and Utilization of the Group's Facilities

The ability of the Group to meet the demand for its products depends on its ability to build, maintain, and expand its production capacity. Capacity expansion affects the ability of the Group to introduce new products or new uses for its existing products, which, in turn, impacts the ability of the Group to be agile and responsive to rapidly changing customer needs and expectations.

Capacity improvement and expansion require significant capital investment. An investment in new technology or an enhancement of existing technology to increase capacity and utilization may result in operational challenges. Furthermore, the effects of these investments may be delayed, resulting in delayed revenue growth.

Financial Highlights and Key Indicators

The summary financial information presented as at December 31, 2023 and as at March 31,2024 and for the three months ended March 31, 2023, March 31, 2024, was derived from the Group's unaudited consolidated financial statements, prepared in accordance with Philippine Accounting Standards 34, *Interim Financial Reporting.* The information below is not necessarily indicative of the results of future operations.

In this report and as defined below, Core EBITDA, Core EBITDA Margin, Core Income Before Tax, Core Income Before Tax Margin, Core Income (After Tax), Core Income (After Tax) Margin, Core Income (After Tax) at Ownership, and Core Income (After Tax) at Ownership Margin are internal management performance measures and are not measures of performance under Philippines Financial Reporting Standards (PFRSs). Thus, users of this report should not consider foregoing financial non-PFRS measures in isolation or as an alternative to Net Income as an indicator of the Group's operating performance or to cash flow from operating, investing, and financing activities.

Core EBITDA is measured as net income excluding depreciation and amortization of property and equipment, asset impairments, financing income and expense, net foreign exchange gains (losses), net gains (losses) on derivative financial instruments, fair value gain on guaranty asset, and other non-recurring income (expenses) NRI(E). Q1 2024 NRE was nil. Meanwhile, Q1 2023 NRE refers to restructuring costs in Meat Alternative Business. Core EBITDA margin pertains to Core EBITDA divided by segment net sales.

Core Income Before Tax is measured as net income excluding the effects of asset impairment, interest expenses related to lease liabilities, interest income, equity in net earnings (losses) of associates and joint ventures, net foreign exchange gains (losses) except those related to U.S dollar balances that the company hedge against foreign exchange risks, net gains (losses) on derivative financial instruments, fair value gain on guaranty asset and FVTL, and NRE as discussed above. Core Income Before Tax Margin pertains to Core Income Before Tax divided by segment net sales.

Core Income (After Tax) pertains to Core Income Before Tax less income tax based on recurring income tax rate per entity. Core Income (After Tax) Margin pertains to Core Income (after tax) divided by segment net sales.

Core Income (After Tax) at Ownership pertains to Core Income (After Tax) less core income attributable to non-controlling interest (NCI).

The following discussion should be read in conjunction with the attached Unaudited Consolidated Financial Statements and related notes of Monde Nissin Corporation ["MNC" or "the Parent Company" and its subsidiaries (collectively, referred to as the "Group")] as at and for the three months ended March 31, 2024.

I. SUMMARY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited in millions, except percentages								
	Reported						Comparable[1]		
	Q1 2024	% to Net Sales (in %)	Q1 2023	% to Net Sales (in %)	Inc (Dec)	Inc (Dec) (in %)	Q1 2023	% to Net Sales (in %)	Inc (Dec) (in %)
Net Sales	20,312	100.0	20,050	100.0	262	1.3	19,901	100.0	2.1
Less: **Cost of Goods Sold**	13,115	64.6	13,951	69.6	(836)	(6.0)	13,951	70.1	(6.0)
Gross Profit	7,197	35.4	6,099	30.4	1,098	18.0	5,950	29.9	20.9
Less: **Sales, General & Administrative (SGA)** [1]	3,428	16.9	3,355	16.7	73	2.2	3,206	16.1	6.9
Other Income/(Expense)									
Interest expense [2]	(98)	(0.5)	(123)	(0.6)	25	(20.3)	(123)	(0.6)	(20.3)
Foreign exchange gain/ (loss) – net [3]	70	0.3	(179)	(0.9)	249	*n/m*	(179)	(0.9)	*n/m*
	(28)	(0.1)	(302)	(1.5)	274	*n/m*	(302)	(1.5)	*n/m*
Core Income Before Tax	3,741	18.4	2,442	12.2	1,299	53.2	2,442	12.3	53.2
Less: Provision for income tax [4]	861	4.2	564	2.8	297	52.7	564	2.8	52.7
Core Income (After Tax)	2,880	14.2	1,878	9.4	1,002	53.4	1,878	9.4	53.4
Less: Non-Controlling Interest	3	–	2	–	1	50.0	2	–	50.0
Core Income (After Tax) at Ownership	2,877	14.2	1,876	9.4	1,001	53.4	1,876	9.4	53.4

	Unaudited in millions, except percentages					
	Q1 2024	% to Net Sales (in %)	Q1 2023	% to Net Sales (in %)	Inc (Dec) Amt	Inc (Dec) (in %)
Core Income (After Tax)	**2,880**	**14.2**	**1,878**	**9.4**	**1,002**	**53.4**
Other income (expenses)						
Fair Value gain on:						
Guaranty asset	324	1.6	–	–	324	*n/m*
Financial assets (FVTPL)	24	0.1	–	–	24	*n/m*
Foreign exchange gain (loss) [5]	154	0.8	129	0.6	25	*19.4*
Miscellaneous income	85	0.4	27	0.1	58	214.8
Impairment (loss)/reversal	(17)	(0.1)	–	–	(17)	*n/m*
	570	2.8	156	0.8	414	*265.4*
Finance income (expense)						
Less: Interest expense [6]	(55)	(0.3)	(38)	(0.2)	(17)	*44.7*
Interest income	137	0.7	80	0.4	57	71.3
Derivative gain (loss) - net	26	0.1	(1)	–	27	*n/m*
	108	0.5	41	0.2	67	*163.4*
Other non-recurring expenses [7]						
Restructuring costs in Meat Alternative	–	–	(177)	(0.9)	177	*n/m*
			(177)	(0.9)	177	*n/m*
Income Tax Provision	(72)	(0.4)	40	0.2	(112)	*n/m*
Reported net income (after tax)	**3,486**	**17.2**	**1,938**	**9.7**	**1,548**	**79.9**

Note: See "Other Financial Data – reconciliation of PFRS and non-PFRS measures."
n/m = not meaningful %
[1]2023 excludes restructuring in MNUK; 2024 excludes impairment loss
[2]Recurring interest expense on Loans and Trust Receipts Payable
[3]Foreign exchange gain on U.S dollars balances for the Group's natural hedge.
[4]Based on recurring income tax rate per entity.
[5]Excluding foreign exchange gain on USD reserves for the Group's natural hedge (included in the Core Income calculation above)
[6]Excluding recurring interest expense on Loans and Trust Receipts Payable (included in the Core Income calculation above)
[7]Income tax effect of Other Income (expenses) and non-recurring finance income (expenses); To simplify, this is the difference between Total provision for income tax as reported and provision for income tax related to Core Income

II – OPERATING SEGMENTS OF THE GROUP

As mentioned in the business overview section, the Group's two core businesses are the APAC BFB Business and the Meat Alternative Business.

Segment performance is evaluated based on: Core Earnings before interest, taxes, and depreciation and amortization, or Core EBITDA; Core EBITDA margin; Core Income (after tax) at Ownership.

The table below presents certain financial information relating to the Group's results of operation by segment for the periods indicated.

Unaudited in millions, except percentages

	Reported						Comparable		
	Q1 2024	% to Total (in %)	Q1 2023	% to Total (in %)	Inc/(Dec)	Inc/(Dec) (in %)	Q1 2023 (Adjusted)	% to Total (in %)	Inc/(Dec) (in %)
Net Sales									
APAC BFB	16,883	83.1	16,525	82.4	358	2.2	16,525	83.0	2.2
Meat Alternative	3,429	16.9	3,525	17.6	(96)	(2.7)	3,376	17.0	1.6
Total	**20,312**	**100.0**	**20,050**	**100.0**	**262**	**1.3**	**19,901**	**100.0**	**2.1**
		% of Segment Net Sales (in %)		% of Segment Net Sales (in %)				% of Segment Net Sales (in %)	
Gross Profit									
APAC BFB	6,512	38.6	5,149	31.2	1,363	26.5	5,149	31.2	26.5
Meat Alternative	685	20.0	950	27.0	(265)	(27.9)	801	23.7	(14.5)
Total	**7,197**	**35.4**	**6,099**	**30.4**	**1,098**	**18.0**	**5,950**	**29.9**	**20.9**
Core Income (after tax) at Ownership									
APAC BFB	3,093	18.3	2,196	13.3	897	40.8	2,196	13.3	40.8
Meat Alternative	(216)	(6.3)	(320)	(9.1)	104	(32.5)	(469)	(13.9)	(53.9)
Total	**2,877**	**14.2**	**1,876**	**9.4**	**1,001**	**53.4**	**1,727**	**8.7**	**66.5**
Core EBITDA (1)									
APAC BFB	4,568	27.1	3,550	21.5	1,018	28.7	3,550	21.5	28.7
Meat Alternative	(60)	(1.7)	(116)	(3.3)	56	(48.3)	(116)	(3.4)	(48.3)
Total	**4,508**	**22.2**	**3,434**	**17.1**	**1,074**	**31.3**	**3,434**	**17.3**	**31.3**

Note: (1) See "*Other Financial Data - Core EBITDA Reconciliation*"

RESULTS OF OPERATIONS

For the three months ended March 31, 2024, compared to the three months ended March 31, 2023.

Net Sales

Consolidated net sales increased by 1.3% on a reported basis and 2.1% on a comparable basis to ₱20,312 million in Q1 2024 driven by carry-over price actions.

APAC BFB

APAC BFB net sales increased by 2.2% to ₱16,883 million in Q1 2024. The domestic business moderately grew by 2.0% in Q1 2024 driven by carry-over price actions. Overall volume slightly lower by around 1.1% in comparison with prior year as sales partly impacted by fewer selling days in March due to the timing of Holy Week holiday in the Philippines. Like-for-like in selling days, Q1 2024 volume growth would have been at 3.1% driven by solid growth in other categories (+13.2%) primarily from culinary and beverage. Like-for-like volume growth was tempered by moderate growth in noodles (0.7%) and biscuits (0.6%). Demand in noodles instant mami (soup) segment was partially impacted by unprecedented hot weather due to El Niño. Meanwhile, international business grew by 4.8% primarily due to good growth in biscuits softened by the decline in noodles due to the timing of stock replenishment in Q4 2023.

Meat Alternative

Net sales in the Meat Alternative segment decreased by 2.7% on a reported basis, decreased by 4.0% on a comparable and constant currency basis to ₱3,429 million in Q1 2024 because of continued category headwinds. Sales across geographic markets were lower than the previous year on a constant currency basis.

Core Cost of Goods Sold (COGS)

Cost of goods sold decreased by 6.0% to ₱13,115 million in Q1 2024, primarily due to lower commodity costs.

APAC BFB

The cost of goods sold in the APAC BFB segment decreased by 8.8% to ₱10,371 million in Q1 2024, primarily due to lower commodity costs mainly wheat, palm oil, and other oil-based ingredients, tempered by higher price of sugar and eggs.

Meat Alternative

The cost of goods sold in the Meat Alternative segment increased by 6.6% to ₱2,744 million in Q1 2024 despite volume decline primarily due to effect appreciation of GBP against PHP. COGS in GBP was £38.4 million in Q1 2023 compared to £38.4 million in Q1 2024. Notably, while prices remain elevated, actual prices in the second half of 2023 and lock ins for 2024 are significantly lower than average prices of the first half of 2023.

Gross Profit

Gross profit increased by 18.0% on a reported basis and 20.9% on comparable basis to ₱7,197 million in Q1 2024 due to solid improvement in APAC BFB, tempered by the decline in the Meat Alternative segment.

APAC BFB

Gross profit for the APAC BFB segment increased by 26.5% to ₱6,512 million in Q1 2024 primarily due to lower commodity costs and carry-over price increases.

Meat Alternative

Gross profit for the Meat Alternative segment decreased by 27.9% on a reported basis as Q1 2023 includes certain payments to customers that were reported as part of selling expenses from Q1 to Q3 2023 which were reclassified to sales deduction in Q4 2023. Based on comparable Q1 2023, Q1 2024 decreased by 14.5% to ₱685 million due to volume decline and appreciation of GBP against PHP.

Core Sales, General and Administrative Expenses (SG&A) (excluding non-recurring expenses)

Sales, general, and administrative expenses increased by 2.2% on a reported basis and 6.9% on a comparable basis to ₱3,428 million in Q1 2024 primarily due to increase in APAC BFB partly offset by the decline in Meat Alternative. Q1 2024 SG&A as percentage of sales slightly increased by 0.8% on comparable basis, to 16.9%.

APAC BFB

SG&A in the APAC BFB segment increased by 19.7%, to ₱2,530 million in Q1 2024. The increase was due to lower base for marketing expenses in 2023 due to timing of activties and higher salaries and wages.

Meat Alternative

SG&A in the Meat Alternative segment decreased by 27.7% on a reported basis as Q1 2023 includes certain payments to customers that were reported as part of selling expenses in Q1 to Q3 2023 which were reclassified to contra-revenue in Q4 2023. Based on a comparable Q1 2023, Q1 2024 decreased by 17.9% to ₱898 million.

reflecting the benefits of cost control measures, restructuring in view of continued topline challenges, and timing of marketing expenses. Moreover, Q1 2024 SG&A as percentage of sales decreased by 6.2% on comparable basis, to 26.2%.

Core Income (After Tax)

Core income (after tax) significantly increased by 53.4% to ₱2,880 million in Q1 2024, due to an all-time high result in APAC BFB.

Fair value gain on guaranty asset

The Group recorded a fair value gain on guaranty asset amounting to ₱324 million in Q1 2024 due to appreciation of MNC share price from PhP 8.38 per share on December 31, 2023, to PhP 10.92 per share on March 31, 2024. The guaranty asset was related to the agreement ("Top-Up Deed") between Monde Nissin Singapore Pte. Ltd. ("MNSPL") and MNSG Holdings Pte. Ltd. Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL's wholly owned subsidiary, Monde Nissin (UK) Limited ("MNUKL"). Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUKL starting from the calendar year ended December 31, 2023, and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed as at December 31, 2023.

Other Non-Recurring Expenses (NRE)

Other non-recurring expenses decreased ₱177 million Q1 2024. In Q1 2024, the non-recurring expense was nil. The NRE in Q1 2023 pertains to restructuring costs in Meat Alternative segment.

Income Before Income Tax

In Q1 2024, income before income tax increased by 80.6% to ₱2,554 million in Q1 2024, as discussed in the foregoing.

Total Income Tax Expense

Total income tax expense increased by 77.9% to ₱932 million due to higher operating income in APAC BFB.

Reported Net Loss (after tax)

As a result of the foregoing, the Group reported 79.9% increase in net income to ₱3,486 million in Q1 2024.

STATEMENT OF FINANCIAL POSITION

Financial condition as at December 31, 2023, compared to as at March 31, 2024.

Current Assets

The Group's current assets decreased by 8.3%, from ₱36,090 million as at December 31, 2023 to ₱33,090 million as at March 31, 2024 primarily due to payment of dividends, loans, and capital expenditures.

	March 31, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
			in ₱ millions, except percentages			
Cash and cash equivalents	13,524	41	16,679	46	(3,155)	(18.9)
Trade and other receivables	6,564	20	6,410	18	154	2.4
Inventories	9,340	28	9,187	25	153	1.7
Current financial assets	2,481	7	2,714	8	(233)	(8.6)
Prepayments and other current assets	1,181	4	1,100	3	81	7.4
Total	**33,090**	**100**	**36,090**	**100**	**(3,000)**	**(8.3)**

Cash and cash equivalents decreased by 18.9% as at March 31, 2024 to ₱13,524 million due to payment for dividends, MNUKL's loans and capital expenditures.

Current financials assets decreased by 8.6% as at March 31, 2024 to ₱2,481 million mainly due to disposals of financial assets at FVTPL.

Prepayments and other current assets increased by 7.4%, from ₱1,100 million as at December 31, 2023 to ₱1,181 million as at March 31, 2024 mainly due to advance payment of value added tax (VAT) for importation.

Noncurrent Assets

	March 31, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
			in ₱ millions, except percentages			
Property, plant and equipment	26,031	52	25,155	52	876	3.5
Guaranty Asset	10,803	22	10,432	22	371	3.6
Intangible Assets	8,847	18	8,813	19	34	0.4
Investments in associates and joint ventures	1,122	2	1,125	2	(3)	(0.3)
Deferred tax assets – net	893	2	937	2	(44)	(4.7)
Financial assets at FVOCI	634	1	601	1	33	5.5
Other noncurrent assets	1,485	3	942	2	543	57.6
Total	**49,815**	**100**	**48,005**	**100**	**1,810**	**3.8**

Guaranty asset increased by 3.6% from from ₱10,432 at December 31, 2023 to ₱10,803 million as at March 31, 2024, mainly due to changes in fair value of recognized in profit or loss driven by higher stock price. During the financial year ended December 31, 2023, MNSPL entered into an agreement ("Top-Up Deed") with MNSG Holdings Pte. Ltd., a Singaporean Company owned by a majority of the ultimate beneficial owners of MNSPL ("MNSG"). Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL's wholly owned subsidiary, MNUKL. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUKL starting from the calendar year ended December 31, 2023 and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed and engaged an independent valuation expert to determine the fair value of the guaranty asset at inception and as at December 31, 2023.

Financial assets at FVOCI pertains to subscription to 820,268,295 common shares out of the unissued authorized capital stock of Figaro Coffee Group (FCG), Inc. amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million. Figaro is a quoted securities, as at March 31, 2024, the fair value of FCG was based on quoted prices. The fair value of Terramino, Inc. approximates its transaction price.

Other noncurrent assets increased by 57.6% from ₱942 million as at December 2023 to ₱1,485 million as at March 31, 2024 mainly due to increase in advances to suppliers and contractors mainly due to downpayment for hard and soft wheat and machineries related to capacity expansion.

Current Liabilities

The Group's current liabilities decreased by 14.5%, from ₱17,735 million as at December 31, 2023 to ₱15,168 million as at March 31, 2024 mainly due to payment of dividends and accounts payable.

	March 31, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	% to Total (In %)	Audited	% to Total (In %)	Amount	In %
			in ₱ millions, except percentages			
Accounts payable and other current liabilities	10,239	68	11,684	66	(1,445)	(12.4)
Dividends Payable	–	–	2,156	12	(2,156)	(100)
Acceptances and trust receipts payable	1,909	12	1,608	9	301	18.7
Current portion of loans payable	1,206	8	1,200	7	6	0.5
Refund liabilities	356	2	407	2	(51)	(12.5)
Current portion of lease liabilities	125	1	89	1	36	40.4
Income tax payable	1,333	9	591	3	742	125.5
Total	**15,168**	**100**	**17,735**	**100**	**(2,567)**	**(14.5)**

Accounts payable and other current liabilities decreased by 12.4%, from ₱11,864 million as at December 31, 2023 to ₱10,239 million as at March 31, 20234 mainly due to payments of MNC's and MMYSC's accounts payable non-trade primarily related to CapEx.

Dividends Payable as at December 31, 2023, at ₱2,156 million and nil as at March 31, 2024. The BOD approved the declaration cash dividends of ₱0.12 per share for stockholders of record date of November 29, 2023, which was paid last January 11, 2024.

Acceptances and trust receipts payable increased by 18.7%, from ₱1,608 million as at December 31, 2023 to ₱1,909 million as at March 31, 2024 due to purchase of wheat.

Refund liabilities decreased by 12.5%, from ₱407 million as at December 31, 2023 to ₱356 million as at March 31, 2024. The provision was consistent with PFRS 15.

Income tax payable increased by 125.5%, from ₱742 million as at December 31, 2023 to ₱1,333 million as at March 31, 2024 mainly due to income tax payable of MNC and MMYSC related to Q1 2024 taxable income.

Noncurrent Liabilities

The Group's noncurrent liabilities decreased by 24.4%, from ₱7,862 million as at December 31, 2023 to ₱5,946 million as at March 31, 2024.

	March 31, 2024		December 31, 2023		Increase (Decrease)	
	Unaudited	In %	Audited	In %	Amount	%
	in ₱ millions, except percentages					
Loans payable	1,849	31	3,734	47	(1,885)	(50.5)
Deferred tax liabilities – net	320	5	382	5	(62)	(16.2)
Derivative liability	119	2	106	1	13	12.3
Lease liabilities	2,583	43	2,594	33	(11)	(0.4)
Pension liability	1,036	17	1,007	13	29	2.9
Other noncurrent liabilities	39	2	39	1	–	–
Total	**5,946**	**100**	**7,862**	**100**	**(1,916)**	**(24.4)**

Loans payable decreased by 50.5%, from ₱3,734 million as at December 31, 2023 to ₱1,849 million as at March 31, 2024 due to the payment of the MNUK loans.

Equity

The Group's total equity increased by 5.6% from ₱58,498 million as at December 31, 2023 to ₱61,791 million as at March 31, 2024 due to recognition of results of operations for Q1 2024.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's principal sources of liquidity are cash flows from its operations, borrowings, and IPO proceeds. For the twelve months ended December 31, 2023, the Group's cash flows from operations were sufficient to provide for its operations, dividend payments, and CapEx requirements. The IPO proceeds financed the Company's capital expenditure (CapEx) requirements for 2023. For the three months ended March 31, 2024, the Group's cash flows from operations were sufficient to provide for its operations, dividend payments, and CapEx requirements.

The Group's principal requirements for liquidity are for purchases of raw materials and payment of other operating expenses, investments in production equipment, payment of cash dividends, and other working capital requirements.

The cash flows of the Group are primarily from the operations of its APAC BFB Business. The Group expects that its operating cash flow will continue to be sufficient to fund its operating expenses, dividend payments, and CapEx. The Group also maintains long- and short-term credit facilities with various financial institutions, which can support any temporary liquidity requirements. Any excess capital expenditure beyond the operating cash flow will be funded by remaining IPO proceeds (for APAC BFB only) and bank borrowings.

Cash Flows

The following discussion of the Group's cash flows for the three months ended March 31, 2023, and 2024 should be read in conjunction with the statements of cash flows and notes included in Unaudited Consolidated Financial Statements.

The table below sets forth the principal components of the Group's statements of cash flows for the periods indicated.

	Three Months ended, March 31	
	2024	2023
	Unaudited, (in ₱ millions)	
Net cash flows provided by operating activities	2,812	2,092
Net cash flows used in investing activities	(1,050)	(1,905)
Net cash flows used in financing activities	(4,932)	(259)
Net increase in cash and cash equivalents	**(3,170)**	**(72)**
Effect of Exchange Rate Changes on cash and cash equivalents	15	(17)
Cash and cash equivalents at beginning of year	**16,679**	**11,629**
Cash and cash equivalents as at March 31,	**13,524**	**11,540**

Net cash flow provided by operating activities

The net cash flows provided by operating activities were ₱2,812 million for the three months ended March 31, 2024. Cash generated from operations (after adjusting for, among other things, depreciation, amortization, and working capital changes) was ₱2,876 million. The Group generated cash from interest received amounting to ₱142 million and paid income taxes of ₱206 million.

The net cash flows provided by operating activities were ₱2,092 million for the three months ended March 31, 2023. Cash generated from operations (after adjusting for, among other things, depreciation, amortization, and working capital changes) was ₱2,244 million. The Group generated cash from interest received amounting to ₱96 million and paid income taxes of ₱248 million.

Net cash flows used in investing activities

The Group's net cash flows used in investing activities were ₱1,050 million for the three months ended March 31, 2024. The net cash outflow primarily due to increase in other noncurrent assets amounting to ₱533 million for downpayment to suppliers and contractors. The other cash outflows pertains to various CapEx amounting to ₱ 771 million.

The Group's net cash flows used in investing activities were ₱1,905 million for the three months ended March 31, 2023. The net cash outflow primarily for the MNC's investment for the various current financial assets at FVTPL amounting to ₱235 million (net of inflow), Parent company subscription to 820,268,295 common shares out of the unissued authorized capital stock of Figaro Coffee Group, Inc. amounting to ₱820 million and subscription to 665,845 Series B Preferred Stock of Terramino, Inc., amounting to ₱109 million. The other cash outflows pertain to various CapEx amounting to ₱636 million.

Net cash flows used in financing activities

The net cash flows from financing activities were ₱4,932 million for the three months ended March 31, 2024. The net cash outflows primarily consist of payments of dividend, MNUK loans and lease liabilities. Payment of lease liabilities includes lease agreement between MMYSC and TIPCO Estates Corporation for the lease of certain industrial lots inside the TECO Industrial Park located in Mabalacat, Pampanga to be used for various operational activities. The lease agreement is valid for 50 years and is renewable for another 25 years. For balance sheet presentation purposes, this is included as part of Property, Plant and Equipment as right-of-use-asset under *PFRS 16, Leases.*

The net cash flows used in financing activities were ₱258 million for the three months ended March 31, 2023. The net cash outflow primarily consists of payment of interest expense and lease liabilities.

FINANCIAL RATIOS / KEY PERFORMANCE INDICATORS

The following are the major financial ratios that the Group uses and monitors.

The top five key performance indicators are Sales Growth, Gross Margin, Net Profit margin, Core EBITDA margin, and Core Return on equity.

	March 31, 2024	December 31, 2023
Current ratio	2.18	2.03
Acid test ratio	1.49	1.45
Solvency ratio	0.73	0.55
Debt-to-equity ratio	0.34	0.44
Asset-to-equity ratio	1.34	1.44
	Three Months ended	
	2024	2023
Net Sales Growth*	1.3%	9.6%
Gross Margin*	35.4%	30.4%
Core Net Income After Tax margin (at ownership)*	14.2%	9.4%
Core EBITDA Margin	22.2%	17.1%
Interest rate coverage ratio	20.0	21.8

** Reported*
*** Annualized for Q1 2024, 2023 based on full year*

The manners by which the ratios are computed are as follows:

Financial ratios	Formula
Current ratio	Current assets / Current liabilities
Acid test ratio	Cash and cash equivalents + Current receivables+ Current Financial Assets / Current liabilities
Solvency ratio	Net income attributable to equity holders of the Company + Depreciation and amortization + Impairment Loss / Total liabilities
Debt-to-equity ratio [1]	Total liabilities (current + noncurrent) / Equity attributable to equity holders of the Company
Asset-to-equity ratio	Total assets (current + noncurrent) / Equity attributable to equity holders of the Company
Interest rate coverage ratio [2]	EBITDA / Finance Costs
Net Sales Growth	Current period net sales – prior period net sales / Prior period net sales
Gross margin	Gross profit / Net Sales
Core EBITDA Margin	Core EBITDA / Net Sales
Core Income After Tax (at ownership)	Core Income after-tax at Ownership / Net sales

Note:
[1] (average) means the average of the amounts from the beginning and end of the same period.

Capital Expenditures

The Group's Capital Expenditures (CapEx) were primarily attributable to spending to develop new business, expand production capacity and capability, and improve operational efficiencies. The Group invested in the construction of a new manufacturing plant, new production lines, and machineries.

The table below sets out the Group's estimated 2024 CapEx plan and actual spend for the three months ended March 31, 2024, and 2023.

	FY Plan	Q1 Actual	
	2024	2024	2023
	(in ₱ millions)		
APAC BFB	6,211	562	409
Meat Alternative	1,000	209	227
Total	**7,211**	**771**	**636**

In Q1 2023, APAC BFB's major CapEx was primarily on various machineries, licenses, and IT system to improve operational efficiencies and capabilities. Meanwhile, in Q1 2024, major CapEx was primarily on new production capability, capacity expansion in Davao, and operational efficiencies.

In Q1 2023, Meat Alternative's major CapEx was primarily for its long life paste design capability and to increase capacity for deli products. Meanwhile, in Q1 2024, investments were primarily to for fermentation, long life paste design and other capabilities.

2024 capital plan in APAC BFB is primarily to improve capacity, development capability, and operational efficiences. Meat Alternative's 2024 plan mainly to improve operational/cost efficiences.

OTHER FINANCIAL DATA

I. RECONCILIATION OF PFRS TO NON-PFRS MEASURES

The following tables set out PFRS to non-PFRS reconciliation for the period indicated:

	Three months March 31, 2024			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
		(in ₱ millions)		
NET SALES	20,312	–	–	20,312
Less: COST OF GOODS SOLD	13,115	–	–	13,115
GROSS PROFIT	7,197	–	–	7,197
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	17.0	(17)	–	–
General and administrative expenses	1,874	–	–	1,874
Selling expenses	1,554	–	–	1,554
	3,445	(17)	-	3,428
Core Other Income/(Expense)				
Miscellaneous Income				-
Interest Expense - Orchid+Trust Receipts	–	(98)	–	(98)
Forex loss on USD Stockpile	–	70	–	70
	-	(28)	–	(28)
CORE INCOME BEFORE TAX	3,752	(11)	–	3,741
OTHER INCOME (CHARGES)				
Gain (Loss) on Change in FV of Guaranty Asset	324	–	–	324
Foreign exchange gain (loss) – net	224	(70)	–	154
Share in net earnings of an associate	14	–	–	14
Market valuation gain (loss) on financial instruments at fair value through profit or loss	24	–	–	24
Miscellaneous + dividend Income	71	–	–	71
	657	(70)	–	587
INCOME BEFORE FINANCE INCOME (EXPENSES)	4,409	(81)	–	4,328
FINANCE INCOME (EXPENSES)				
Finance Income	137			137
Finance Costs	(153)	98	–	(55)
Derivative gain	26	–	–	26
	10	98	–	108
Other Non-Recurring Expenses				
Impairment Reversal/(Loss) -Net	–	(17)	–	(17)
Restructuring costs in MNUK	–		–	-
	–	(17)	–	(17)
INCOME BEFORE INCOME TAX	4,419	-	–	4,419
PROVISION FOR CURRENT INCOME TAX				
Current	949	–	–	949
Deferred	(16)	–	–	(16)
PROVISION FOR CURRENT INCOME TAX	933	–	–	933
NET INCOME FROM CONTINUING OPERATIONS	3,486	–	–	3,486

	Three months-ended, March 31, 2023			
	PFRS	Non-PFRS Adjustments		Non-PFRS
	Reported	APAC BFB	Meat Alternative	Reported
	(Unaudited, in ₱ millions)			
NET SALES	20,050	-	-	20,050
Less: COST OF GOODS SOLD	13,951	-	-	13,951
GROSS PROFIT	6,099	-	-	6,099
Less: SALES, GENERAL AND ADMINISTRATIVE EXPENSES				
Impairment loss – Net	-	-	-	-
General and administrative expenses	1,946	-	(177)	1,769
Selling expenses	1,586	-	-	1,586
	3,532	-	(177)	3,355
Core Other Income/(Expense)				
Interest Expense - Orchid+Trust Receipts	-	(123)	-	(123)
Forex loss on USD Stockpile	-	(179)	-	(179)
	-	(302)	-	(302)
CORE INCOME BEFORE TAX	2,567	(302)	177	2,442
				-
OTHER INCOME (CHARGES)				
Foreign exchange gain – net	(50)	179	-	129
Share in net earnings of an associate	4	-	-	4
Market valuation gain (loss) on financial instruments at fair value through profit or loss	(28)	-	-	(28)
Miscellaneous Income	51	-	-	51
	(23)	179	-	156
INCOME BEFORE FINANCE INCOME (EXPENSES)	2,544	(123)	177	2,598
FINANCE INCOME (EXPENSES)				
Finance income	80	-	-	80
Finance expense	(161)	123	-	(38)
Derivative gain	(1)	-	-	(1)
	(82)	123	-	41
Other Non-Recurring Expenses				
Impairment loss – Net	-	-	-	-
Restructuring costs	-	-	(177)	(177)
	-	-	(177)	(177)
INCOME BEFORE INCOME TAX	2,462	-	-	2,462
PROVISION FOR CURRENT INCOME TAX				
Current	627	-	-	627
Deferred	(103)	-	-	(103)
PROVISION FOR CURRENT INCOME TAX	524	-	-	524
NET INCOME FROM CONTINUING OPERATIONS	1,938	-	-	1,938

II. EBITDA Reconciliation

The following tables set out EBITDA reconciliation with respect to the Group's business segments for the period indicated:

	For the three months ended March 31, 2024		
	APAC BFB	Meat Alternative	Total
	(Unaudited, in ₱ millions)		
Income before Income Tax	4,372	47	4,419
Interest Expense	78	75	153
Interest Income	(119)	(18)	(137)
EBIT	4,331	104	4,435
Derivative Gain	(26)	–	(26)
Foreign Exchange (Gain)/Loss (net)	(230)	6	(224)
Gain Change in FV of Guaranty Asset	–	(324)	(324)
Impairment Loss	17	1	18
Depreciation and Amortization Expense	476	153	629
EBITDA	**4,568**	**(60)**	**4,508**

	For the three months ended March 31, 2023		
	APAC BFB	Meat Alternative	Total
	(Unaudited, in ₱ millions)		
Income before Income Tax	3,027	(565)	2,462
Interest Expense	61	100	161
Interest Income	(72)	(8)	(80)
EBIT	3,016	(473)	2,543
Derivative Loss	1	–	1
Foreign Exchange Loss (net)	46	4	50
Other non-recurring expenses	–	177	177
Depreciation and Amortization Expense	487	176	663
EBITDA	**3,550**	**(116)**	**3,434**

III. FINANCIAL LIABILITIES

The following table summarizes the Group's financial liabilities as at March 31, 2024.

	(Unaudited, in ₱ millions)					
	On Demand	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Financial Liabilities						
Trade and other payables*	2,240	7,168	63	–	–	9,471
Loans Payable**	–	13	1,206	1,915	–	3,134
Lease liabilities	–	53	185	949	6,790	7,977
Acceptance and trust receipts payable	–	–	1,909	–	–	1,909
	2,240	7,234	3,363	2,864	6,790	22,491

** Excluding statutory payables*
*** including amount of interest*

Off-Balance Sheet Arrangements

As at March 31, 2024, the Group did not have any material off-balance sheet arrangements or obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period that were likely to have a current or future effect on the Group's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures, or capital resources.

Quantitative and Qualitative Disclosure of Market Risk

The Group's APAC BFB Business and Meat Alternative Business are exposed to various types of market risks in the ordinary course of business, including foreign currency risk, commodity price risk, interest rate risk, liquidity risk, and credit risk. For more information on risks discuss below, see Note 22 to Unaudited Consolidated Financial Statements.

1. *Foreign Currency Risk*

The Group operates internationally and is exposed to foreign currency risk arising from currency fluctuations in respect of business transactions denominated in foreign currencies. The Group enters derivative transactions to manage foreign currency risks, including currency swaps and currency options.

2. *Commodity Price Risk*

The Group is exposed to price volatility arising from the utilization of certain commodities as raw materials, packaging materials, and fuel in its production processes. To minimize the Group's risk of potential losses due to volatility of international crude and product prices, the Group enters into short and longer tenor contracts for commodities such as flour and palm oil.

3. *Interest Rate Risk*

The Group is exposed to interest rate risk arising from its long-term debt obligations with floating interest rates. The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and variable rate loans and borrowings.

4. *Liquidity Risk*

The Group is exposed to the risk of not meeting its payment obligations when they fall due. The Group manages its liquidity risk by monitoring and maintaining a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding, and mitigate the effects of fluctuations in cash flows.

5. *Credit Risk*

The Group is exposed to the risk that a counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating (primarily trade receivables) and financing activities. The Group manages its credit risk by monitoring receivables from each customer.

Contingencies

As at March 31, 2024, the Group is involved in certain proceedings and regulatory assessments, and management believes that none of these proceedings will have a material effect on the consolidated financial statements. Disclosure of additional details beyond the present disclosure may seriously prejudice the Group's position and negotiating strategy.

Capital Commitments

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱2,115 million and ₱2,055 million as at March 31, 2024 and December 31, 2023, respectively.

OTHER MATTERS

Commodity Prices

The Company continues to see gradual easing of commodity prices in the global markets. The impact of easing commodity prices was reflected in FY 2023 for wheat, palm oil and other oil-based ingredients. The Parent Company has fully secured estimated requirements for wheat until Q3 2024 and partially secured for Q4 2024. Meanwhile, for palm oil/olien the Parent company has substantially secured until Q3 2024.

Labor Matters

As at December 31, 2023, MONDE's daily paid rank and file employees at MONDE's Sta. Rosa Laguna Plant belonged to and were represented by one trade union, namely the Confederation of Filipino Workers – Monde Nissin Corporation Chapter (the "Union"). As of the same date, MONDE has a five-year collective bargaining agreement ("CBA") with the Union until April 30, 2026. MONDE concluded the negotiations of economic provisions of the CBA with the Union on May 2, 2024, with the CBA signing scheduled on May 8, 2024. Salary increase and supplemental benefits such as one-time signing and mid-year bonuses, medical and bereavement assistance are consistently part of the CBA.

MONDE's Davao Plant rank and file employees recently filed a petition for certification election ("PCE") before the Department of Labor and Employment Region XI Regional Office ("DOLE") for recognition as the sole and exclusive bargaining agent of Davao Plant's rank and file employees. Conferences/proceedings before the DOLE are currently on-going in connection with the PCE. MONDE's subsidiary, SARIMONDE FOODS CORPORATION ("SARIMONDE") is also awaiting the CBA proposals from its daily paid rank and file union, after the DOLE has certified SARIMONDE's union as the sole and exclusive bargaining agent of its daily paid rank and file employees. MONDE does not expect the on-going labor proceedings to have a material effect on its business, financial condition, and results of operations, and it is not aware of any circumstances that would give rise to material labor disputes and has not experienced any labor strikes.

Dividend Declaration and Change in Use of IPO Proceeds

On April 10, 2024, the Parent Company's BOD approved and declared the issuance of regular cash dividends to stockholders of record as at May 10, 2024 for ₱0.12 per common share, payable on June 5, 2024. On the same date, the Parent Company's BOD approved the management's proposal for the change in use of MONDE's IPO proceeds, where unused IPO proceeds previously allocated for IPO-related expenses as at December 31, 2023 in the amount of ₱228.8 million are to be re-allocated to capital expenditures for MONDE's APAC-BFB in 2024. The re-allocation arises from underspending in the friction cost budget for the IPO.

Others

There are no unusual items regarding the nature and amount affecting assets, liabilities, equity, net income, or cash flows, except those stated in Management's Discussion and Analysis of Financial Position and Financial Performance.

There were no material changes in estimates of amounts reported in prior interim periods of the current year or changes in estimates of amounts reported in prior financial years.

There were no other known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or income from continuing operations, except those stated above and in the Management's Discussion and Analysis of Factors affecting the Operations, Financial Position and Financial Performance.

Below is the foreign exchange rate used in the translation of the Income Statement and Balance Sheet Items to Philippine Peso.

	Three Months Average Rate, ending March 31,		Closing Rate	
	2024	2023	March 31, 2024	December 31, 2023
1 GBP	70.9972	66.6901	70.9166	70.6029
1 USD	55.9767	54.8191	56.2010	55.3850

C. NATURE AND SCOPE OF BUSINESS

Monde Nissin Corporation is a publicly-listed company ("**PLC**") incorporated and registered with the SEC on May 23, 1979. Under its charter, its primary purpose is to engage in manufacturing, processing, baking, packaging, servicing, repackaging, assembling, importing, exporting, buying, selling, trading, or otherwise dealing in all kinds of goods, wares, and merchandise, which are or may become articles of commerce such as but not limited to noodles, candies, confectionaries, biscuits, cakes and other foods, drugs, and cosmetics. MONDE has a perpetual corporate term as provided under the Revised Corporation Code of the Philippines (Republic Act No. 11232).

The Group is among the frontrunners in the Philippine food manufacturing industry with a portfolio of various iconic and well-recognized brands. The Group's two core businesses are the APAC BFB Business and the meat alternative business ("**Meat Alternative Business**", which includes the production, marketing, and sales of the *Quorn* and *Cauldron* meat alternatives brands). The APAC BFB Business comprises three product groups: (i) instant noodles; (ii) biscuits; and (iii) others (such as beverages, baked goods, and culinary aids). The Group operates its Meat Alternative Business through Quorn Foods under the *Quorn* and *Cauldron* brands.

D. MARKET PRICE OF AND DIVIDENDS ON THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

MONDE's common shares are listed with the PSE.

The high and low closing prices for MONDE's common shares for each quarter since its Listing Date until the end of the most recent quarter (*i.e.*, March 31, 2024) are as follows:

Quarter	2021	
	High (in ₱)	Low (in ₱)
2nd*	16.52	13.10
3rd	20.25	14.78
4th	19.06	15.14

*from June 1, 2021 until June 30, 2021

Quarter	2022	
	High (in ₱)	Low (in ₱)
1st	18.16	13.42
2nd	16.68	12.70
3rd	16.50	12.18
4th	12.98	11.06

Quarter	2023	
	High (in ₱)	Low (in ₱)
1st	14.86	9.81
2nd	10.20	7.40
3rd	9.75	6.18
4th	9.26	7.75

Quarter	2024	
	High (in ₱)	Low (in ₱)
1st	10.92	8.08

Holders

MONDE's STA, BDO – Trust and Investments Group reports that there are twenty-four (24) stockholders of record as of April 30, 2024, ranked in terms of number of shareholdings, as follows:

	Name of Stockholder	Number of Shares Held	% of Total Shares Outstanding Held
1	Hartono Kweefanus	4,214,244,600	23.453
2	Betty T. Ang	3,265,920,000	18.176
3	PCD Nominee Corp. (Filipino)	2,555,031,823	14.219
4	PCD Nominee Corp. (Non-Filipino)	1,565,543,777	8.713
5	Henry Soesanto[1]	1,508,681,396	8.396
6	My Crackers, Inc.	1,228,611,496	6.838
7	Hoediono Kweefanus	948,324,600	5.278
8	Anna Roosdiana Darmono	765,897,600	4.262
9	Eveline Darmono	765,897,600	4.262
10	Monica Darmono	765,897,596	4.262
11	AU Mountain Investments Corporation	381,060,000	2.121
12	Carousel Holdings, Inc.	3,000,000	0.017
13	David John Nicol	234,900	0.001
14	Edwin Lee Lapasaran Lim &/or Ma. Hope C. Lim	200,000	0.001
15	Cristobal S. Hautea	60,000	0.000
16	Elvira M. Cruz or Bernardo A. Cruz	5,000	0.000
17	Glenn Maverick Almonte Ang	600	0.000
18	Ofelia R. Blanco	400	0.000
19	Jennifer T. Ramos	100	0.000
20	Nina Perpetua D. Aguas	2	0.000
21	Kataline Darmono	2	0.000
22	Marie Elaine Teo	2	0.000
23	Anabelle Lim Chua	1	0.000
24	Ramon Felicisimo M. Lopez	1	0.000

[1] Mr. Henry Soesanto owns another 40,000,000 shares through PCD Nominee Corp. (Non-Filipino) which brings his total ownership percentage to 8.619%. PCD Nominee Corp. (Non-Filipino)'s total ownership percentage reduced by Mr. Soesanto's 40,000,000 scripless shares is 8.490%.

Dividend Policy

The Board of Directors (or the "**Board**") is authorized to declare dividends only from MONDE's unrestricted retained earnings, representing the net accumulated earnings of the Company, which have not been appropriated for any managerial, contractual, or legal purpose, and which are free for distribution to the shareholders as dividends. The amount of retained earnings available for declaration as dividends is determined pursuant to SEC regulations. The Board may not declare dividends which will impair capital. MONDE may pay dividends in cash, property, or by the issuance of shares of stock, subject to certain requirements. Cash and property dividends are subject to Board approval, while stock dividends, in addition to Board approval, require the approval of (1) stockholders representing at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose, and (2) the SEC.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the *Bangko Sentral ng Pilipinas* ("**BSP**").

The Revised Corporation Code generally requires a Philippine corporation with retained earnings in excess of 100% of its paid-in capital to declare and distribute as dividends the amount of such surplus. Notwithstanding this general requirement, a Philippine corporation may retain all or any portion of such surplus in the following cases: (i) when justified by definite expansion projects or programs approved by the corporation's board of directors; (ii) when the corporation is prohibited under any loan agreement with financial institutions or creditors, whether local or foreign, from declaring dividends without their consent, and such consent has not been secured; or (iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

Dividends

The following table sets out cash dividends declared by MONDE in the two (2) most recent years:

Declaration Date	Record Date	Payment Date	Dividend/ share (in ₱)	Total dividend (₱ in millions)
August 9, 2022	September 8, 2022	October 4, 2022	0.14	2,515.61
November 29, 2023	December 14, 2023	January 11, 2024	0.12	2,156.23

As disclosed in MONDE's IPO final offering memorandum, MONDE's Board on March 12, 2021 resolved to adopt and maintain an annual dividend payment ratio of 60% of the preceding fiscal year's net income after tax, subject to the requirements of applicable laws and regulations, capital expenditure requirements, compliance with loan covenants, and other circumstances which restrict the payment of dividends. In this connection, while there are certain dividend-related covenants undertaken by MONDE in its guarantee of its indirect subsidiary Marlow Foods Limited's certain loan obligations, there are currently no pre-existing, subsisting, or foreseen factual conditions (such as a relevant event of default) that restricts MONDE's ability to declare dividends.

Recent Sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction

There were no securities sold by MONDE within the past three (3) years that were not registered under the Securities Regulation Code.

E. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

MONDE's Articles of Incorporation, Amended By-Laws, Manual on Corporate Governance ("**CG Manual**"), Code of Conduct and Ethics, together with the respective charters of its Board of Directors and the Board Committees, as well as its Company policies, incorporate the principles and best practices of corporate governance embodied in the Revised Corporation Code of the Philippines and the corporate governance-related issuances of the SEC and the PSE.

Good Governance as a Practice.

The Board champions good corporate governance. In line with the principles and recommendations under the SEC's MC No. 19, Series of 2016, or the *Code of Corporate Governance for Publicly-Listed Companies* ("**CG Code**"), the Board has approved the adoption of MONDE's (a) key Board charters to guide its members in the Board's oversight functions, *i.e*., the Board Charter, the Audit Committee Charter, the Risk and Related Party Transactions Committee Charter, the Corporate Governance, Nomination, and Remuneration Committee Charter, and the Executive Committee Charter; (b) CG Manual, and Code of Conduct and Ethics; and (c) other key governance policies (*i.e*., Conflict of Interest, Data Privacy, Prevention of Insider Trading, Whistleblowing, Material Related Party Transactions, Guidelines and Limitations re Engaging External Auditors for Non-Audit Services, Policy Promulgation Guidelines, and Sustainability).

To promote an exchange of diverse viewpoints, the Board comprises nine (9) individuals with a multitude of professional and personal backgrounds. To enhance its ability to perform its oversight function over management, the Board has six (6) non-executive directors. Showing its commitment to gender diversity, MONDE has six (6) female directors as the majority members of its nine (9)-member Board. One-third of the members of the Board consists of Independent Directors who are known in the business sector as women of competence, integrity, and probity. All three MONDE Independent Directors are women.

In compliance with leading practices on corporate governance, the Board has (a) elected a Chairperson who is a separate person from its President as well as its Chief Executive Officer; (b) created a five-member Executive

Committee where at least one director out of its five members is an Independent Director so that the interest of the minority shareholders are safeguarded; and (c) created board oversight committees (*i.e.*, Audit Committee, Risk and Related Party Transactions Committee, and Corporate Governance, Nominations, and Remuneration Committee), the members of which are entirely made up of Independent Directors. MONDE has a Lead Independent Director, consistent with the recommendation of the CG Code.

The Board and the Board Committees meet regularly in accordance with the By-Laws and CG Manual to discuss corporate matters as well as to formulate, review, and assess governance controls and procedures. For the year 2023, the Board had nine meetings, its Executive Committee had one meeting, its Audit Committee had six meetings, its Risk and Related Party Transactions Committee had two meetings, and its Corporate Governance, Nomination, and Remuneration Committee had four meetings.

In compliance with prevailing SEC regulations and the PSE's disclosure rules, MONDE's structured and unstructured disclosures and other information, as well as its Articles of Incorporation, By-Laws, CG Manual, Code of Conduct and Ethics, the Board and the Board Committee Charters, and key policies, are accessible by investors and the general public through MONDE's website and MONDE's Company's portal in PSE EDGE.

From the effectivity of its CG Manual to the date of this report, there is no known material deviation by MONDE from its CG Manual.

In accordance with the CG Manual, the Board, together with Management, conducted annual trainings on corporate governance for 2023. The Board and MONDE's key executive officers attend compliance and governance trainings by leading service providers (primarily, by the Institute of Corporate Directors) to keep them abreast with the developments in and/or best practices on good corporate governance, data and cybersecurity, ESG initiatives, financial reporting, and fraud detection and response.

Improvement and Recognition.

Significantly, MONDE was awarded 3 Golden Arrows from the SEC, PSE, and the ICD at the 2023 ASEAN Corporate Governance Scorecard (ACGS) Golden Arrow Awards in September 2023. This recognition gains even more significance considering that this pertains to MONDE's first-ever I-ACGR submission as an organization and as a publicly-listed company following its listing on the main board of the PSE on June 1, 2021.

In 2023, as in 2022, MONDE was recognized by the SEC at its Gender and Development Awards where MONDE received the award for being the Publicly Listed Company with Most Women Directors in its Board of Directors. As mentioned, 6 out 9 Directors in MONDE's Board, as are all Independent Directors, are women.

MONDE's Board has also conducted annual self-evaluation exercises in 2021, 2022, and 2023 pertaining to the individual Directors, the Board as a body, and its different Committees, and the relationship and interaction between Board and Management to assess and evaluate their respective performance in the governance roles they have been entrusted with. An external facilitator, the Institute of Corporate Directors ("ICD"), supported the conduct by MONDE's Board of its 2023 annual self-evaluation, in accordance with Recommendation 6.1 of the Code of Corporate Governance for Publicly-Listed Companies (*SEC Memorandum Circular No. 19, series of 2016*).

In 2023, MONDE's Corporate Compliance Team led the launch of MONDE's Permits and Escalation Policy. The policy establishes a system to monitor the status and maintain the validity of governmental permits. It also prescribes an internal reporting mechanism for concerns and issues regarding government licenses and permits with the goal of ensuring that appropriate actions are seasonably taken, and disclosures to the market and to the regulators are made in a timely manner and in accordance with the relevant disclosure rules.

In March 2023, MONDE's Board approved MONDE's Sustainability Policy. The Sustainability Policy reflects MONDE's aim to become a sustainability leader by embedding sustainability into its corporate culture, strategy and operations. The policy covers five key areas, i.e., products, people, planet, sustainability governance, and sustainability reporting.

Professional advisors in the fields of legal, audit/assurance, compensation benchmarking, compliance, risk, and sustainability consulting have been or are being engaged by MONDE, as necessary, to help ensure its compliance with best-in-field practices and that its ESG framework remains robust and current.

MONDE, led by the Board, Management, and the heads of its Audit, Compliance, Legal, and Risk functions, continues to monitor and evaluate policies and operations to ensure compliance with good governance principles.

Upon the written request of a stockholder and when circumstances permit, MONDE undertakes to furnish such stockholder with a copy of the Information Statement with the Unaudited Interim Consolidated Financial Statements as of March 31, 2024 and/or the Audited Consolidated Financial Statements as of December 31, 2023, free of charge. At MONDE's discretion, a charge may be made for exhibits, provided such charge is limited to reasonable expenses incurred by MONDE in furnishing such exhibits. Written requests should be addressed to:

The Corporate Secretary
Monde Nissin Corporation
21st Floor, 6750 Office Tower
Ayala Avenue, Makati City
Metro Manila 1223 Philippines

Monde Nissin

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

Tel.: (+632) 7759.7500
Fax: (+632) 8810.9207
www.mondenissin.com

THE SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village, Barangay Bel-Air
Makati City, 1209 Philippines

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **MONDE NISSIN CORPORATION** is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2023, 2022 and 2021, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

Henry Soesanto
Acting Chairman of the Board

Henry Soesanto
Chief Executive Officer

Jesse Teo
Chief Financial Officer

Enrico Peñas
Head of Finance Shared Services

Signed this 10th day of April of 2024

Monde Nissin

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

Tel.: (+632) 7759.7500
Fax: (+632) 8810.9207
www.mondenissin.com

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) s.s.

SUBSCRIBED AND SWORN TO before me this APR 12 2024 at the place stated above, affiant(s) exhibiting to me their respective competent evidence of identity, as follows:

NAMES	COMPETENT EVIDENCE OF IDENTITY	DATE OF ISSUE	PLACE OF ISSUE
Henry Soesanto	Indonesian Passport No. C1226256	July 16, 2019 Valid until July 16, 2024	KBRI Manila
Jesse C. Teo	Philippine Passport No. P0044240B	December 27, 2018 Valid until December 26, 2028	DFA NCR West
Enrico Manuel Peñas	Philippine Passport No. P7677114A	June 26, 2018 Valid until June 25, 2028	DFA NCR West

Doc. No. 21;
Page No. 6;
Book No. II;
Series of 2024.

ATTY. GARNY-LUISA S. ALEGRE
Notary Public for Makati City
Appointment No. M-219 until December 31, 2024
Roll of Attorneys No. 53666
PTR No. 10074759MN/ 1-02-2024/Makati City
IBP No. 331554/12-19-2023
MCLE Compliance No. VII-0002539 valid until April 14, 2025
21st Floor, 6750 Office Tower, Ayala Avenue
Makati City, 1226 Metro Manila, Philippines

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

						8	6	3	3	5

COMPANY NAME

MONDE NISSIN CORPORATION AND SUBSIDIARIES

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

FELIX REYES ST., BARANGAY BALIBAGO, CITY OF SANTA ROSA, LAGUNA

Form Type	Department requiring the report	Secondary License Type, If Applicable
ACFS	CRMD	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
www.mondenissin.com	810-3550	–

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
24	Last Friday of June	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Enrico Peñas	mnc-sec.communications @mondenissin.com	+632 7759-7519	09688548548

CONTACT PERSON's ADDRESS

Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna

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.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of Monde Nissin Corporation and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Property, Plant and Equipment and Brand

Under Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, the Group is required to test for impairment intangible assets with indefinite useful life on an annual basis and property, plant and equipment with indicators of impairment at the end of each reporting period. This impairment test was significant to our audit because the balances of property, plant and equipment amounting to ₱25.2 billion and brand with indefinite life amounting to ₱8.1 billion as at December 31, 2023 are material to the consolidated financial statements. In addition, management's assessment process is complex and highly judgmental and is based on assumptions which are subject to higher level of estimation uncertainty, specifically short-term and long-term growth rates applied to revenue and EBITDA, and the discount rate applied.

The related disclosures on the Group's property and equipment and brand are included in Notes 3, 12, 13 and 26 to the consolidated financial statements.

Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used in determining the recoverable amounts of the cash-generating units (CGUs) for brands with indefinite life and property, plant and equipment. These assumptions include short-term and long-term growth rates applied to revenue and EBITDA, and the discount rate applied. We have assessed the forecasts and assumptions, agreeing them to budgets approved by the Board of Directors and comparing them to actual results and forecasts of industry growth rates published by independent analysts. We performed an independent assessment of the discount rate assumptions determined by management. The assumptions underlying the discount rate calculation were benchmarked against comparative market data. In assessing the discount rate, we reviewed the underlying cash flows and considered the risks inherent in the cash flows. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of property, plant and equipment and brands.

Valuation of Guaranty Asset

The Group recognized guaranty asset amounting to ₱10.4 billion as at December 31, 2023. The initial recognition of the guaranty asset is recognized as an equity transaction under "Equity Reserve", while subsequent changes in fair value is recognized in profit or loss. The valuation of the guaranty asset involves significant management judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically forecasted price of the shares serving as collateral over the guaranty, value-in-use (VIU) of Monde Nissin (UK) Limited, and foreign exchange rates. The valuation of the guaranty asset was also performed by management with the assistance of an independent valuation expert; thus, we considered this as a key audit matter.

The related disclosures on the Group's guaranty asset are included in Notes 3, 10, 23 and 26 to the consolidated financial statements.

Audit Response

We involved our internal specialists in evaluating the valuation model and the assumptions used in the valuation of the guaranty asset at inception date and at year-end. These assumptions include forecasted collateral value; value-in-use of MNUKL; the British Sterling Pound - Philippine Peso exchange rate at the settlement of the guaranty asset, and the discount rate applied in the valuation. We performed an independent assessment of the discount rate assumptions determined by management. The assumptions underlying the discount rate calculation were benchmarked against comparative market data. We also assessed the independent valuation expert's competence, capabilities, and objectivity by reference to their qualifications, experience and responsibilities. We also reviewed the Group's disclosures about those assumptions to which the outcome of the valuation is most sensitive; specifically, those that have the most significant effect on the determination of the fair value of the guaranty asset.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Sheet), SEC Form 17-A and Annual Report for the year ended December 31, 2023 but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

- Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law on regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Editha V. Estacio.

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
BIR Accreditation No. 08-001998-094-2023, March 28, 2023, valid until March 27, 2026
PTR No. 10079934, January 5, 2024, Makati City

April 10, 2024

MONDE NISSIN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱16,678,888**	₱11,628,627
Trade and other receivables (Note 6)	**6,410,138**	6,800,309
Inventories (Note 7)	**9,186,527**	10,878,570
Current financial assets (Notes 9 and 23)	**2,714,363**	1,756,101
Prepayments and other current assets (Note 8)	**1,099,674**	1,269,209
Total Current Assets	**36,089,590**	32,332,816
Noncurrent Assets		
Property, plant and equipment (Note 12)	**25,155,720**	30,863,507
Guaranty asset (Notes 10, 18 and 23)	**10,432,256**	–
Intangible assets (Note 13)	**8,812,834**	14,482,905
Investments in associates and joint ventures (Note 11)	**1,125,054**	1,104,453
Deferred tax assets - net (Note 24)	**936,965**	867,912
Financial assets at fair value through other comprehensive income (FVOCI) (Note10)	**600,701**	–
Noncurrent receivables (Notes 9 and 23)	**–**	662,300
Other noncurrent assets (Note 14)	**941,539**	978,480
Total Noncurrent Assets	**48,005,069**	48,959,557
	₱84,094,659	₱81,292,373
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Note 15)	**₱11,684,310**	₱11,322,600
Dividends payable (Note 18)	**2,156,233**	–
Acceptances and trust receipts payable (Notes 7 and 16)	**1,607,336**	2,362,301
Current portion of loans payable (Note 17)	**1,200,251**	269,758
Refund liabilities (Note 15)	**406,677**	200,440
Current portion of lease liabilities (Note 25)	**89,121**	386,671
Income tax payable	**590,874**	209,831
Total Current Liabilities	**17,734,802**	14,751,601
Noncurrent Liabilities		
Loans payable (Note 17)	**3,733,776**	6,983,256
Lease liabilities (Note 25)	**2,593,746**	2,423,496
Pension liability (Note 22)	**1,007,247**	506,430
Deferred tax liabilities - net (Note 24)	**381,737**	4,319,733
Derivative liability (Note 26)	**106,406**	–
Other noncurrent liabilities	**38,557**	36,673
Total Noncurrent Liabilities	**7,861,469**	14,269,588
Total Liabilities *(Carried Forward)*	**25,596,271**	29,021,189

	December 31	
	2023	2022
Total Liabilities *(Brought Forward)*	**₱25,596,271**	₱29,021,189
Equity		
Capital stock (Note 18)	**₱8,984,306**	₱8,984,306
Additional paid-in capital (Note 18)	**39,361,947**	46,515,847
Retained earnings (Deficit) (Note 18):		
Appropriated	**211,452**	5,211,452
Unappropriated	**5,321,590**	(4,039,669)
Fair value reserve of financial assets at FVOCI (Note 10)	**(563,237)**	(235,130)
Remeasurement losses on pension liability (Note 22)	**(525,874)**	(210,805)
Equity reserve (Notes 18 and 26)	**8,491,788**	(622,335)
Cumulative translation adjustments (Note 18)	**(2,893,488)**	(3,474,980)
Equity Attributable to Equity Holders of the Parent Company	**58,388,484**	52,128,686
Non-controlling Interests (Note 4)	**109,904**	142,498
Total Equity	**58,498,388**	52,271,184
	₱84,094,659	₱81,292,373

See accompanying Notes to Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Thousands, Except Earnings Per Share Value)

	Years Ended December 31		
	2023	2022	2021
NET SALES (Note 19)	**₱80,169,467**	₱73,880,709	₱69,284,188
COST OF GOODS SOLD (Notes 7 and 19)	**55,441,703**	50,920,755	43,692,769
GROSS PROFIT	**24,727,764**	22,959,954	25,591,419
SALES, GENERAL AND ADMINISTRATIVE EXPENSES			
Impairment loss - net (Notes 11, 12, 13, and 20)	**13,271,654**	21,373,638	223,061
General and administrative expenses (Note 20)	**7,775,036**	7,587,747	7,619,360
Selling and distribution expenses (Note 20)	**7,037,765**	7,496,354	8,343,995
	28,084,455	36,457,739	16,186,416
	(3,356,691)	(13,497,785)	9,405,003
OTHER INCOME (EXPENSES)			
Fair value gain on:			
Guaranty asset (Note 10)	**1,301,750**	–	–
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	**92,600**	22,380	12,543
Foreign exchange gains - net (Notes 4 and 17)	**80,406**	422,117	410,402
Share in net earnings (losses) of associates and joint ventures (Note 11)	**35,552**	(12,608)	36,367
Dividend income (Note 10)	**22,147**	–	–
Miscellaneous income (Note 21)	**209,518**	141,871	283,820
	1,741,973	573,760	743,132
INCOME (LOSS) BEFORE FINANCE INCOME (EXPENSES)	**(1,614,718)**	(12,924,025)	10,148,135
FINANCE INCOME (EXPENSES)			
Finance costs (Note 21)	**(681,359)**	(416,525)	(1,568,821)
Finance income (Note 21)	**428,114**	148,596	82,971
Derivative gain (loss) (Note 26)	**20,833**	1,306,391	(2,258,075)
Loss on convertible note redemption (Note 17)	–	–	(1,579,324)
	(232,412)	1,038,462	(5,323,249)
INCOME (LOSS) BEFORE INCOME TAX	**(1,847,130)**	(11,885,563)	4,824,886
PROVISION FOR (BENEFIT FROM) INCOME TAX (Note 24)			
Current	**2,801,172**	2,428,492	392,588
Deferred	**(4,021,724)**	(1,299,539)	1,187,173
	(1,220,552)	1,128,953	1,579,761
NET INCOME (LOSS)	**(₱626,578)**	(₱13,014,516)	₱3,245,125

(Forward)

	Years Ended December 31		
	2023	2022	2021
NET INCOME (LOSS)	**(₱626,578)**	(₱13,014,516)	₱3,245,125
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) to be reclassified to profit and loss in subsequent periods:			
Exchange gains (losses) on foreign currency translation (including effective portion of the net investment hedge) (Notes 18 and 26)	**581,492**	(691,727)	1,583,531
Other comprehensive loss not to be reclassified to profit and loss in subsequent periods:			
Fair value loss on financial assets at FVOCI (Note 10)	**(328,107)**	–	–
Remeasurement gain (loss) on defined benefit plans (Note 22)	**(414,960)**	126,789	(337)
Income tax effect	**99,806**	(48,321)	963
Other comprehensive income (loss) - net of tax	**(61,769)**	(613,259)	1,584,157
TOTAL COMPREHENSIVE INCOME (LOSS)	**(₱688,347)**	(₱13,627,775)	₱4,829,282
Net income (loss) attributable to:			
Equity holders of the Parent Company	**(₱636,408)**	(₱13,020,512)	₱3,115,032
Non-controlling interests	**9,830**	5,996	130,093
	(₱626,578)	(₱13,014,516)	₱3,245,125
Total comprehensive income (loss) attributable to:			
Equity holders of the Parent Company	**(₱698,092)**	(₱13,633,781)	₱4,699,189
Non-controlling interests	**9,745**	6,006	130,093
	(₱688,347)	(₱13,627,775)	₱4,829,282
Earnings (loss) per Share (EPS) (Note 18)			
Income (loss) attributable to equity holders of the parent	**(₱0.04)**	(₱0.72)	₱0.19

See accompanying Notes to Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands)

	Equity Attributable to Equity Holders of the Parent Company										
			Retained Earnings (Deficit) (Note 18)								
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Appropriated	Unappropriated	Fair Value Reserve of Financial Assets at FVOCI (Note 10)	Remeasurement Losses on Pension Liability (Note 22)	Equity Reserve (Notes 10 and 18)	Cumulative Translation Adjustments (Note 18)	Total	Non-controlling Interests (Notes 4 and 18)	Total Equity
Balance as at January 1, 2023	₱8,984,306	₱46,515,847	₱5,211,452	(₱4,039,669)	(₱235,130)	(₱210,805)	(₱622,335)	(₱3,474,980)	₱52,128,686	₱142,498	₱52,271,184
Net income (loss)	–	–	–	(636,408)	–	–	–	–	(636,408)	9,830	(626,578)
Other comprehensive income (loss), net of tax	–	–	–	–	(328,107)	(315,069)	–	581,492	(61,684)	(85)	(61,769)
Total comprehensive income (loss)	–	–	–	(636,408)	(328,107)	(315,069)	–	581,492	(698,092)	9,745	(688,347)
Day 1 adjustment from initial recognition of guaranty asset at fair value (Note 10)	–	–	–	–	–	–	9,104,076	–	9,104,076	–	9,104,076
Equity restructuring (Note 18)	–	(7,153,900)	–	7,153,900	–	–	–	–	–	–	–
Acquisition during the year (Note 4)	–	–	–		–	–	10,047	–	10,047	(42,339)	(32,292)
Release of appropriation (Note 18)	–	–	(5,000,000)	5,000,000	–	–	–	–	–	–	–
Dividends (Note 18)	–	–		(2,156,233)	–	–	–	–	(2,156,233)	–	(2,156,233)
Balance as at December 31, 2023	₱8,984,306	₱39,361,947	₱211,452	₱5,321,590	(₱563,237)	(₱525,874)	₱8,491,788	(₱2,893,488)	₱58,388,484	₱109,904	₱58,498,388
Balance as at January 1, 2022	₱8,984,306	₱46,515,847	₱4,095,257	₱12,612,644	(₱235,130)	(₱289,263)	(₱622,335)	(₱2,783,253)	₱68,278,073	₱137,507	₱68,415,580
Net income (loss)	–	–	–	(13,020,512)	–	–	–	–	(13,020,512)	5,996	(13,014,516)
Other comprehensive income (loss), net of tax	–	–	–	–	–	78,458	–	(691,727)	(613,269)	10	(613,259)
Total comprehensive income (loss)	–	–	–	(13,020,512)	–	78,458	–	(691,727)	(13,633,781)	6,006	(13,627,775)
Appropriation during the year (Note 18)	–	–	5,167,000	(5,167,000)	–	–	–	–	–	–	–
Release of appropriation (Note 18)	–	–	(4,050,805)	4,050,805	–	–	–	–	–	–	–
Dividends (Note 18)	–	–	–	(2,515,606)	–	–	–	–	(2,515,606)	(1,015)	(2,516,621)
Balance as at December 31, 2022	8,984,306	46,515,847	5,211,452	(4,039,669)	(235,130)	(210,805)	(622,335)	(3,474,980)	52,128,686	142,498	52,271,184
Balance as at January 1, 2021	6,570,000	–	11,155,336	12,497,957	(235,130)	(289,889)	(89,762)	(4,366,784)	25,241,728	1,298,309	26,540,037
Net income	–	–	–	3,115,032	–	–	–	–	3,115,032	130,093	3,245,125
Other comprehensive income, net of tax	–	–	–	–	–	626	–	1,583,531	1,584,157	–	1,584,157
Total comprehensive income	–	–	–	3,115,032	–	626	–	1,583,531	4,699,189	130,093	4,829,282
Issuance of shares (Note 18)	2,414,306	46,515,847	–	–	–	–	–	–	48,930,153	–	48,930,153
Acquisition during the year (Note 4)	–	–	–	–	–	–	(532,573)	–	(532,573)	(1,289,927)	(1,822,500)
Appropriation during the year (Note 18)	–	–	150,805	(150,805)	–	–	–	–	–	–	–
Release of appropriation (Note 18)	–	–	(7,210,884)	7,210,884	–	–	–	–	–	–	–
Dividends (Note 18)	–	–	–	(10,060,424)	–	–	–	–	(10,060,424)	(968)	(10,061,392)
Balance as at December 31, 2021	₱8,984,306	₱46,515,847	₱4,095,257	₱12,612,644	(₱235,130)	(₱289,263)	(₱622,335)	(₱2,783,253)	₱68,278,073	₱137,507	₱68,415,580

See accompanying Notes to Consolidated Financial Statements

MONDE NISSIN CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	**(₱1,847,130)**	(₱11,885,563)	₱4,824,886
Adjustments to reconcile income (loss) before income tax to net cash flows:			
Impairment loss - net (Notes 11, 12, 13 and 20)	**13,271,654**	21,373,638	223,061
Depreciation and amortization (Notes 12, 13, 19 and 20)	**2,771,966**	2,713,662	2,470,872
Fair value gain on guaranty asset (Note 10)	**(1,301,750)**	–	–
Finance costs (Notes 16, 17, 21 and 25)	**681,359**	416,525	1,568,821
Finance income (Notes 5, 9 and 21)	**(428,114)**	(148,596)	(82,971)
Fair value gain on financial assets at FVTPL (Note 9)	**(92,600)**	(22,380)	(12,543)
Movement in pension liability (Notes 19, 20 and 22)	**85,874**	(17,236)	168,126
Unrealized foreign exchange loss (gain) - net	**(38,535)**	14,382	(155,593)
Share in net losses (gain) of associates and joint venture (Note 11)	**(35,552)**	12,608	(36,367)
Gain on sale of property, plant and equipment (Note 12)	**(26,116)**	(18,484)	(2,292)
Derivative loss (gain) (Note 26)	**(20,833)**	(1,306,391)	2,258,075
Loss on convertible note redemption (Note 17)	**–**	–	1,579,324
Gain on lease modification	**–**	–	(2,704)
Working capital adjustments:			
Decrease (increase) in:			
Inventories	**1,692,043**	(2,306,207)	(2,499,360)
Trade and other receivables	**464,583**	(430,511)	109,848
Prepayments and other current assets	**169,535**	499,948	(796,904)
Increase (decrease) in:			
Acceptance and trust receipts payable	**(723,774)**	(1,429,685)	3,098,092
Accounts payable and other current liabilities	**470,318**	355,342	1,192,182
Refund liabilities	**206,237**	(103,438)	24,182
Net cash generated from operations	**15,299,165**	7,717,614	13,928,735
Income tax paid	**(2,420,129)**	(2,356,503)	(537,143)
Interest received	**412,209**	122,223	82,844
Net cash flows from operating activities	**13,291,245**	5,483,334	13,474,436
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Current financial assets (Note 9)	**(3,871,363)**	(2,586,197)	(7,401,000)
Property, plant and equipment (Notes 12 and 28)	**(3,641,270)**	(4,432,230)	(5,216,267)
Financial assets at FVOCI (Note 10)	**(928,808)**	–	–
Intangible assets (Note 13)	**(81,130)**	(75,901)	(113,459)
Investment in associates and joint venture (Note 11)	**–**	(49,600)	(60,000)
Proceeds from:			
Disposal of current financial assets (Note 9)	**3,672,926**	851,995	7,412,542
Sale of property, plant and equipment (Note 12)	**45,057**	31,250	5,572
Decrease (increase) in other noncurrent assets	**40,531**	193,002	(108,130)
Acquisition of non-controlling interest (Note 4)	**(32,292)**	–	(1,822,500)
Dividends from an associate (Note 11)	**14,951**	25,485	26,348
Acquisition of a subsidiary, net of cash acquired (Note 4)	**–**	–	(194,247)
Net cash flows used in investing activities	**(4,781,398)**	(6,042,196)	(7,471,141)

(Forward)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from (payments for):			
Payment of loans (Note 17)	**(₱3,623,216)**	(₱8,758,046)	(₱23,115,381)
Availment of loans (Note 17)	**917,838**	9,036,880	–
Interest	**(452,509)**	(127,045)	(1,437,102)
Principal portion of lease liabilities (Note 25)	**(332,604)**	(255,410)	(276,715)
Derivatives	**20,833**	919,859	–
Cash dividends (Note 18)	**–**	(2,516,621)	(10,061,392)
Convertible note (Note 17)	**–**	–	(13,351,935)
Issuance of capital stock, net of transaction cost (Note 18)	**–**	–	48,930,153
Increase (decrease) in other noncurrent liabilities	**1,884**	16,248	(1,801)
Net cash flow from (used in) financing activities	**(3,467,774)**	(1,684,135)	685,827
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**5,042,073**	(2,242,997)	6,689,122
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**8,188**	14,810	74,677
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**11,628,627**	13,856,814	7,093,015
CASH AND CASH EQUIVALENTS AT END OF YEAR	**₱16,678,888**	₱11,628,627	₱13,856,814

See accompanying Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Number of Shares, Earnings Per Share Value and Unless Otherwise Specified)

1. General Information

Monde Nissin Corporation (the Parent Company or MNC) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 23, 1979 primarily to engage in manufacturing, processing, baking, packaging, servicing, repacking, assembling, importing, exporting, buying, selling, trading or otherwise dealing in all kinds of goods, wares and merchandises, which are or may become articles of commerce such as but not limited to noodles, candies, confectionaries, biscuits, cakes and other foods, drugs and cosmetics. In furtherance of said primary purpose, it is authorized to guarantee obligations of and act as surety for the loans and obligations of its subsidiaries and affiliates and/or to secure the same by mortgage, pledge of any assets of MNC as may be authorized by its Board of Directors (BOD), provided MNC does not operate as a lending or financing company. The Parent Company and its subsidiaries are collectively referred to as the "Group" (see Note 4).

On March 1, 2021, at least a majority of the members of the BOD of the Parent Company and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company approved certain amendments to the Parent Company's Articles of Incorporation (AOI) including the following: (a) include "noodles" in the articles of commerce that the Parent Company may manufacture, process, service, package, re-package, import, export, buy, sell, trade, or otherwise deal in; (b) amend the term of corporate existence from 50 years to a "perpetual corporate term unless the SEC issues a certificate providing otherwise"; (c) increase the number of directors of the Parent Company from 7 to 9; and (d) amend the authorized number of shares to 20,400,000,000 common shares with a par value of ₱0.50 per share from the par value of ₱1.00 per share.co These amendments in the Parent Company's AOI were approved by the SEC on April 7, 2021.

On April 20, 2021 and April 21, 2021, the SEC and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Parent Company for the listing of up to 17,968,611,496 common shares on the Main Board of the PSE.

On June 1, 2021, the Parent Company completed its IPO and was listed in the PSE under the stock symbol "Monde". As a public company, it is covered by the Revised Securities Regulation Code (SRC) Rule 68.

The Parent Company's principal place of business is at Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna.

The consolidated financial statements were reviewed and recommended for approval by the Audit Committee on April 10, 2024. On the same date, the BOD also approved and authorized the issuance of the consolidated financial statements.

2. Basis of Preparation and Material Accounting Policy Information

Basis of Preparation

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Group's functional and presentation currency. All values are rounded to the nearest thousands, except when otherwise indicated.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective starting 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

In 2023, the Group adopted the Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies.*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group applied the materiality guidance in its 2023 accounting policy disclosures.

Basis of Consolidation and Non-controlling Interests
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at December 31 each year and for the years then ended. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the owners of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interest acquired is recognized as part of "Equity reserve" account in the equity attributable to the equity holders of the Parent Company.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interests and other components of equity while any resulting gain or loss is recognized in profit or loss. Any investment retained is recognized at fair value.

Non-controlling Interests. Non-controlling interests represent the portion of profit or loss and OCI and the net assets not held by the Parent Company and are presented separately in the consolidated statement of financial position, separately from equity attributable to equity holders of the Parent Company.

Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence, generally ownership of 20% to 49%. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, investments in associates and joint ventures are initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor tested for impairment separately.

The consolidated profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate or joint venture, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The Group's share of profit or loss of an associate or joint venture is shown on the consolidated profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture. If the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the entity has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognizes the loss as "Share in net earnings (losses) of associates and joint venture" in profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

   Initial Recognition and Measurement. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVOCI, and FVTPL.

   The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.

   In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cashflows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement. For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at FVTPL

The financial assets of the Group as at December 31, 2023 and 2022 consist of financial assets at amortized cost, financial assets at FVTPL and financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortized cost (debt instruments)
Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, trade and other receivables, loans receivable recorded under the "Current financial assets" account in the consolidated statement of financial position in 2023, noncurrent receivables and advances to employees recorded under "other noncurrent assets" in the consolidated statement of financial position.

Financial assets at FVTPL
Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognize in the consolidated statement of profit and loss.

The category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

Impairment of Financial Assets. The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cashflows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables in default when contractual payment are 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Trade receivables are written off when there is no reasonable expectation of recovery.

For other financial assets such as nontrade receivables and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk (SICR) since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been SICR since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from reputable credit rating agencies to determine whether the debt instrument has SICR and to estimate ECLs.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a SICR for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed SICR since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

Staging assessment
PFRS 9 establishes a three-stage approach for impairment of financial assets, based on whether there has been SICR of a financial asset. Three stages then determine the amount of impairment to be recognized.

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced SICR since initial recognition. Entities are required to recognize 12-month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of default occurring on the financial instrument as at the reporting date, with the risk of default occurring on the financial instrument at the date of initial recognition.

- Stage 2 is comprised of all non-financial instruments which have experienced SICR since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer SICR since initial recognition, then entities shall revert to recognizing 12-month ECL.

- Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with negative impact on the estimated future cash flows of a financial instrument or portfolio of financial instruments. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

b. Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent Measurement. The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied.

This category applies to the Group's derivative liabilities.

Financial liabilities at amortized cost (loans and borrowings)
After initial measurement, other financial liabilities are measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the acquisition and fees or costs that are an integral part of the EIR. Gains and losses are recognized in profit or loss when other financial liabilities are derecognized, as well as through the EIR amortization process.

This category applies to the Group's accounts payable and other current liabilities (excluding statutory payables), acceptance and trust receipts payable and loans payable.

Exchange or modification of financial liabilities. The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

<u>Embedded derivatives</u>
An embedded derivative is a component of a hybrid contract that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

An embedded derivative within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as either at amortized cost or at FVTPL depending on whether the cash flows of the hybrid contract are solely payments of principal and interest and the assessment of the business model within which the financial asset is held.

The Group has structured deposits and dual currency investments that fail the SPPI test and are recognized as financial assets at FVTPL.

<u>Derivative Financial Instruments and Hedge Accounting</u>
The Group engages in derivative transactions such as structured deposit, dual currency investment, guaranty asset, cross currency swaps (CCS) and European Knockout Option (EKO) to manage its foreign currency, interest rate and other financial risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets where their fair value is positive and as liabilities when their fair value is negative.

The Group applies hedge accounting for transactions that meet specified criteria. At inception of the hedge relationship, the Group formally designates and documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the risk management objective and strategy for undertaking the hedge and how the Group will assess whether the hedging relationship meets the effectiveness requirements (including analysis of the sources of ineffectiveness and how the hedge ratio is determined) that will be used to assess the effectiveness of the hedging relationship at inception and on an ongoing basis.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is "an economic relationship" between the hedged item and the hedging instrument.
- The effect of credit risk does not "dominate the value changes" that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity hedged item.

Cashflow hedges. Under a cashflow hedge, the effective portion of the gain or loss on the hedging instrument is recognized in the cashflow hedge reserve in OCI, while any ineffective portion is recognized immediately in profit or loss. The cashflow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or the carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in the OCI for the period. For any other cashflow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cashflows offset profit or loss.

Hedges of a net investment. Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognized as OCI, while any gains or losses relating to the ineffective portion are recognized in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the consolidated statement of comprehensive income.

Guaranty Asset. The fair value of the guaranty asset at initial recognition is determined using Monte Carlo Simulation as the option pricing model. As the transaction is between entities under common control, the difference in fair value on the initial recognition of the guaranty asset is accounted for as an equity transaction, i.e., as a contribution of equity, recognized in equity under "Equity Reserve". Any subsequent changes in the fair value of the guaranty asset are recognized in profit or loss.

<u>Inventories</u>
Inventories are valued at the lower of cost and net realizable value (NRV).

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials and packaging materials – purchase cost on a first-in, first-out basis;
- In-transit – purchase cost;
- Finished goods and work in-process – cost of direct materials, labor and a proportion of manufacturing overhead costs based on normal operating capacity and determined based on weighted average method.

NRV for finished goods, work in-process and in-transit inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. NRV for raw materials and packaging materials is the current replacement cost.

Prepayments and Other Current Assets

Input Value-added Tax (VAT). Input VAT represents VAT imposed on the Group by its suppliers and contractors for the acquisition of goods and services required under the tax laws and regulations. Input VAT is recognized as an asset and will be used to offset against the Group's current output VAT liabilities. Input VAT is stated at its recoverable amount.

Deferred input VAT represents the input VAT related to the unpaid portion of the cost of services and unamortized input VAT related to acquisitions of capital goods.

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the consolidated statement of financial position.

Property, Plant and Equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and any accumulated impairment losses. The initial cost of property, plant and equipment, consists of its purchase price including import duties and other costs directly attributable in bringing the asset to its working condition and location for its intended use. Cost also includes the cost of replacing the part of such property, plant and equipment when the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when major inspection is performed, its cost is recognized in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Land improvements	20 years
Buildings and improvements	10–25 years
Right-of-use (ROU) assets	20-25 years or term of lease, whichever is shorter
Leasehold improvements	20 years or term of the lease, whichever is shorter
Plant machinery and fixtures	5–50 years
Office furniture and equipment	3–5 years
Transportation equipment	4–5 years
Computer and communications equipment	3 years

The useful life of each of the Group's property, plant and equipment is estimated based on the period over which the asset is expected to be available for use. Such estimation is based on a collective assessment of industry practice and experience with similar assets. The property, plant and equipment's residual values, useful lives and depreciation and amortization methods are reviewed at each reporting period, and adjusted prospectively, if appropriate.

Machineries-under-installation and construction in-progress represent properties under construction and are stated at cost, net of accumulated impairment losses if any. These include cost of construction and other direct costs. Machineries-under-installation and construction in-progress are not depreciated until such time that the relevant assets are completed and put into operational use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

Fully depreciated property, plant and equipment are retained in the accounts until these are no longer in use.

The Group classifies ROU assets as part of property, plant and equipment. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received, and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and lease term. ROU assets are subject to impairment.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as of the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized using the straight-line method over the following useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired:

Distribution rights	20 years
License	10 years
Trademarks	7–10 years
Software	3–10 years

The amortization period and method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Impairment of Nonfinancial Assets
The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. The recoverable amount is the higher of an asset or CGU's fair value less costs of disposal (FVLCD) and its value in use (VIU). The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

In determining FVLCD, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Any impairment loss is recognized in profit or loss in the expense category consistent with the function of the impaired asset.

For assets excluding goodwill and brand with indefinite useful life, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment have been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Goodwill and brand with indefinite life is tested for impairment annually as at December 31, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually as at December 31, either individually or at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as Lessee. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets. The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Revenue Recognition
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has assessed and concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to the customer.

Sale of Goods. Revenue from sale of goods is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

- *Variable Consideration*. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of the Group's goods provide customers with a right of return within a specified period. The rights of return give rise to variable consideration.

- *Rights of Return*. The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price). A right of return asset is also recognized for the right to recover the goods from the customer.

- *Sales discount.* The Group's contracts with customers generally provide customers with discounts (presented as deduction from "Sales"). The Group uses most likely amount method to estimate the amount of expected future rebates for distribution discounts. A refund liability is recognized for the expected future sales discount (i.e., the amount not included in the transaction price).

- *Consideration payable to customers.* Consideration payable to a customer includes cash amounts that the Group pays, or expects to pay, to the customers (e.g., slotting fees, electronic data interchange (EDI) subscription, dealer support). The consideration payable to a customer is accounted as a reduction of the transaction price unless the payment to the customer is in exchange for a distinct goods or services that the customer transfers to the Group.

Refund liabilities. A refund liability is recognized for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Group's refund liabilities arise from its customers' right of return and sales discount. The liability is measured at the amount the Group ultimately expects it will have to return to the customer and distribution discounts to be granted. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Cost and Expense Recognition

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Cost of goods sold, sales, general and administrative expenses and interest expense are recognized in profit or loss in the period these are incurred.

Foreign Currency Translations

The consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All subsidiaries and associates evaluate their primary economic and operating environment and, determine their functional currency and items included in the financial statements of each entity are initially measured using that functional currency.

Transactions and Balances. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rate prevailing on the period of the transaction.

Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rate of exchange prevailing at the financial reporting date.

All differences are recognized in the consolidated statement of comprehensive income with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized in OCI until the investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on these monetary items are also recognized in OCI.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

Group Companies. The Philippine peso is the currency of the primary economic environment in which the Parent Company and all other subsidiaries and associates operate, except for the following:

	Functional Currency
Subsidiaries:	
Monde Nissin Singapore Pte Ltd (MNSPL)	Pound Sterling
Monde Nissin (UK) Limited (MNUKL)	Pound Sterling
Marlow Foods Limited (MFL)	Pound Sterling
Quorn Smart Life GmbH	European Euro
Quorn Foods Inc	United States Dollar
Cauldron Foods Ltd	Pound Sterling
Quorn Foods Ltd	Pound Sterling
Quorn Foods Sweden AB	Swedish Krona
Monde Nissin New Zealand Limited (MNNZ)	New Zealand Dollar
Monde Nissin Holding (Thailand) Limited (MNHTL)	Thai Baht
Monexco International Limited (MIL)	Thai Baht
Monde Nissin (Thailand) Company Limited (MNTH)	Thai Baht
Monde Nissin International Investments Ltd (MNIIL)	United States Dollar

The financial statements of the consolidated subsidiaries and associates with functional currency other than the Philippine peso are translated to Philippine peso as follows:

- Assets and liabilities using the spot rate of exchange prevailing at the financial reporting date;
- Components of equity using historical exchange rates; and
- Income and expenses using the monthly weighted average exchange rate.

The exchange differences arising on the translation are recognized as other comprehensive income (loss). Upon disposal of any of these subsidiaries and associates, the deferred cumulative amount recognized in "Cumulative translation adjustments" relating to that particular subsidiary will be reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Employee Benefits
Defined Benefit Plan. The net defined benefit liability is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuary.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not re-classified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Income Taxes
Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of reporting period.

Current income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax. Deferred tax is provided using the liability method on temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Earnings (loss) per share (EPS)
Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent Company (after adjusting for interest on the convertible note) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Provisions
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as interest expense. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contact, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

Events after Reporting Period
Post year-end events that provide additional information about the Group's financial position at the end of reporting period (adjusting events), if any, are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to consolidated financial statements when material.

3. Material Accounting Judgments, Estimates and Assumptions

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, costs and expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have the most material effect on the amounts recognized in the consolidated financial statements:

Revenue recognition on sale of goods. Revenue recognition under PFRS 15 involves the application of significant judgment and estimation in the: (a) identification of the contract for sale of goods that would meet the requirements of PFRS 15; (b) assessment of performance obligation and the probability that the entity will collect the consideration from the buyer; (c) determining method to estimate variable consideration and assessing the constraint; and (d) recognition of revenue as the Group satisfies the performance obligation.

a. *Existence of a contract*
The Group enters into a contract with customer through an approved purchase order which constitutes a valid contract as specific details such as the quantity, price, contract terms and their respective obligations are clearly identified. In the case of sales to key accounts and distributors, the combined approved purchase order and trading terms agreement/exclusive distributorship agreement constitute a valid contract.

b. *Identifying performance obligation*
The Group identifies performance obligations by considering whether the promised goods in the contract are distinct goods. A good is distinct when the customer can benefit from the good on its own or together with other resources that are readily available to the customer and the Group's promise to transfer the good to the customer is separately identifiable from the other promises in the contract.

Based on management assessment, other than the sale of goods, no other performance obligations were identified.

c. *Recognition of revenue as the Group satisfies the performance obligation*
The Group recognizes its revenue for all revenue streams at a point in time, when the customer obtains control of the promised goods or when the goods are sold and delivered.

d. *Determining method to estimate variable consideration and assessing the constraint*
The Group's contracts with customers include a right of return and sales discounts that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

The Group determined that the expected value method is the appropriate method to use in estimating the variable consideration for the revenue with rights of return, given the large number of customer contracts that have similar characteristics. In estimating the variable consideration for sales discounts, the Group determined that using the most likely amount method is appropriate, given that these contracts have single volume threshold.

Before including any amount of variable consideration in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Determination of lease term of contracts with renewal and termination options – Group as a lessee.
The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group expects to exercise its right to renew the lease of real estate properties where its facilities are located; hence, has included the renewal period as part of the lease term.

Assessing Useful Life of Brand. Brand pertains to the distinctive name of the businesses acquired by the Group to promote its products from those other entities (see Note 13).

Based on the Group's analysis of all the relevant factors on brand, there is no foreseeable limit to the period over which the business is expected to generate net cash inflows for the Group and therefore, these were assessed to have an indefinite life.

Presentation of Day 1 Adjustment on Guaranty Asset. The guaranty asset is a transaction between entities under common control since the parties to the transaction are controlled by the same shareholders. As a result, the Day 1 adjustment is recognized in equity under "Equity Reserve", with the subsequent changes in the fair value recognized in profit or loss (see Notes 10 and 26).

<u>Estimates and Assumptions</u>
The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities are discussed below. The Group based its estimates and assumptions on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the Group's control. Such changes are reflected in the assumptions when they occur.

Impairment of Non-Financial Assets. The Group performs impairment review of non-financial assets with indefinite useful life (goodwill, brand and trademark) on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the VIU of the CGUs to which goodwill is allocated. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset flows. The impairment on the trademark and license is determined by comparing: (a) the carrying amount of the CGU; and (b) the present value of the annual projected cash flows for five years and terminal value computed under the discounted cash flow method. The recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections which were based on financial budgets approved by senior management of the Group covering a five-year period. VIU is most sensitive to changes in growth rates and discount rates. These estimates are most relevant to goodwill and other intangible assets with indefinite useful lives recognized by the Group.

With regards to the assessment of VIU, management believes that no reasonably possible change in any of the key assumptions would result to a materially different calculation.

Impairment exists when carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of FVLCD and its VIU.

a. *Goodwill and Brand.* An impairment was made following a review of the performance of the business of MNUKL, its future expectations and overall economic conditions. The Group determined that the recoverable amount of the Group's intangible assets in MNUKL is based on VIU calculation using cash flow projection from financial budgets approved by management covering a 5-year period:

   - *Revenue growth* – Sales revenue is assumed to increase an average of 4.30% each year from 2024 to 2028, an average of 5.60% each year from 2023 to 2027 and an average of 14.80% each year from 2022 to 2026.

- *Long-term growth rate* – The long-term growth rate used was 2.00% in 2023, 2022 and 2021, and is based on published industry research.

- *Discount rate* – The pre-tax discount rate, which is derived from MNUKL's weighted average cost of capital (WACC), is 10.10% in 2023, 8.88% in 2022, and 7.34% in 2021, based on the strength of the brand and the risk profile of the industry.

EBITDA was estimated taking into account past experience adjusted by the revenue growth. Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years.

Based on the assumptions above, MNUKL recognized impairment loss on goodwill and brand amounting to ₱6,172.5 million in 2023 and ₱20,544.1 million in 2022. Information on the Group's goodwill and brand is disclosed in Note 13.

b. *Property, plant and equipment*

i. *Parent Company.* The Parent Company determined that the actual performance of certain property, plant and equipment in MNC below the estimated or planned outputs is an indicator of impairment resulting to additional impairment loss of ₱30.7 million in 2023, ₱205.9 million in 2022 and ₱52.4 million in 2021.

In 2023, management reassessed the recoverable amount of the Parent Company's property plant and equipment as a result of significant favorable change in the market which increased the demand for its cake products.

The Parent Company estimated the assets' recoverable amount based on VIU calculation using cash flow projection from financial budgets approved by management covering a 10-year period. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing:

- *Compound annual growth rate (CAGR)* – the CAGR used was 5.2% based on volume demand.

- *Discount rate* – the pre-tax discount rate, which is derived from Parent Company's WACC, is 9.63% based weight of debt and equity for the food industry.

Based on the assumptions above, Parent Company reversed accumulated impairment loss in 2023 amounting to ₱124.1 million. Further details are disclosed in Note 12.

ii. *MNUKL.* For property, plant and equipment in MNUKL, the recoverable amount of its asset was based on VIU calculation using cash flow projection from financial budgets approved by management covering a 5-year period, which is consistent with the estimated useful life of the property, plant and equipment. The key assumptions employed in the impairment assessment of property, plant and equipment are identical to those used for goodwill and brand in the CGU. The deterioration in the discount rate and projected capacity requirements resulted to additional impairment loss recognized amounting to ₱7,187.9 million in 2023, ₱620.0 million in 2022 and ₱283.7 million in 2021. Further details are disclosed in Note 12.

iii. *MNTH.* In 2021, management reassessed the recoverable amount of MNTH's buildings and plant machinery and fixtures as a result of business turnaround of biscuit operations from operating loss to operating profit.

The Group estimated the assets' recoverable amount based on VIU calculation using cash flow projection from financial budgets approved by management covering a 5-year period. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing:

- *Long-term growth rate* – the long-term growth rate used was 1.00% based on published industry research.

- *Discount rate* – the pre-tax discount rate, which is derived from MNTH's WACC, is 8.81% based weight of debt and equity for food industry under emerging market.

As a result in 2021, MNTH reversed previous accumulated impairment loss amounting to ₱113.0 million. Further details are disclosed in Note 12.

Based on these assessments, the Group recognized net impairment loss amounting to ₱7,094.5 million in 2023, ₱825.9 million in 2022 and ₱223.1 million in 2021 (see Notes 12 and 20). Information on the Group's property, plant and equipment is disclosed in Note 12.

c. *Investments in associates and joint ventures.* The Group assesses impairment of investments in associates and joint ventures whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The factors that the Group considers important, which could trigger an impairment review include the following:

- A downgrade of an associate's or joint venture's credit rating or a decline in the fair value of the associate or joint venture in consideration of other available information
- Significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the associate or joint venture operates

The Group determined that the negative results of operations and cashflow projections of the associates and joint ventures are impairment indicators of its investment in WHATIF F&I Pte. Ltd., YCE Group Pte Ltd, Honey Droplet Hong Kong and Monde Malee Beverage Corporation (MMBC).

The Group determined that the recoverable amount of its investments in WHATIF F&I Pte. Ltd., YCE Group Pte Ltd, Honey Droplet Hong Kong and MMBC is its FVLCD. The Group determined that the carrying amount of its investments in WHATIF F&I Pte. Ltd., YCE Group Pte Ltd, Honey Droplet Hong Kong and MMBC were no longer recoverable due to the current and forecasted performance of the entities.

Based on the assumptions above, the Group's investment in WHATIF F&I Pte. Ltd., YCE Group Pte Ltd, and Honey Droplet Hong Kong have been fully impaired as at December 31, 2023 and 2022. The Group recognized additional impairment loss amounting to ₱1.1 million in 2022 on its investment in MMBC. Accumulated impairment over these investments amounted to ₱622.3 million as at December 31, 2023 and 2022. Information on the Group's investments in associates and joint ventures and related impairment loss recognized are disclosed in Notes 11 and 20.

Fair Value of Guaranty Asset. The fair value of guaranty asset recognized as of December 31, 2023 is determined using Monte Carlo Simulation as the option pricing model. The inputs to the model such as the forecasted price of the shares serving as collateral over the guaranty, VIU of MNUKL and foreign exchange rates are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The Group's guaranty asset is accounted for as a derivative instrument in accordance with PFRS 9.

See Notes 10 and 26 for further disclosures.

Fair Value of Financial Instruments. The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Assessment for ECL on Other Financial Assets at Amortized Cost. The Group determines the allowance for ECL using general approach based on the probability-weighted estimate of the present value of all cash shortfalls over the expected life of financial assets at amortized cost. ECL is provided for credit losses that result from possible default events within the next 12-months unless there has been SICR since initial recognition in which case ECL is provided based on lifetime ECL.

When determining if there has been a significant increase in credit risk, the Group considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- Actual or expected external and internal credit rating downgrade;
- Existing or forecasted adverse changes in business, financial or economic conditions; and,
- Actual or expected significant adverse changes in the operating results of the borrower.

The Group also considers financial assets that are more than 90 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent a significant risk in credit risk such as when non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower.

Information on the Group's ECL on other financial assets at amortized cost is disclosed in Notes 6 and 9.

Leases – Estimating the incremental borrowing rate (IBR). The Group cannot readily determine the interest rate implicit in the lease; therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Information on the Group's lease liabilities is disclosed in Note 25.

Estimation of Pension and Other Benefits Costs. The cost of defined benefit pension plans and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include determining the discount rates, future salary increases, mortality rates, and future pension increases. Due to the complexity of the valuation, the underlying assumptions, and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of Philippine government bonds with terms consistent with the expected employee benefit payout as of reporting date.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

As at December 31, 2023 and 2022, the balance of the Group's present value of defined benefit obligations and other benefits is shown in Note 22 to the consolidated financial statements.

Recognition of Deferred Taxes. The Group's assessment on the recognition of deferred tax assets on nondeductible temporary differences is based on the forecasted taxable income of the following reporting periods over which the deductible temporary differences can be utilized. This forecast is based on the Group's past results and future expectations on revenues and expenses.

Information on the Group's recognized and unrecognized deferred tax assets are disclosed in Note 24.

<u>Provisions</u>
Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pretax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provisions due to the passage of time is recognized as interest expense. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contact, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss net of any reimbursement.

4. Subsidiaries, Significant Acquisitions and Disposals, and Segment Information

The consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries, which are prepared for the same reporting period as at December 31, 2023 and 2022, as set out below:

			Percentage of Ownership			
		Country of	**2023**		2022	
Subsidiaries	Principal Activity	Incorporation	**Direct**	**Indirect**	Direct	Indirect
MNSPL	Investment/sales	Singapore	**100.00**	–	100.00	–
MNUKL	Investment holding	United Kingdom	–	**100.00**	–	100.00
Marlow Foods Limited	Manufacturing, Sales, and Marketing	United Kingdom	–	**100.00**	–	100.00
Quorn Smart Life GmbH	Sales, and Marketing	Germany	–	**100.00**	–	100.00
Quorn Foods Inc	Sales, and Marketing	United States of America	–	**100.00**	–	100.00
Cauldron Foods Ltd*	Sales, and Marketing	United Kingdom	–	**100.00**	–	100.00
Quorn Foods Sweden	Sales, and Marketing	Sweden	–	**100.00**	–	100.00
MNNZ	Distribution of food related goods	New Zealand	–	**100.00**	–	100.00
MNHTL**	Investment company	Thailand	–	**6.54**	–	6.54
MIL	Manufacture of seasonings	Thailand	–	**100.00**	–	100.00
MNTH**	Manufacture and distribution of bread and cookies	Thailand	–	**56.43**	–	56.43
MNIIL	Investment company	British Virgin Islands	**100.00**	–	100.00	–
MNHTL**	Investment company	Thailand	–	**93.46**	–	93.46
MNTH**	Manufacture and distribution of bread and cookies	Thailand	–	**43.57**	–	43.57
KBT International Holdings, Inc. (KBT)	Investment company	Philippines	**100.00**	–	95.69	–
MNAC*	Manufacture, process, and distribution of industrial coconut and agricultural products	Philippines	**90.91**	–	90.91	–
SFC	Manufacture and process of bread	Philippines	**80.00**	–	80.00	–
All Fit & Popular Foods Inc. (AFPFI)	Manufacturing, importing, exporting, selling and distribution of breads; Purchasing or registering intellectual properties	Philippines	–	**80.00**	–	80.00
Monde M.Y. San Corporation (MMYSC)	Manufacture, process, and export of biscuits	Philippines	**100.00**	–	100.00	–

**Dormant*
***The Group effectively owns 100%*

The Group has direct and indirect ownership interests in associates and joint ventures which are further discussed in Note 11.

a. Subsidiaries

i. MNSPL

In May 2020, the BOD approved the reduction in its share capital in MNSPL by 113,000,000 shares in the amount of ₱2,810.9 million (GBP43.8 million). As a result, the Parent

Company's shares in MNSPL were reduced from 587,250,257 shares to 474,250,257 shares. MNSPL repatriated a portion of its capital to the Parent Company amounting to ₱2,465.7 million (GBP38.8 million) in 2020. The outstanding balance of ₱345.2 million (GBP5.0 million) was repatriated to the Parent Company in September 2021.

On September 20, 2021, the BOD approved to subscribe additional 42,924,533 ordinary shares of MNSPL at an aggregate subscription price of ₱3,121.4 million (GBP45.0 million) payable in several tranches on or before March 31, 2022.

On the following dates, the Parent Company paid for the following:

Payment date	No. of shares	Amount in GBP	Amount in PHP
	(In Thousands, Except No. of Shares)		
September 24, 2021	3,924,533	£6,000	₱410,238
October 12, 2021	9,000,000	9,000	624,139
November 15, 2021	6,000,000	6,000	409,318
December 31, 2021	12,000,000	12,000	826,969
February 14, 2022	6,000,000	6,000	421,430
March 14, 2022	6,000,000	6,000	429,259

On August 9, 2022, the BOD approved to subscribe additional 30,000,000 ordinary shares of MNSPL at an aggregate subscription price of ₱2,048.2 million (GBP30.0 million) payable in five equal tranches on or before December 16, 2022. On the following dates, the Parent Company paid for the following:

Payment date	No. of shares	Amount in GBP	Amount in PHP
	(In Thousands, Except No. of Shares)		
August 23, 2022	6,000,000	£6,000	₱402,419
September 21, 2022	6,000,000	6,000	404,889
October 19, 2022	6,000,000	6,000	413,430
November 17, 2022	6,000,000	6,000	413,144
December 14, 2022	6,000,000	6,000	414,320

In 2023, MNC's BOD approved to subscribe additional ordinary shares of MNSPL payable in several tranches.

Approval date	Payment date	No. of shares	Amount in GBP	Amount in PHP
		(In Thousands, Except No. of shares)		
May 10, 2023	May 15, 2023	23,000,000	£23,000	₱1,606,083
May 10, 2023	June 23, 2023	2,000,000	2,000	141,992
May 10, 2023	July 11, 2023	7,500,000	7,500	535,344
May 10, 2023	July 19, 2023	7,500,000	7,500	534,219
August 9, 2023	August 21, 2023	3,956,735	3,957	286,070
August 9, 2023	August 22, 2023	7,227,500	7,227	518,365
August 9, 2023	September 1, 2023	4,815,765	4,816	345,483
September 22, 2023	In one or several tranches, on or before April 30, 2024	4,000,000	4,000	284,475

ii. MNTH

On November 14, 2014, MMYSC subscribed 250,000 shares of the 2,500,000 shares to retain its 10.00% ownership interest in MNTH and MIL subscribed 2,250,000 shares of the 2,500,000 shares to increase its ownership interest from 30.00% to 38.57%. As a result, the Parent Company's direct ownership interest in MNTH decreased from 45.33% in 2013 to 38.86% in 2014 while the Parent Company's indirect ownership interest in MNTH increased from 36.00% in 2013 to 44.57% in 2014. The Parent Company recognized equity reserve from this transaction amounting to ₱99.6 million (see Note 18).

On July 11, 2018, the Parent Company and Monde Asia Pacific Co., Ltd., entered into a Deed of Absolute Sale of Shares (Agreement) wherein Monde Asia Pacific Co., Ltd., agreed to transfer its 12.57% ownership interest in MNTH to the Parent Company in exchange for THB1. As a result of this transaction, the Group owned 100% of the outstanding shares of MNTH. The Parent Company recognized equity reserve from this transaction amounting to ₱15.8 million (see Note 18).

In 2019, the Board of Directors of MNTH approved the increase in the authorized capital of MNTH from THB1,750.0 million (17,500,000 shares) to THB3,100.0 million (31,000,000 shares). MNIIL subscribed to the newly issued 13,500,000 shares which resulted to a 43.60% ownership interest in MNTH. Ownership interest of MNSPL was reduced to 56.40%.

In 2022, the Board of Directors of MNTH approved the increase in the authorized capital of MNTH from THB3,100.0 million (31,000,000 shares) to THB3,102.0 million (31,020,000 shares). MNSPL subscribed to the newly issued 20,000 shares which resulted to 56.43% ownership interest in MNTH. Ownership interest of MNIIL was reduced to 43.57%.

iii. KBT

In 2017, the Parent Company made additional investments in KBT amounting to ₱28.0 million. As a result of this transaction, the ownership interest of the Parent Company in KBT increased from 91.66% in 2017 to 95.69% in 2018. The Parent Company recognized equity reserve from this transaction amounting to ₱33.4 million (see Note 18).

In November 2023, the Parent Company purchased from the minority shareholders of KBT a total of 99,995 common shares of KBT representing 4.31% of the outstanding capital stock. This increased the Parent Company's ownership interest from 95.69% in 2022 to 100.00% in 2023. This resulted in the reduction of the Group's non-controlling interest related to KBT amounting of ₱42.3 million and increase in equity reserve of ₱10.0 million (see Note 18).

iv. MNAC

On June 10, 2016, the Parent Company and Agricology Group Philippines, Inc. (AGPI) entered into an agreement wherein AGPI agreed to subscribe to 73,422 Common Class B shares of MNAC, which has a par value or subscription price of ₱7.3 million. Also, under the agreement, the Parent Company agreed to donate to AGPI ₱7.3 million so that AGPI can pay for the subscription price of the shares. As a result of this transaction, the ownership interest of the Parent Company in MNAC was reduced to 90.91%. The Parent Company recognized its share of the equity reserve from this transaction amounting to ₱7.7 million (see Note 18).

On November 26, 2016, the BOD of MNAC approved the cessation of MNAC's business operations effective January 1, 2017.

v. SFC

In 2019, the Parent Company agreed to sell its 20% ownership interest in SFC to MNSG Holdings Pte. Ltd. in exchange for ₱48.0 million.

The Group has elected to measure the non-controlling interests in the acquiree at the proportionate share of the value of the net identifiable assets acquired.

vi. MMYSC

On January 28, 2021, the Parent Company purchased from My Crackers, Inc. (MCI) the latter's 4,500,000 common shares in MMYSC representing 40% of the outstanding capital stock of MMYSC for ₱1,822.5 million. This increased the Parent Company's ownership interest from 60% in 2020 to 100% in 2021. This resulted in the reduction of the Group's non-controlling interest related to MMYSC amounting of ₱1,289.9 million and increase in equity reserve of ₱532.6 million in 2021 (see Note 18).

vii. MNUKL

On August 23, 2022, MNSPL's BOD approved to subscribe additional 30,000,000 ordinary shares of MNUK at an aggregate subscription price of ₱2,023.2 million (GBP30.0 million) payable in five equal tranches up to December 16, 2022. On the following dates, MNSPL paid the following:

Payment date	Amount in GBP
August 30, 2022	£6,000
September 23, 2022	6,000
October 21, 2022	6,000
November 21, 2022	6,000
December 16, 2022	6,000

On the same date, MNSPL's BOD approved the proposed repayment and refinancing through debt-to equity conversion of the loan, including accrued interests, by MNUKL amounting to ₱16,109.2 million (GBP 238.9 million). As a result of this transaction, MNUKL issued additional 238,869,277 ordinary shares of GBP 1 each or a total subscription price of ₱ 16,109.2 million (GBP 238.9 million).

In 2023, MNSPL's BOD approved to subscribe additional ordinary shares of MNUK payable in several tranches.

Approval date	Payment date	No. of shares	Amount in GBP
May 10, 2023	May 15, 2023	23,000,000	£23,000
May 10, 2023	July 25, 2023	17,000,000	17,000
August 9, 2023	September 6, 2023	16,000,000	16,000
September 22, 2023	In one or several tranches, on or before April 30, 2024	4,000,000	4,000

On November 23, 2023, MNSPL's BOD approved the proposed repayment and refinancing through debt-to equity conversion of the loan, including accrued interests, by MNUKL amounting to ₱9,792.3 million (GBP 138.7 million). As a result of this transaction, MNUKL issued additional 138,694,817 ordinary shares of GBP 1 each or a total subscription price of ₱9,792.3 million (GBP 138.7 million).

b. Segment Information

For management purposes, the Group is organized into business units based on its products and has 2 reportable segments, as follows:

- Asia-Pacific Branded Food & Beverage (APAC BFB) manufactures and distributes a diverse mix of biscuits, bakery products, beverages, instant noodles and pasta.
- Meat Alternative manufacturers and distributes a variety of meat alternative brands and products to the retail trade and food service customers in the UK, US, Europe and Asia-Pacific.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Executive Officer is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The following tables present the financial information of each of the operating segments in accordance with PFRSs. Inter-segment revenues, and finance income and expenses are eliminated upon consolidation and reflected in the "Eliminations" column.

	2023			
	APAC BFB	**Meat Alternative**	**Eliminations**	**Consolidated**
Net sales	**₱65,941,954**	**₱14,237,274**	**(₱9,761)**	**₱80,169,467**
Costs and expenses	**(52,705,540)**	**(14,786,759)**	**9,761**	**(67,482,538)**
Depreciation and amortization	**(1,969,099)**	**(802,867)**	**–**	**(2,771,966)**
Finance income	**984,616**	**33,365**	**(569,034)**	**448,947**
Finance expense	**(267,460)**	**(982,933)**	**569,034**	**(681,359)**
Gain on change in FV of guaranty asset	**–**	**1,301,750**	**–**	**1,301,750**
Foreign exchange gain (loss) - net	**60,563**	**19,843**	**–**	**80,406**
Impairment loss	**11,642,182**	**(13,360,310)**	**(11,553,526)**	**(13,271,654)**
Share in profit of associates and joint venture	**35,552**	**–**	**–**	**35,552**
Other income (expense)	**294,086**	**30,179**	**–**	**324,265**
Income before income tax	**24,016,854**	**(14,310,458)**	**(11,553,526)**	**(1,847,130)**
Provision for income tax	**2,764,440**	**(3,984,992)**	**–**	**(1,220,552)**
Net income	**₱21,252,414**	**(₱10,325,466)**	**(₱11,553,526)**	**(₱626,578)**
Other information				
Total assets	**₱76,183,132**	**₱21,237,872**	**(₱13,326,345)**	**₱84,094,659**
Total liabilities	**₱17,862,388**	**₱7,763,027**	**(₱29,144)**	**₱25,596,271**
Investment in associates and joint venture	**₱1,125,054**	**₱–**	**₱–**	**₱1,125,054**
Capital expenditures	**₱2,610,336**	**₱1,030,934**	**₱–**	**₱3,641,270**

	2022			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱58,491,069	₱15,423,228	(₱33,588)	₱73,880,709
Costs and expenses	(48,275,301)	(15,056,614)	40,721	(63,291,194)
Depreciation and amortization	(1,958,196)	(755,466)	–	(2,713,662)
Finance income	2,163,225	5,035	(713,273)	1,454,987
Finance expense	(250,337)	(879,461)	713,273	(416,525)
Foreign exchange gain (loss) - net	402,381	19,736	–	422,117
Impairment loss	(23,787,376)	(21,164,137)	23,577,875	(21,373,638)
Share in profit (loss) of associates and joint venture	(12,608)	–	–	(12,608)
Other income (expense)	171,333	51	(7,133)	164,251
Income before income tax	(13,055,810)	(22,407,628)	23,577,875	(11,885,563)

(Forward)

	2022			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Provision for income tax	2,465,240	(1,336,287)	−	1,128,953
Net income	(₱15,521,050)	(₱21,071,341)	₱23,577,875	(₱13,014,516)
Other information				
Total assets	₱89,947,658	₱34,689,207	(₱43,344,492)	₱81,292,373
Total liabilities	₱14,177,754	₱23,683,292	(₱8,839,857)	₱29,021,189
Investment in associates and joint venture	₱1,104,453	₱−	₱−	₱1,104,453
Capital expenditures	₱2,059,006	₱2,373,224	₱−	₱4,432,230

	2021			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱54,039,015	₱15,245,173	₱−	₱69,284,188
Costs and expenses	(43,411,777)	(13,773,475)	−	(57,185,252)
Depreciation and amortization	(1,828,942)	(641,930)	−	(2,470,872)
Finance income	1,338,617	986	(1,256,632)	82,971
Finance expense	(5,350,902)	(1,311,950)	1,256,632	(5,406,220)
Foreign exchange gain (loss) - net	411,859	(1,457)	−	410,402
Impairment loss	60,678	(283,739)	−	(223,061)
Share in profit (loss) of associates and joint venture	36,367	−	−	36,367
Other income (expense)	296,363	−	−	296,363
Income before income tax	5,591,278	(766,392)	−	4,824,886
Provision for income tax	291,025	1,288,736	−	1,579,761
Net income	₱5,300,253	(₱2,055,128)	₱−	₱3,245,125
Other information				
Total assets	₱69,493,886	₱54,170,503	(₱23,806,761)	₱99,857,628
Total liabilities	₱15,139,545	₱40,109,264	(₱23,806,761)	₱31,442,048
Investment in associates and joint venture	₱1,094,087	₱−	₱−	₱1,094,087
Capital expenditures	₱3,399,408	₱1,816,859	₱−	₱5,216,267

Geographic Information

The Group operates in the Philippines, Thailand, New Zealand, Singapore, and the United Kingdom.

The following table shows the distribution of the Group's consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	2023	2022	2021
Domestic	**₱61,587,481**	₱55,017,990	₱50,356,983
Foreign	**18,581,986**	18,862,719	18,927,205
	₱80,169,467	₱73,880,709	₱69,284,188

The Group has no customer which contributes 10% or more of the consolidated revenues of the Group.

The table below shows the Group's carrying amount of non-current assets per geographic location, excluding noncurrent receivables and advances to employees presented under "other noncurrent assets" and deferred tax assets.

	2023	2022
Domestic:		
Property, plant and equipment (Note 12)	**₱17,773,850**	₱16,475,570
Investments in associates and joint ventures (Note 11)	**1,125,054**	1,104,453
Intangible assets (Note 13)	**616,026**	629,633
Other noncurrent assets (Note 14)	**707,548**	783,299
Total	**₱20,222,478**	₱18,992,955

	2023	2022
Foreign:		
Property, plant and equipment (Note 12)	**₱7,381,870**	₱14,387,937
Intangible assets (Note 13)	**8,196,808**	13,853,272
Other noncurrent assets (Note 14)	**143,400**	125,404
	15,722,078	28,366,613
	₱35,944,556	₱47,359,568

5. Cash and Cash Equivalents

	2023	2022
Cash on hand and in banks	**₱4,003,047**	₱3,647,852
Cash equivalents	**12,675,841**	7,980,775
	₱16,678,888	₱11,628,627

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term deposits made for varying periods of one month up to three months depending on the immediate cash requirements and earn interest at the respective short-term deposit rates.

Interest income from cash and cash equivalents amounted to ₱410.1 million in 2023, ₱132.8 million in 2022 and ₱72.2 million in 2021 (see Note 21).

6. Trade and Other Receivables

	2023	2022
Trade receivables:		
Non-related parties	**₱6,367,707**	₱6,701,031
Related parties (Note 23)	–	33,751
Other receivables	**65,963**	103,073
	6,433,670	6,837,855
Allowance for ECL	**23,532**	37,546
	₱6,410,138	₱6,800,309

Trade receivables pertain to receivables from sale of goods which are noninterest-bearing and are generally on 30-60 days' terms.

Movements in the allowance for ECL follow:

	2023	2022
Balance at January 1	**₱37,546**	₱31,372
Provision for ECL (Note 20)	**7,750**	13,308
Write-off	**(22,137)**	(6,886)
Currency translation adjustments	**373**	(248)
Balance at end of period	**₱23,532**	₱37,546

7. Inventories

	2023	2022
At cost:		
In-transit	**₱121,843**	₱125,952
Finished goods	**112,829**	180,689
Packaging and other materials	**16,731**	19,548
Work in-process	**8,333**	8,285
	259,736	334,474
At NRV:		
Finished goods	**3,555,491**	4,151,719
Raw materials	**3,039,201**	3,788,967
Work in-process	**1,508,941**	1,637,029
Packaging and other materials	**823,158**	966,381
	8,926,791	10,544,096
	₱9,186,527	₱10,878,570

The costs of inventories carried at NRV as at December 31 are as follows:

	2023	2022
Finished goods	**₱3,748,267**	₱4,490,304
Raw materials	**3,070,112**	3,877,924
Work in-process	**1,589,899**	1,745,283
Packaging and other materials	**907,658**	1,011,459
	₱9,315,936	₱11,124,970

The Group assessed that the NRV for some inventories is lower than cost. As a result, the Group recognized provision for inventory losses. Movements in the allowance for inventory obsolescence for raw materials and finished goods are as follows:

	2023	2022
Balance at beginning of year	**₱580,874**	₱444,020
Provision	**445,386**	480,008
Write-off	**(659,457)**	(341,881)
Currency translation adjustments	**22,342**	(1,273)
Balance at end of year	**₱389,145**	₱580,874

The cost of inventories recognized under "Cost of goods sold" account amounted to ₱55,441.7 million in 2023, ₱50,920.8 million in 2022 and ₱43,692.8 million in 2021 (see Note 19).

Under the terms of the agreements covering liabilities under trust receipts totaling ₱1,607.3 million, and ₱2,362.3 million as at December 31, 2023 and 2022, respectively, certain inventories which approximate the trust receipts payable, have been released to the Group under trust receipt agreement with the banks. The Group is accountable to these banks for the trusteed merchandise or their sales proceeds (see Note 16).

8. Prepayments and Other Current Assets

	2023	2022
Prepayments	**₱467,587**	₱470,623
Deferred input VAT	**319,256**	274,977
Input VAT	**165,010**	189,139
Creditable withholding tax (CWT) and other credits	**136,834**	314,489
Other current assets	**13,938**	20,035
	1,102,625	1,269,263
Allowance for non-recoverability of other current assets	**(2,951)**	(54)
	₱1,099,674	₱1,269,209

Prepayments pertain to prepayments of freight, insurance, and advertising expenses.

Deferred input VAT represents the input VAT related to the unpaid portion of the cost of services.

Input VAT represents VAT imposed on the Group by its suppliers and contractors for the acquisition of goods and services required under the tax laws and regulations.

Creditable withholding tax represents unapplied certificates which can be used as payment of income tax due in the succeeding years.

9. Current Financial Assets

	2023	2022
Loans receivable:		
Related parties (Note 23)	**₱287,571**	₱277,566
Others	**500,000**	500,000
Financial assets at FVTPL	**2,042,058**	1,756,101
	2,829,629	2,533,667
Allowance for ECL (Note 23)	**(115,266)**	(115,266)
	₱2,714,363	₱2,418,401

	2023	2022
Current portion	**₱2,714,363**	₱1,756,101
Noncurrent portion (Note 27)	**–**	662,300
	₱2,714,363	₱2,418,401

Loans receivable to related parties. On July 3, 2022, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱162.3 million ($3.0 million) loan to MNSG Holdings Pte. Ltd. from July 3, 2022 to July 3, 2024. In 2023 and 2022 this loan is presented under “Current financial assets” and “Noncurrent receivables” account, respectively, in the consolidated statement of financial position (see Note 23).

Interest income from loans receivable amounted to ₱18.0 million in 2023, ₱15.8 million in 2022 and ₱10.8 million in 2021 (see Note 21).

Others. Other loans receivable pertains to interest-bearing loans receivable from SSCC (see Note 27).

Financial assets at FVTPL. Financial assets at FVTPL mainly consist of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. Movements in the fair value of financial assets at FVTPL are as follows:

	2023	2022
Balance at January 1	**₱1,756,101**	₱1,001
Acquisitions	**3,871,363**	2,586,197
Disposal	**(3,672,926)**	(851,995)
Fair value change during the year	**92,600**	22,380
Foreign exchange loss	**(5,080)**	(1,482)
Balance at end of period	**₱2,042,058**	₱1,756,101

10. **Noncurrent Financial Assets**

Financial Assets at FVOCI

	2023	2022
Cost		
Figaro Coffee Group, Inc. (FCG)	**₱820,268**	₱–
Wide Faith Investment Holdings Ltd.	**235,130**	235,130
Terramino Inc.	**108,540**	–
	1,163,938	235,130
Fair value adjustment		
FCG	**(328,107)**	–
Wide Faith Investment Holdings Ltd.	**(235,130)**	(235,130)
	(563,237)	(235,130)
	₱600,701	₱–

a. FCG
On January 25, 2023, the Parent Company's BOD authorized the Parent Company to subscribe for 820,268,295 common shares of FCG ("FCG Shares") out of FCG's unissued authorized capital stock. FCG is a diversified food conglomerate with retail restaurants and branches in the Philippines and abroad, that serve a variety of food offerings and services.

On February 2, 2023, the Parent Company paid an aggregate subscription price of ₱820.3 million for the FCG Shares. As a result, the Parent Company holds 15% of FCG's issued and outstanding capital stock.

In 2023, the Group recognized dividend income from FCG amounting to ₱22.1 million.

b. Wide Faith Investment Holdings Ltd.
As at December 31, 2023 and 2022, unquoted equity securities pertain to investment in Wide Faith Investment Holdings Ltd., which have been written-down to nil as at December 31, 2023 and 2022. Wide Faith Investment Holdings Ltd. is incorporated in the British Virgin Islands which principal activity is investment holding.

c. Terramino Inc.
On March 22, 2023, the Parent Company's BOD approved the Parent Company's subscription for 665,845 Series B Preferred Stock of Terramino, Inc., a Delaware, U.S.-incorporated company engaged in research, development and commercialization of food products made from koji. Said

665,845 preferred shares represents 1.89% of Terramino, Inc.'s outstanding capital stock at a subscription price of up to ₱108.5 million ($2.0 million).

Guaranty Asset at FVTPL
During the financial year ended December 31, 2023, MNSPL entered into an agreement ("Top-Up Deed") with MNSG Holdings Pte. Ltd., a Singaporean Company owned by a majority of the ultimate beneficial owners of MNSPL ("MNSG"). Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL's wholly-owned subsidiary, MNUKL. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUKL starting from the calendar year ended December 31, 2023 and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed and engaged an independent valuation expert to determine the fair value of the guaranty asset at inception and as at December 31, 2023. The initial recognition of the guaranty asset is recognized as an equity transaction under "Equity Reserve", while subsequent changes in fair value is recognized in profit or loss.

Shown below are the movements in the value of the guaranty asset as at December 31:

	2023
Guaranty asset:	
Initial recognition credited to Equity Reserve	**₱9,104,076**
Fair value gain on guaranty asset	**1,301,750**
Cumulative translation adjustment	**26,430**
	₱10,432,256

Sensitivity analysis
As the fair value calculations of the guaranty asset is dependent on the impairment loss on MNSPL's investment in MNUK, any increase in the impairment loss on investment in MNUKL would result in an increase in the fair value gain on guaranty asset recognized in profit or loss.

11. Investments in Associates and Joint Venture

Entities	Principal Activity	Country of Incorporation	Percentage of Ownership	Amount 2023	Amount 2022
Associates					
Monde Land Inc. (MLI)	Buying, leasing and acquiring of real estate	Philippines	40.00	**₱955,054**	₱934,453
WHATIF F&I Pte. Ltd.*	Research and development	Singapore	21.20	**324,211**	324,211
Calaca Harvest Terminal, Inc. (CHTI)	Engaged in and carry on a general and commercial business by buying, selling, storage, warehouse and transport of grain and other related commodities	Philippines	20.00	**170,000**	170,000
YCE Group Pte Ltd*	Manufacturing of ice	Singapore	32.00	**78,249**	78,249
				1,527,514	1,506,913

(Forward)

Entities	Principal Activity	Country of Incorporation	Percentage of Ownership	Amount 2023	2022
Joint Venture					
Honey Droplet Hong Kong**	Purchasing, processing, exporting, and selling honey worldwide (excluding Japan)	Hong Kong	50.00	**₱218,748**	₱218,748
MMBC	Importation, marketing, promotion, and sale of beverage products	Philippines	48.99	**1,141**	1,141
				219,889	219,889
Less allowance for impairment loss (Note 3):					
WHATIF F&I Pte. Ltd.				**324,211**	324,211
YCE				**78,249**	78,249
MMBC				**1,141**	1,141
Honey Droplet Hong Kong				**218,748**	218,748
				622,349	622,349
				₱1,125,054	₱1,104,453

**Previously "NAMZ Pte Ltd". Indirect ownership through MNSPL*
***Indirect ownership through MNSPL*

Investments in Associates

	2023	2022
Cost:		
Beginning of year	**₱1,330,322**	₱1,300,322
Additions	–	30,000
End of year	**1,330,322**	1,330,322
Accumulated share in net earnings:		
Balance at beginning of year	**176,591**	167,442
Share in net earnings	**35,552**	34,634
Dividends from MLI	**(14,951)**	(25,485)
End of year	**197,192**	176,591
Accumulated impairment loss	**(402,460)**	(402,460)
	₱1,125,054	₱1,104,453

Summarized consolidated financial information of MLI, a material associate, follows:

	2023	2022
Consolidated Statement of Financial Position		
Current assets	**₱318,628**	₱250,761
Noncurrent assets	**1,241,177**	1,291,900
Current liabilities	**(64,111)**	(92,465)
Noncurrent liabilities	**(38,389)**	(44,394)
Equity	**₱1,457,305**	₱1,405,802
Group's share in equity	**₱582,922**	₱562,321
Goodwill	**372,132**	372,132
Group's carrying amount of the investment	**₱955,054**	₱934,453

	2023	2022	2021
Consolidated Statement of Comprehensive Income			
Revenue	**₱288,912**	₱279,715	₱270,810
Cost of sales	**(152,837)**	(149,209)	(106,328)
Sales, general and administrative expenses	**(27,426)**	(24,000)	(23,720)
Other income (expenses)	**162**	(2,063)	(3,256)
Income before income tax	**108,811**	104,443	137,506
Provision for income tax	**19,930**	17,859	32,371
Income after income tax / Total comprehensive income	**₱88,881**	₱86,584	₱105,135
Group's share of profit for the year	**₱35,553**	₱34,634	₱42,054

The Group's share in the aggregated summarized financial information for immaterial associates follow:

	2023	2022	2021
Consolidated Statement of Comprehensive Income			
Revenue	**₱117,623**	₱131,967	₱107,262
Cost of sales	**(107,727)**	(116,013)	(97,513)
Sales, general and administrative expenses	**(3,832)**	(57,565)	(31,998)
Other expenses	**(21,992)**	(33,862)	(23,199)
Loss before income tax / Total comprehensive loss	**(₱15,928)**	(₱75,473)	(₱45,448)

The Group did not recognize its share in net losses in associates amounting to ₱15.9 million in 2023, ₱75.5 million in 2022 and ₱45.4 million in 2021. The accumulated share in net losses in associates not recognized amounted to ₱184.0 million and ₱168.1 million as at December 31, 2023 and 2022, respectively.

a. MLI

The Group's carrying amount of its investment in MLI is ₱955.1 million and ₱934.5 million as at December 31, 2023 and 2022, respectively. The difference between the carrying amount of the Group's investment in MLI as at December 31, 2023 and 2022 and its share in the total equity of MLI attributable to the equity holders of the Parent is attributable to goodwill.

b. CHTI

In 2021, the Group made additional investment amounting to ₱60.0 million representing 60,000 shares in CHTI to maintain its ownership interest of 20.00%.

In 2022, The Parent Company made an additional investment amounting to ₱30.0 million representing 30,000 shares in CHTI to maintain its ownership interest of 20.00%.

The associates had no contingent liabilities or capital commitments as at December 31, 2023 and 2022. There have been no guarantees provided by the Group to the associate as at December 31, 2023 and 2022.

Investment in Joint Ventures

	2023	2022
Cost:		
Beginning of year	**₱399,223**	₱379,623
Additions	–	19,600
End of year	**399,223**	399,223
Accumulated share in net earnings:		
Balance at beginning of year	**(179,334)**	(132,092)
Share in net losses	–	(47,242)
End of year	**(179,334)**	(179,334)
Accumulated impairment loss:		
Balance at beginning of year	**(219,889)**	(218,748)
Impairment loss (Note 20)	–	(1,141)
End of year	**(219,889)**	(219,889)
	₱–	₱–

The Group's shares in the aggregate summarized financial information of individually-immaterial joint ventures follow:

	2023	2022	2021
Revenue	**₱–**	₱8,695	₱27,988
Expenses	**(1,608)**	(37,883)	(33,472)
Other income (expenses)	**2,075**	(18,047)	(218)
Income (loss) before income tax	**467**	(47,235)	(5,702)
Provision for (benefit from) income tax	**117**	7	(15)
Income (loss) after income tax / Total comprehensive income (loss)	**₱350**	(₱47,242)	(₱5,687)

The Group did not recognize share in net income (losses) in joint ventures amounting to ₱0.4 million and nil in 2022 and 2021, respectively. The accumulated share in net losses in joint ventures not recognized as at December 31, 2023, 2022 and 2021 amounted to ₱85.4 million, ₱85.9 million and ₱85.9 million, respectively. There have been no guarantees provided by the Group to the joint venture company as at December 31, 2023 and 2022.

a. Honey Droplet Hong Kong

   The Group has a 50.00% interest in the ownership and voting rights in a joint venture, Honey Droplet Hong Kong. This joint venture is incorporated in Hong Kong and is a strategic venture in purchasing, processing, exporting, and selling honey worldwide (excluding Japan). The Group jointly controls the venture with other partner under the contractual agreement and requires unanimous consent for all major decisions over the relevant activities.

   As of December 31, 2023 and 2022, Honey Droplet Hong Kong has no operations due to factory shut down. The Group determined that non-operation and cashflow projections of Honey Droplet Hong Kong are impairment indicators. As a result, the Group's investment in Honey Droplet Hong Kong is fully impaired as at December 31, 2023 and 2022.

b. MMBC

In 2015, the Group signed a Joint Venture Agreement with Malee Beverage Public Co. Ltd., a leading juice and canned fruit manufacturer in Thailand, to set up MMBC to tap the aggressive growth of the beverage market in the Philippines. MMBC has ₱100.0 million of registered capital, of which the Group and Malee share 48.99% each and the remaining 2.00% are held by individual investors.

In 2022 and 2021, the Group determined that the negative results of operations and cashflow projections MMBC are impairment indicators. In 2023, MMBC ceased its business operations and has no formal plans to resume commercial operations. As a result, the Group's investment in MMBC is fully impaired as at December 31, 2023 and 2022. Impairment loss recognized amounted to ₱1.1 million in 2022 and nil in 2021 (see Note 20).

The joint ventures have no contingent liabilities or capital commitments as at December 31, 2023 and 2022. There have been no guarantees provided or received for any related party receivables and payables.

12. Property, Plant and Equipment

2023

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-nications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Cost													
Balance at beginning of year	₱460,209	₱5,608	₱13,507,086	₱167,284	₱36,371,881	₱501,778	₱158,924	₱373,776	₱2,080,960	₱3,926,908	₱2,898,464	₱834,320	₱61,287,198
Additions	–	862	9,661	–	633,579	6,164	43,248	1,091	474,663	2,472,002	–	21,427	3,662,697
Disposals and retirement	–	–	(343,643)	(11,644)	(2,871,290)	(51,641)	(38,530)	(18,578)	35,512	(16,554)	–	(214,114)	(3,530,482)
Reclassifications	–	–	412,113	3,899	1,385,812	74,636	1,954	85,105	(691,995)	(1,271,524)	–	–	–
Foreign currency translation adjustments	9,365	(10)	92,127	3,045	573,964	4,257	219	5,219	12,356	163,376	–	–	863,918
Balance at end of year	469,574	6,460	13,677,344	162,584	36,093,946	535,194	165,815	446,613	1,911,496	5,274,208	2,898,464	641,633	62,283,331
Accumulated Depreciation													
Balance at beginning of year	–	4,315	5,673,089	97,206	19,240,702	371,298	75,949	268,718	–	–	298,791	341,314	26,371,382
Depreciation (Notes 19 and 20)	–	317	589,240	5,952	1,736,999	59,442	23,365	89,549	–	–	86,908	84,951	2,676,723
Disposals and retirement	–	–	(322,269)	(10,284)	(2,843,921)	(50,807)	(37,151)	(18,564)	–	–	–	(214,114)	(3,497,110)
Foreign currency translation adjustments	–	(5)	23,365	12,492	179,129	1,262	60	3,970	–	–	–	–	220,273
Balance at end of year	–	4,627	5,963,425	105,366	18,312,909	381,195	62,223	343,673	–	–	385,699	212,151	25,771,268
Accumulated Impairment Loss													
Balance at beginning of year	–	–	984,052	955	2,267,384	–	–	36	571,765	228,117	–	–	4,052,309
Impairment loss (Notes 3 and 20)	–	–	(4,561)	–	6,019,160	22,280	–	1,755	(71,022)	1,126,934	–	–	7,094,546
Disposals and retirement	–	–	–	–	–	–	–	–	(14,431)	–	–	–	(14,431)
Foreign currency translation adjustments	–	–	18,131	–	180,120	–	–	–	–	25,668	–	–	223,919
Balance at end of year	–	–	997,622	955	8,466,664	22,280	–	1,791	486,312	1,380,719	–	–	11,356,343
Net Book Value	₱469,574	₱1,833	₱6,716,297	₱56,263	₱9,314,373	₱131,719	₱103,592	₱101,149	₱1,425,184	₱3,893,489	₱2,512,765	₱429,482	₱25,155,720

2022

	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-nications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Cost													
Balance at beginning of year	₱441,083	₱5,283	₱12,753,979	₱149,289	₱32,500,137	₱357,281	₱155,538	₱264,147	₱1,374,644	₱5,085,405	₱2,906,919	₱721,869	₱56,715,574
Additions	–	–	18,002	32,557	113,471	43,006	26,771	5,801	1,236,043	2,865,661	–	123,797	4,465,109
Disposals and retirement	–	–	(67,444)	(15,188)	(50,430)	(3,488)	(24,209)	(19,496)	–	–	(8,455)	(11,346)	(200,056)
Reclassifications	–	–	958,058	–	3,368,689	88,202	1,679	121,963	(564,161)	(3,974,430)	–	–	–
Foreign currency translation adjustments	19,126	325	(155,509)	626	440,014	16,777	(855)	1,361	34,434	(49,728)	–	–	306,571
Balance at end of year	460,209	5,608	13,507,086	167,284	36,371,881	501,778	158,924	373,776	2,080,960	3,926,908	2,898,464	834,320	61,287,198
Accumulated Depreciation													
Balance at beginning of year	–	3,802	5,065,912	98,071	17,379,819	296,563	78,348	195,772	–	–	220,879	251,519	23,590,685
Depreciation (Notes 19 and 20)	–	272	578,665	13,040	1,679,286	58,725	19,560	90,704	–	–	86,367	101,141	2,627,760
Disposals and retirement	–	–	(38,084)	(10,122)	(49,675)	(3,406)	(22,027)	(19,496)	–	–	(8,455)	(11,346)	(162,611)
Foreign currency translation adjustments	–	241	66,596	(3,783)	231,272	19,416	68	1,738	–	–	–	–	315,548
Balance at end of year	–	4,315	5,673,089	97,206	19,240,702	371,298	75,949	268,718	–	–	298,791	341,314	26,371,382

(Forward)

	2022												
	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-nications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Accumulated Impairment Loss													
Balance at beginning of year	–	–	932,587	967	1,491,884	–	–	36	571,765	175,390	–	–	3,172,629
Impairment loss (Notes 3 and 20)	–	–	45,484	–	725,964	–	–	–	–	54,452	–	–	825,900
Disposals and retirement	–	–	(24,667)	(12)	–	–	–	–	–	–	–	–	(24,679)
Foreign currency translation adjustments	–	–	30,648	–	49,536	–	–	–	–	(1,725)	–	–	78,459
Balance at end of year	–	–	984,052	955	2,267,384	–	–	36	571,765	228,117	–	–	4,052,309
Net Book Value	₱460,209	₱1,293	₱6,849,945	₱69,123	₱14,863,795	₱130,480	₱82,975	₱105,022	₱1,509,195	₱3,698,791	₱2,599,673	₱493,006	₱30,863,507

Machineries-under-installation pertain to plant equipment for various product lines that are still under-installation and which are expected to be completed in 2024 to 2025. Additions to machineries under installation include costs for the construction of new production facilities.

Construction-in-progress pertains to the construction of an additional building and building improvements which is expected to be completed in 2024 to 2025. There were no capitalized borrowing costs as the construction in-progress were funded by cash from operations.

In 2023, 2022 and 2021, the Group recognized net provision for impairment loss on property, plant and equipment amounting to ₱7,094.5 million, ₱825.9 million and ₱223.1 million, respectively (see Note 20).

There are no idle property, plant and equipment as at December 31, 2023 and 2022. The Group has no property, plant and equipment used as collateral as at December 31, 2023 and 2022.

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱2,055.4 million, ₱1,447.5 million, and ₱1,423.5 million as at 2023, 2022 and 2021, respectively (see Note 27).

13. **Intangible Assets**

	2023							
	Goodwill	**Brand**	**Distribution Rights**	**License**	**Trademarks with definite useful life**	**Trademarks with indefinite useful life**	**Software**	**Total**
Cost								
Balance at beginning of year	**₱16,542,239**	**₱17,971,697**	**₱727,560**	**₱34,639**	**₱2,599**	**₱14,459**	**₱442,650**	**₱35,735,843**
Additions	–	–	–	**31,502**	–	–	**49,628**	**81,130**
Disposals and retirement	–	–	–	–	–	–	**(9,280)**	**(9,280)**
Foreign currency translation adjustments	**775,976**	**838,803**	–	–	**(6)**	–	**(358)**	**1,614,415**
Balance at end of year	**17,318,215**	**18,810,500**	**727,560**	**66,141**	**2,593**	**14,459**	**482,640**	**37,422,108**
Accumulated Amortization								
Balance at beginning of year	–	**42,374**	**306,182**	**700**	**1,739**	–	**213,636**	**564,631**
Amortization (Notes 19, 20 and 21)	–	–	**36,378**	**7,127**	**167**	–	**51,571**	**95,243**
Disposals and retirement	–	–	–	–	–	–	**(9,256)**	**(9,256)**
Foreign currency translation adjustments	–	**1,988**	–	–	**(2)**	–	**(183)**	**1,803**
Balance at end of year	–	**44,362**	**342,560**	**7,827**	**1,904**	–	**255,768**	**652,421**
Accumulated Impairment Loss								
Balance at beginning of year	**16,542,239**	**4,143,587**	–	–	–	**2,481**	–	**20,688,307**
Impairment loss (Notes 3 and 20)	–	**6,172,458**	–	–	–	**4,650**	–	**6,177,108**
Foreign currency translation adjustments	**775,976**	**315,462**	–	–	–	–	–	**1,091,438**
Balance at end of year	**17,318,215**	**10,631,507**	–	–	–	**7,131**	–	**27,956,853**
Net Book Value	**₱–**	**₱8,134,631**	**₱385,000**	**₱58,314**	**₱689**	**₱7,328**	**₱226,872**	**₱8,812,834**

	2022							
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	Total
Cost								
Balance at beginning of year	₱16,810,906	₱18,262,118	₱727,560	₱34,639	₱2,451	₱14,459	₱362,333	₱36,214,466
Additions	–	–	–	–	–	–	75,901	75,901
Foreign currency translation adjustments	(268,667)	(290,421)	–	–	148	–	4,416	(554,524)
Balance at end of year	16,542,239	17,971,697	727,560	34,639	2,599	14,459	442,650	35,735,843
Accumulated Amortization								
Balance at beginning of year	–	43,063	269,804	–	1,469	–	163,232	477,568
Amortization (Notes 19, 20 and 21)	–	–	36,378	700	175	–	48,649	85,902
Foreign currency translation adjustments	–	(689)	–	–	95	–	1,755	1,161
Balance at end of year	–	42,374	306,182	700	1,739	–	213,636	564,631
Accumulated Impairment Loss								
Balance at beginning of year	–	90,142	–	–	–	–	–	90,142
Impairment loss (Notes 3 and 20)	16,500,821	4,043,295	–	–	–	2,481	–	20,546,597
Foreign currency translation adjustments	41,418	10,150	–	–	–	–	–	51,568
Balance at end of year	16,542,239	4,143,587	–	–	–	2,481	–	20,688,307
Net Book Value	₱–	₱13,785,736	₱421,378	₱33,939	₱860	₱11,978	₱229,014	₱14,482,905

Goodwill and brand were acquired through business combinations. The Group performed its annual impairment test in December 2023 and 2022 (see Note 3).

Distribution rights were from the Parent Company's Distribution, and Marketing and Sales Development Agreement with SSCC wherein SSCC appointed the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years until July 25, 2034. (see Note 27).

14. Other Noncurrent Assets

	2023	2022
Advances to suppliers and contractors	**₱630,367**	₱619,658
Deferred input VAT for amortization	**153,171**	244,869
Advances to employees (Note 23)	**90,591**	69,777
Refundable and other deposits	**34,743**	29,782
Others	**32,667**	14,394
	₱941,539	₱978,480

Advances to suppliers and contractors comprise mainly of advance payments for major equipment and construction/improvements of plant sites and office spaces.

Deferred input VAT pertains to input VAT from acquisition of capital goods which are claimed over 5 years.

Advances to employees are long-term advances granted to employees.

Refundable and other deposits are deposits for office and warehouse spaces which are refundable upon the termination of the lease contract.

15. Accounts Payable and Other Current Liabilities and Refund Liabilities

Accounts Payable and Other Current Liabilities

	2023	2022
Trade payables		
Non-related parties	**₱4,911,912**	₱6,197,721
Related parties (Note 23)	**49,204**	14,578
Nontrade payables	**4,042,437**	2,559,920
Accruals for:		
Advertising and promotions	**499,758**	769,960
Personnel costs	**352,937**	266,978
Selling, general and administrative expenses	**281,235**	321,695
Trade spend	**206,821**	454,941
Other accruals	**198,267**	171,196
Provisions	**166,265**	92,666
Statutory payables	**890,434**	384,559
Others	**85,040**	88,386
	₱11,684,310	₱11,322,600

Accounts payable and other current liabilities are noninterest-bearing and are generally settled within 30 to 60 days.

Trade payables pertain to liabilities to suppliers for the purchase of raw materials, finished goods, and other costs directly related to the Group's operations.

Nontrade payables include liabilities related to utilities, advertising, other operating and manufacturing overhead expenses.

Provisions include claims by third parties in the ordinary course of business. As allowed by PAS 37, only a general description is provided as the disclosure of additional details beyond the present disclosures may prejudice the Group's position and negotiation strategies with respect to these matters.

Statutory payables comprise mainly of the Group's liabilities to the tax authorities such as withholding taxes payable, final taxes payable, etc.

Trade and other payables from related parties that were eliminated upon consolidation amounted to ₱2,811.4 million in 2023 and ₱2,484.0 million in 2022.

Refund Liabilities
As at December 31, 2023 and 2022, the Group's refund liabilities consist of the following:

	2023	2022
Refund liabilities:		
Arising from rights of return	**₱346,835**	₱200,440
Arising from volume discount	**59,842**	–
	₱406,677	₱200,440

16. **Acceptance and Trust Receipts Payable**

This account represents the Group's peso and US dollar-denominated liabilities incurred in connection with the importations and acquisitions of raw materials from foreign suppliers. These raw materials are insured in compliance with the requirements of the bank. These liabilities are for a period of 1 year with an average annual interest rate of 5.44% in 2023 and 2.82% in 2022.

The Group has outstanding acceptance and trust receipts payable amounting to ₱1,607.3 million, ₱2,362.3 million as at December 31, 2023 and 2022, respectively.

The Group recognized interest expense amounting to ₱99.0 million in 2023, ₱68.0 million in 2022 and ₱37.1 million in 2021 (see Note 21).

17. **Loans Payable and Convertible Note**

Loans Payable

Description	Maturities	Interest Rates	2023	2022
MFL				
£105.0 million term loan	June 2025 subject to extension of 2 years	Margin and SONIA	**₱3,812,556**	₱7,081,137
£5.0 million revolving credit facility	September 2023	Margin and SONIA	**353,015**	–
£4.0 million revolving credit facility	November 2022	Margin and SONIA	**282,412**	269,758
£3.0 million revolving credit facility	October 2023	Margin and SONIA	**211,808**	–
£5.0 million credit facility	September 2024	SONIA and 1.20% p.a.	**353,016**	–
			5,012,807	7,350,895
Unamortized debt issue costs			**(78,780)**	(97,881)
			₱4,934,027	₱7,253,014
Current portion			**₱1,200,251**	₱269,758
Non-current portion			**3,733,776**	6,983,256
			₱4,934,027	₱7,253,014

As at December 31, 2023 and 2022, MFL has outstanding unsecured loans payable amounting to ₱5,012.8 million (£71.0 million) and ₱7,350.9 million (£109.0 million), respectively. The sterling term loan facility amounting to ₱7,413.3 million (£105.0 million) with maturity on June 2025 subject to extension of 2 years and interest rate based on Margin and SONIA has the following financial covenants:

- The Group is required to maintain Gross Leverage of less than 3.5x from June 30, 2022 and each quarter thereafter.
- The Group is required to maintain an interest cover of greater than 3.0 from June 30, 2022 and each quarter thereafter.

As at December 31, 2023 and 2022, the Group is in compliance with these covenants.

The facility also includes a revolving credit facility of ₱1,059.0 million (£15.0 million) subject to the same financial covenants above. MFL had drawn down ₱847.2 million (£12.0 million) and ₱269.8 million (£4.0 million) as at December 31, 2023 and December 31, 2022, respectively.

In 2023, MFL obtained and drew an uncommitted short term credit facility with a financial institution amounting to ₱353.0 million (£5.0 million).

Interest expense related to the loans amounted to ₱353.2 million in 2023, ₱53.3 million in 2022 and ₱442.1 million in 2021 (see Note 21).

Convertible Note

On February 5, 2019, the Parent Company and Arran Investment Pte. Ltd., entered into a Subscription Agreement, allowing the Parent Company to issue a Convertible Note with a face amount of ₱9,122.7 million. The note can be converted into 494,516,100 shares, representing 7.00% of the Parent Company's issued and outstanding shares. On April 12, 2019, the Parent Company issued a Convertible Note to Arran, with a principal amount of $174.8 million, including the redemption features. The note is mandatorily redeemable after five years from its issue date and has an optional redemption feature. The Parent Company also entered into an Investor Rights Agreement that gave certain rights to the Investor pending redemption of the Convertible Note.

The Group classified such instrument's components separately as financial liabilities, financial assets, or equity instruments in accordance with PAS 32, *Financial Instrument: Presentation*. The Convertible Note was assessed to be a hybrid instrument containing a host financial liability component and derivative components for the equity conversion and redemption options. They were identified as embedded derivatives and were accounted for separately from the host contract on issuance date.

Shown below are the movements in the value of the host liability in 2021:

Host liability:	
Beginning balance	₱7,027,163
Accretion of interest (Note 21)	746,999
Foreign exchange loss (gain)	(73,445)
Amortization of debt issue cost	20,988
Payments of cash variable interest	(113,739)
Redemption	(7,607,966)
	₱–

Cash variable interest equal to dividends received by the Parent Company's shareholder that the Investor would have received if the Convertible Note was converted into shares prior to the declaration of such dividend. Accretion of interest on Convertible Note amounted to ₱747.0 million in 2021 (see Note 21).

On March 1, 2021, the Parent Company's BOD approved amendments to its Articles of Incorporation, removing certain investor rights and entitlements which are further disclosed in Note 18.

The Parent Company redeemed the Convertible Note on June 3, 2021. The Parent Company paid the listing redemption of ₱13,351.9 million, resulting in a loss of ₱1,579.3 million (i.e., difference between the listing redemption amount and the carrying value of the Convertible Note and the related derivative liability).

The movement in unamortized debt issue costs of loans payable is as follows:

	2023	2022
Loans Payable		
Balance at January 1	**₱97,881**	₱65,235
Additions during the period	**22,471**	120,806
Amortization during the period (Note 21)	**(45,244)**	(86,624)
Foreign currency translation adjustments	**3,672**	(1,536)
Total	**₱78,780**	₱97,881

In 2021, amortization of debt issue costs amounted to ₱21.0 million and ₱133.5 million on convertible note and loans payable, respectively (see Note 21).

18. **Equity**

Capital Stock and Additional Paid-in Capital (APIC)

The details of the Parent Company's common stock as at December 31, 2023 and 2022 follows:

Authorized number of shares	20,400,000,000
Par value per share	₱0.50
Issued and outstanding common shares	17,968,611,496

The details of the Parent Company's additional paid-in capital as at December 31, 2023, 2022 and 2021 follows:

	2023	2022	2021
Balance at January 1	**₱46,515,847**	₱46,515,847	₱–
Equity restructuring	**(7,153,900)**	–	–
Additions			
Issuance of common shares during IPO	–	–	46,800,000
Issuance of common shares to MCI	–	–	1,204,039
Share issuance costs			
Issuance of common shares during IPO	–	–	(1,484,817)
Issuance of common shares to MCI	–	–	(3,375)
Balance at end of period	**₱39,361,947**	₱46,515,847	₱46,515,847

On January 11, 2021, the Parent Company entered into an agreement with MCI for the subscription of the Parent Company's 614,305,748 common shares at a subscription price of ₱2.96 per share or a total subscription price of ₱1,818.3 million which was fully settled on January 29, 2021.

On April 20, 2021, the SEC favorably considered, subject to certain conditions, the amended registration statement filed by the Parent Company covering the registration of 17,968,611,496 common shares to be listed and traded on the Main Board of the PSE with a par value of ₱0.50 per shares in relation to the Parent Company's initial public offering.

On April 21, 2021, the BOD of the PSE approved, subject to certain conditions, the application of the Parent Company for the listing of up to 17,968,611,496 common shares on the Main Board of the PSE.

On June 1, 2021, the Parent Company completed its IPO and was listed in the PSE under the stock symbol "Monde". The Parent Company issued 3,600,000,000 common shares for a total consideration of ₱48,600.0 million.

The Parent Company's record of registration of its securities follows:

Number of shares registered	17,968,611,496
Issue/offer price	₱13.50
Date of approval	April 20, 2021

The total number of stockholders was 24 and 23 as at December 31, 2023 and 2022, respectively. With respect to the Parent Company's stockholders as at December 31, 2023, the shares were either held (a) in certificated form or (b) in scripless form held under the account of PCD Nominee Corp. (PCD Nominee) through 142 trading participants (*i.e.*, brokers and custodians) of the Philippine Depository & Trust Corp. (PDTC). The shares lodged under PCD Nominee are further broken down into PCD Nominee (Filipino) and PCD Nominee (Non-Filipino).

Amendment of AOI
On March 1, 2021, at least a majority of the members of the BOD of the Parent Company and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company approved certain amendments to the Parent Company's Articles of Incorporation including the amending the authorized capital stock of the Parent Company (without increasing or decreasing the same) such that the authorized number of shares, as amended, shall be:

a. 20,400,000,000 common shares with a par value of ₱0.50 per share, from the current par value of ₱1.00 per share; and
b. 3,600,000,000 Preferred Shares classified into:

Class of Preferred Shares	No. of shares	Par value	Amount
Non-voting "A"	400,000,000	₱1.00	₱400,000
Non-voting "B"	800,000,000	1.00	800,000
Voting "C"	2,400,000,000	0.25	600,000
Total	3,600,000,000		₱1,800,000

Said preferred shares' issue value, dividend rate and the terms and conditions of their redemption shall be determined by the BOD at the time of their respective issuances. Furthermore, they shall be cumulative and non-participating as to dividends and non-convertible into common shares. Said preferred shares shall also enjoy preference in assets in the event of liquidation of the Parent Company and in the payment of dividends as against common shares; however, they shall not enjoy any pre-emptive rights to any issue of shares (whether common or preferred).

These amendments on the Parent Company's AOI was approved by the SEC on April 7, 2021.

There have been no issuances of preferred stock as at December 31, 2023 and 2022.

Retained Earnings
Parent Company
On the following dates, the BOD approved the following cash dividends, all of which have been previously appropriated except for 2023 and 2022:

Dividend declaration and stockholders of record date	Dividend per share	Amount
November 29, 2023	₱0.12	₱2,156,233
August 9, 2022	0.14	2,515,606
March 1, 2021	1.19	8,549,324
January 22, 2021	0.23	1,511,100

On April 10, 2024, the BOD approved the declaration of regular cash dividends of ₱0.12 per common share to stockholders of record as of May 10, 2024, payable on or before June 5, 2024.

As at December 31, 2023 and 2022, dividends payable amounted to ₱2,156.2 million and nil, respectively.

The BOD approved the following:

- On March 1, 2021, reversal of the 2020 appropriation for ₱6,800.0 million for dividends, expansions, and other capital requirements.
- On August 9, 2022, reversal of the 2021 appropriation for ₱3,900.0 million for expansions, and other capital requirements.
- On December 19, 2022, appropriation of ₱5,000.0 million for plant expansions and other capital expenditure requirements.
- On March 22, 2023, reversal of the 2022 appropriation amounting to ₱5,000.0 million for expansions and other capital requirements.

MMYSC
The BOD approved the following:

- On December 1, 2021, release of 2020 appropriation of ₱410.9 million for plant capacity expansion.
- On December 1, 2021, appropriation of ₱150.8 million for expansion and other capital requirements which are expected to be completed in 2022.
- On December 6, 2022, release of 2021 appropriation of ₱150.8 million for plant capacity expansion.
- On December 6, 2022, appropriation of ₱167.0 million for expansion and other capital requirements which are expected to be completed in 2023.

MIL
Under Section 1202 of the Thai Civil and Commercial Code, MIL is required to set aside to a statutory reserve of at least 5% of its income each time MIL pays dividend, until the reserve reaches 10% of the registered capital. The statutory reserve can neither be offset against deficit nor used for dividend payment. The statutory reserve of MIL amounted to ₱44.5 million as at December 31, 2023, 2022 and 2021.

The Group's appropriated retained earnings follows:

	2023		2022		2021	
	Expected Completion	**Amount**	Expected Completion	Amount	Expected Completion	Amount
Expansions and capital expenditures	**2024-2025**	**₱167,000**	2023-2024	₱5,167,000	2022-2023	₱4,050,805
Appropriation to comply with financial covenants (Note 17)		–		–		–
Dividends		–		–		–
MIL statutory reserve	**Indefinite**	**44,452**	Indefinite	44,452	Indefinite	44,452
		₱211,452		₱5,211,452		₱4,095,257

The Group's appropriation for capital expenditure is expected to be used to build new capacity and capability in the APAC BFB segment. Key projects in the APAC BFB segment will be the completion of a new production facility and other operational efficiency initiatives.

Restriction on Retained Earnings
As at December 31, 2023 and 2022, undistributed retained earnings of subsidiaries amounting to ₱3,965.2 million and ₱4,530.2 million, respectively, are not available for dividend declaration until the actual declaration of the subsidiaries. Further, the undistributed retained earnings include appropriated retained earnings of MMYSC and MIL amounting to ₱211.5 million as at December 31, 2023 and 2022, respectively.

Equity Restructuring
On March 29, 2023, the Parent Company's BOD approved the equity restructuring of the Parent Company by offsetting the Deficit as at December 31, 2022 against available additional paid-in capital (APIC) as at December 31, 2022.

On June 9, 2023, SEC then approved the Parent Company's equity restructuring to wipe-out the Deficit as at December 31, 2022 in the amount of ₱7,153.9 million against the APIC of ₱46,515.8 million.

Equity Reserve (see Note 4)

	2023	2022
Initial recognition of guaranty asset at fair value:		
MNSPL (Notes 10 and 26)	**₱9,104,076**	₱–
Investments:		
MMYSC	**(532,573)**	(532,573)
MNTH	**(115,390)**	(115,390)
KBT	**43,408**	33,361
MNAC	**(7,733)**	(7,733)
	₱8,491,788	(₱622,335)

Cumulative Translation Adjustments
Cumulative translation adjustments attributable to equity holders of the Parent Company are as follows:

	2023	2022
Foreign investments:		
MNSPL	**(₱2,149,989)**	(₱2,845,103)
MNIIL	**(185,267)**	(185,219)
MIL	**(50,181)**	(49,693)
MNTH	**(15,113)**	(8,433)
Cross currency swap:		
MNC (Note 26)	**(492,938)**	(386,532)
	(₱2,893,488)	(₱3,474,980)

Earnings (loss) per Share (EPS)
The following reflects the income and share data used in the basic EPS computation:

	2023	2022	2021
Net income (loss) attributable to equity holders of the parent:	**(₱636,408)**	(₱13,020,512)	₱3,115,032
Weighted average number of common shares	**17,968,611,496**	17,968,611,496	16,366,227,204
Basic EPS	**(₱0.04)**	(₱0.72)	₱0.19

The Parent Company has no potentially dilutive shares as at December 31, 2023, 2022 and 2021. Thus, the basic and diluted income (loss) per share in 2023, 2022 and 2021 are the same for each of the three years presented.

19. Net Sales and Cost of Goods Sold

Net Sales by Geography and Operating Segment

	2023	2022	2021
APAC BFB			
Philippines	**₱61,587,481**	₱55,017,990	₱50,356,983
Other Countries	**4,354,473**	3,473,079	3,682,032
	65,941,954	58,491,069	54,039,015
Meat Alternative			
United Kingdom	**11,153,610**	11,870,824	11,801,245
United States	**858,872**	1,318,628	1,328,113
Other Countries	**2,215,031**	2,200,188	2,115,815
	14,227,513	15,389,640	15,245,173
	₱80,169,467	₱73,880,709	₱69,284,188

All revenues are recognized at a point in time.

Cost of Goods Sold

	2023	2022	2021
Direct materials	**₱42,013,958**	₱39,364,367	₱32,718,491
Direct labor (Note 21)	**3,051,851**	2,844,961	3,499,788
Manufacturing overhead:			
Depreciation and amortization (Notes 12 and 13)	**2,215,656**	2,206,038	2,012,608
Repairs and maintenance	**1,543,080**	1,533,256	1,714,730
Light and water	**1,403,750**	1,831,431	1,505,609
Plant utilities and other consumption	**1,064,543**	1,149,296	828,235
Indirect labor (Note 21)	**1,022,838**	1,048,336	1,110,354
Steam	**615,585**	787,575	716,696
Rent (Notes 23 and 25)	**29,003**	23,416	22,043
Others	**1,957,994**	1,661,564	1,057,905
Total manufacturing costs	**54,918,258**	52,450,240	45,186,459
Inventory movements (Note 7):			
Finished goods	**368,109**	(1,241,491)	(885,698)
Work in-process	**155,336**	(287,994)	(607,992)
	₱55,441,703	₱50,920,755	₱43,692,769

20. **Sales, General and Administrative Expenses**

General and Administrative Expenses

	2023	2022	2021
Salaries, wages and employee benefits (Note 21)	**₱4,308,889**	₱4,388,113	₱3,771,921
Outside services	**989,157**	767,777	1,338,168
Depreciation and amortization (Notes 12 and 13)	**556,310**	507,624	458,264
Research and development	**285,341**	226,759	562,823
Insurance	**241,737**	255,793	247,730
Repairs and maintenance	**198,740**	255,190	270,376
Taxes and licenses	**172,857**	253,293	296,926
Entertainment, amusement and recreation	**116,959**	93,194	157,689
Inventory loss	**112,055**	192,012	36,504
Fringe benefit tax	**109,564**	125,673	222,123
Light, water, and telecommunication	**96,710**	46,505	93,653
Warehouse and office supplies	**65,482**	118,383	69,558
Rent (Notes 23 and 25)	**63,844**	37,833	37,951
Recruitment and training expenses	**40,216**	23,055	20,849
Bank charges	**12,414**	10,997	14,788
Donations	**11,261**	26,839	12,070
Provision for ECL (Notes 6 and 9)	**7,750**	13,308	–
Others	**385,750**	245,399	7,967
	₱7,775,036	₱7,587,747	₱7,619,360

Selling and Distribution Expenses

	2023	2022	2021
Transportation and delivery	**₱3,190,551**	₱3,017,221	₱2,631,676
Advertising and promotions	**2,999,834**	3,695,859	4,788,138
Merchandising expense	**735,248**	625,376	528,901
Dealer support	**112,132**	157,898	395,280
	₱7,037,765	₱7,496,354	₱8,343,995

Impairment Loss

	2023	2022	2021
Property, plant and equipment – net (Notes 3 and 12)	**₱7,094,546**	₱825,900	₱223,061
Intangible assets (Notes 3 and 13)	**6,177,108**	20,546,597	–
Investments in associates and joint venture (Notes 3 and 11)	–	1,141	–
	₱13,271,654	₱21,373,638	₱223,061

21. Finance Income and Costs, Depreciation and Amortization Expense, Personnel Costs and Miscellaneous Income

Finance Income

	2023	2022	2021
Cash and cash equivalents (Note 5)	**₱410,130**	₱132,808	₱72,212
Loans receivable (Note 9)	**17,984**	15,788	10,759
	₱428,114	₱148,596	₱82,971

Finance Costs

	2023	2022	2021
Interest on loans payable (Note 17)	**₱353,188**	₱53,274	₱442,102
Interest expense on lease liabilities (Note 25)	**183,877**	182,919	188,058
Acceptance and trust receipts payable (Note 16)	**99,038**	68,008	37,140
Amortization of debt issue costs (Note 17):			
Loans payable	**45,244**	86,624	133,534
Convertible note	**–**	–	20,988
Accretion of interest on convertible note (Note 17)	**–**	–	746,999
Others	**12**	25,700	–
	₱681,359	₱416,525	₱1,568,821

Personnel Costs

	2023	2022	2021
Cost of goods sold:			
Direct labor (Note 19)	**₱3,002,431**	₱2,806,038	₱3,423,818
Indirect labor (Note 19)	**1,022,838**	1,048,336	1,110,354
Retirement expense (Notes 19 and 22)	**49,420**	38,923	75,970
Sales, general and administrative expenses:			
Salaries and wages (Note 20)	**3,478,652**	3,536,226	2,822,864
Employee benefits (Note 20)	**767,005**	779,465	845,256
Retirement expense (Notes 20 and 22)	**63,232**	72,422	103,801
	₱8,383,578	₱8,281,410	₱8,382,063

Depreciation and Amortization Expense

	2023	2022	2021
Property, plant and equipment (Note 12)	**₱2,676,723**	₱2,627,760	₱2,396,607
Intangible assets (Note 13)	**95,243**	85,902	74,265
	₱2,771,966	₱2,713,662	₱2,470,872

	2023	2022	2021
Cost of goods sold (Note 19)	**₱2,215,656**	₱2,206,038	₱2,012,608
Sales, general and administrative expense (Note 20)	**556,310**	507,624	458,264
	₱2,771,966	₱2,713,662	₱2,470,872

Miscellaneous Income
Miscellaneous income mainly comprises of service fees charged by the Parent Company primarily for reimbursement of share of principals in common expenses, gain/loss on sale of property, plant and equipment, reversal of ECL and other miscellaneous items which are recorded under the "Miscellaneous income" account in the consolidated statements of comprehensive income.

22. Pension Plan

The Parent Company and certain subsidiaries maintain noncontributory and defined benefit retirement plans covering substantially all their regular employees. The benefit plan is paid in a lump sum upon retirement or separation. These benefits are funded by the Group. Contributions and costs are determined in accordance with the actuarial study made for the plan. The latest actuarial valuation report is December 31, 2023.

The Group's plan assets are managed and maintained by a local bank. The Group appointed a local trustee bank as the retirement plan trustee. The trustee bank is responsible for the general administration of the retirement plan and the management of the retirement fund. As the administrator of the retirement plan, the trustee bank is responsible for the ultimate control, disposition, or management of the money received or contributed.

Changes in the net defined benefit liability in 2023 and 2022 follow:

	2023												
		Recognized in profit or loss				**Remeasurements in OCI**							
	January 1, 2023	**Current Service Cost**	**Net Interest Cost**	**Subtotal**	**Benefits Paid**	**Actuarial Changes Arising from Financial Assumptions**	**Actuarial Changes Arising from Demographic Assumptions**	**Actuarial Changes Arising from Changes in Experience Adjustments**	**Remeasurement Gain on Plan Asset**	**Subtotal**	**Contributions by Employer**	**Foreign Currency Translation Adjustments**	**December 31, 2023**
Present value of defined benefit obligation	**(₱1,062,241)**	**(₱74,697)**	**(₱75,489)**	**(₱150,186)**	**₱101,358**	**(₱247,121)**	**(₱79,915)**	**(₱79,133)**	**₱–**	**(₱406,169)**	**₱–**	**₱17**	**(₱1,517,221)**
Fair value of plan asset	**555,811**	**–**	**37,534**	**37,534**	**(74,580)**	**–**	**–**	**–**	**(8,791)**	**(8,791)**	**–**	**–**	**509,974**
Net pension liability	**(₱506,430)**	**(₱74,697)**	**(₱37,955)**	**(₱112,652)**	**₱26,778**	**(₱247,121)**	**(₱79,915)**	**(₱79,133)**	**(₱8,791)**	**(₱414,960)**	**₱–**	**₱17**	**(₱1,007,247)**

	2022												
		Recognized in profit or loss				Remeasurements in OCI							
	January 1, 2022	Current Service Cost	Net Interest Cost	Subtotal	Benefits Paid	Actuarial Changes Arising from Financial Assumptions	Actuarial Changes Arising from Demographic Assumptions	Actuarial Changes Arising from Changes in Experience Adjustments	Remeasurement Gain on Plan Asset	Subtotal	Contributions by Employer	Foreign Currency Translation Adjustments	December 31, 2022
Present value of defined benefit obligation	(₱1,167,502)	(₱80,715)	(₱58,002)	(₱138,717)	₱89,161	₱203,457	₱6,385	(₱53,262)	₱–	₱156,580	₱–	(₱1,763)	(₱1,062,241)
Fair value of plan asset	518,810	–	27,372	27,372	(70,475)	–	–	–	(29,791)	(29,791)	109,895	–	555,811
Net pension liability	(₱648,692)	(₱80,715)	(₱30,630)	(₱111,345)	₱18,686	₱203,457	₱6,385	(₱53,262)	(₱29,791)	₱126,789	₱109,895	(₱1,763)	(₱506,430)

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions. The trustee has no specific matching strategy between the plan assets and the retirement obligation. The Group is not required to pre-fund the defined benefit obligation before they become due. The amount and timing of contributions to the retirement fund are at the Group's discretion.

The carrying value and fair value of plan assets by each class as at the end of the reporting period are as follow:

	2023	2022
Debt instruments:		
Fixed rate treasury notes and retail treasury bonds	**₱424,624**	₱446,683
Corporate bond and fixed-rate notes	**67,617**	94,034
Investments in UITF	**12,550**	11,223
Cash and cash equivalents	**9**	20
Others	**5,786**	4,585
Liabilities	**(612)**	(734)
	₱509,974	₱555,811

The plan assets have diverse investments and do not have any concentration risk.

The costs of defined benefit pension plans as well as the present value of the pension obligation are actuarially determined using projected unit credit method. The actuarial valuation involves making various assumptions. The principal assumptions used in determining pension benefit obligations for the defined benefit plans are shown below:

	2023	2022
Discount rate	**2.76-6.17%**	2.76-3.38%
Salary increase rate	**5.00-6.00%**	5.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as at December 31, 2023 and 2022, assuming if all other assumptions were held constant:

		2023	2022
	Increase(decrease)	**Effect on Defined Benefit Obligation**	
Discount rates	**1.00%**	**(₱135,199)**	(₱74,721)
	(1.00%)	**159,606**	86,342
Future salary increases	**1.00%**	**158,434**	87,429
	(1.00%)	**(136,714)**	(76,883)

The average duration of the defined benefit obligation at the end of the reporting period is 9.20–19.30 years in 2023 and 7.5–17.10 years in 2022.

Shown below is the expected future benefit payment:

Financial Year	2023	2022
Year 1	**₱178,320**	₱178,656
Years 2–5	**387,399**	404,695
Years 6–10	**921,773**	677,290

23. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The Parent Company has Material Related Party Transaction Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

The following are the significant transactions with related parties:

Nature	Year	Volume of Transactions	Outstanding Balance	Terms	Conditions
Associates and joint ventures					
MLI					
Rent expense	**2023**	**₱64,808**	**₱–**	15 days;	Unsecured
	2022	64,603	–	Noninterest-bearing	
	2021	62,987	–		
MMBC					
Miscellaneous income	**2023**	**–**	**–**	30 days;	Unsecured;
	2022	–	33,751	Noninterest-bearing	No impairment
	2021	5,125	33,777		
Trade purchases, net	**2023**	**–**	**–**	30 days;	Unsecured
	2022	17,748	–	Noninterest-bearing	
	2021	57,131	(3,799)		
Honey Droplet Ltd.					
Advances and interest income (Note 9)	**2023**	**–**	**–**	4-6 years;	Unsecured;
	2022	–	–	Interest-bearing	Gross advances amounted to ₱115.3 million in 2023 and 2022; fully impaired in 2023 and 2022
	2021	–	–		
CHTI					
Transportation and delivery expense and wheat handling fees	**2023**	**324,596**	**(49,204)**	15 days;	Unsecured
	2022	300,339	(14,578)	Noninterest-bearing	
	2021	258,902	(18,089)		
Common shareholders					
PT. Nissin Biscuit Indonesia					
Trade purchases, net	**2023**	**46,075**	**–**	45 days;	Unsecured
	2022	62,564	–	Noninterest-bearing	
	2021	27,063	–		
MNSG Holdings Pte. Ltd.					
Guaranty asset	**2023**	**10,432,256**	**10,432,256**	Refer to Notes 10 and 26	
	2022	–	–		
	2021	–	–		
Loans receivable	**2023**	**–**	**172,305**	2 years;	Unsecured
	2022	–	162,300	Interest-bearing	
	2021	–	164,936		
Trade and other receivables (Note 6)	**2023**		**–**		
	2022		33,751		
	2021		33,777		
Loans receivable (Note 9)	**2023**		**172,305**		
	2022		162,300		
	2021		164,936		
Trade payables (Note 15)	**2023**		**(49,204)**		
	2022		(14,578)		
	2021		(21,888)		
Advances to employees (Note 14)	**2023**	**20,814**	**90,591**	1-5 years;	Unsecured
	2022	866	69,777	Noninterest-bearing	
	2021	26,387	68,911		

These transactions with related parties will be settled through cash.

Trade and other receivables and payables to related parties that were eliminated upon consolidation amounted to ₱2,811.4 million in 2023 and ₱2,484.0 million in 2022.

MMBC
On May 31, 2016, the Parent Company entered into a Distributorship Agreement with MMBC, wherein MMBC engaged the services of the Parent Company to handle warehousing, selling, billing, delivery and merchandising of MMBC's products. The agreement shall continue in force until cancelled or terminated by either party at any time with or without cause.

Wide Faith Foods Co. Ltd.
On November 17, 2015, the Parent Company entered into a Guarantee Agreement with The Hongkong and Shanghai Banking Corporation Limited, Bangkok Branch, to guarantee the ₱141.4 million ($3.0 million) loan of Wide Faith Foods Co. Ltd.

MNSG Holdings Pte. Ltd.
On July 3, 2020, MNSPL and MNSG Holdings Pte. Ltd. Entered into a loan agreement wherein MNSPL agreed to lend ₱155.5 million ($3.0 million) to MNSG Holdings Pte. Ltd. With an interest rate of 3.65% per annum. The loan will mature on July 3, 2022. On July 3, 2022, MNSPL and MNSG Holdings Pte. Ltd. Agreed to extend the maturity of the loan to July 3, 2024, with an interest rate of 4.83% per annum.

Compensation of Key Management Personnel

	2023	2022	2021
Short-term employee benefits	**₱1,451,857**	₱1,319,181	₱1,208,756
Post-employment benefits	**147,541**	57,494	56,526
	₱1,599,398	₱1,376,675	₱1,265,282

24. **Income Tax**

OECD Pillar Two model rules
'Pillar Two legislation' has been enacted, or substantively enacted, in certain jurisdictions (i.e., United Kingdom, Germany, Sweden and Netherlands) where the Group operates effective beginning January 1, 2024. The Group is in-scope of the enacted or substantively enacted legislation as Monde Nissin Corporation, the Parent Company of the Group, has global revenues exceeding €750.0 million (₱45,900.0 million). As a result, the Group has performed an assessment of the potential exposure to 'Pillar Two income taxes'. Under the legislation, a company is liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction and a 15% minimum rate. The assessment of the potential exposure to 'Pillar Two income taxes' is based on the 2021 and 2022 tax filings, country-by-country reporting, and financial statements for the covered entities of the Group. Based on the assessment, the Group does not expect material exposure to 'Pillar Two income taxes'.

The Group has applied the exception in recognizing and disclosing information about deferred tax assets and liabilities related to GMT taxes. As the GMT legislation was not effective as at December 31, 2023, the Group has no related current tax exposure.

Current Income Tax
A reconciliation of the provision for income tax computed at the applicable statutory tax rate of the

Group to provision for income tax as shown in the consolidated statements of comprehensive income is as follows:

	2023	2022	2021
Provision for income tax computed at applicable statutory tax rate (17% to 25%)	**(₱1,761,405)**	(₱7,701,800)	₱1,499,172
Income tax effects of:			
Nondeductible expenses	**2,305,545**	9,782,829	224,072
Nontaxable income	**(1,094,971)**	(553,752)	(504,609)
Change in unrecognized DTA	**(165,847)**	(93,028)	(211,986)
Benefit from OSD	**(123,693)**	(59,160)	(162,957)
Interest income already subjected to final tax and not subject to tax	**(94,580)**	(35,281)	(243,718)
Net deferred tax on unremitted interest income	**(49,194)**	48,542	(239,026)
Nondeductible interest expense	**19,392**	7,287	4,030
Expired and applied NOLCO	**140**	104,510	63,772
Difference in tax rate of temporary differences	**(211,348)**	(311,170)	1,405,963
Impact of CREATE Act	–	–	(212,977)
Others	**(44,591)**	(60,024)	(41,975)
	(₱1,220,552)	₱1,128,953	₱1,579,761

Deferred Income Tax

The components of the Group's net deferred tax assets and net deferred tax liabilities are as follow:

	2023	2022
Deferred tax assets - net		
Allowance for impairment loss	**₱337,806**	₱375,806
Pension liability	**237,520**	118,311
Refund liabilities	**101,669**	50,110
Accrued expenses	**95,474**	86,103
Right-of-use assets and lease liabilities	**54,251**	39,706
Allowance for inventory obsolescence	**43,288**	53,537
Derivative liability	**27,064**	–
Unrealized profits from intercompany sales	**23,356**	24,979
Advances from customers	**14,634**	14,649
Excess of the tax base over the carrying amounts of non-monetary assets	**11,280**	8,856
Unamortized past service cost	**8,452**	10,034
NOLCO	**8,420**	82,795
Allowance for ECL	**4,410**	2,220
Unrealized foreign exchange (gain) loss	**(23,653)**	1,472
Others	**(7,006)**	(666)
	936,965	867,912

	2023	2022
Deferred tax liabilities - net		
Brand	**(₱2,033,658)**	(₱3,446,451)
NOLCO	**722,985**	428,178
Property, plant and equipment	**530,984**	(1,265,009)
Interest expense	**394,536**	–
Interest income	**(754)**	(48,664)
Unrealized foreign exchange gain	–	(10,459)
Others	**4,170**	22,672
	(381,737)	(4,319,733)
	₱555,228	(₱3,451,821)

The reconciliation of the Group's deferred taxes is as follows:

	2023	2022
Beginning balance	**(₱3,451,821)**	(₱4,816,951)
Provision for deferred income tax during the period recognized in profit or loss	**4,021,724**	1,299,539
Provision for (benefit from) deferred income tax during the period recognized in OCI	**99,806**	(48,321)
Currency translation adjustments	**(114,481)**	113,912
Deferred tax liabilities, ending	**₱555,228**	(₱3,451,821)

In 2023, the Group reversed deferred tax liabilities on brands and property, plant and equipment amounting to ₱3,283.0 million as a result of the additional impairment recognized during the year.

The following deferred tax assets were not recognized in the consolidated financial statements since management believes that it will not be utilized in the future:

	2023	2022
Unused NOLCO	**₱203,305**	₱255,124
Allowance for impairment loss	**30,600**	29,437
Right-of-use assets and lease liabilities	**8,348**	6,605
Inventory obsolescence	**6,882**	7,982
Asset retirement obligation	**4,944**	4,683
MCIT	**4,200**	3,219
Unrealized foreign exchange loss	**2,085**	–
Allowance for ECL	–	5,195
Interest expense	–	282,155
Others	**154**	–
	₱260,518	₱594,400

As at December 31, 2023 and 2022, deferred tax liability on undistributed earnings of subsidiaries amounting to ₱397.6 million and ₱365.9 million , respectively, was not recognized since the Parent Company controls the dividend policy of its subsidiaries, hence, it is able to control the timing of the reversal of the temporary difference with these subsidiaries and such temporary difference is not seen to reverse in the foreseeable future. Deferred tax assets on cumulative translation adjustments amounted to ₱723.4 million, and ₱772.1 million as at December 31, 2023 and 2022, respectively, were not recognized since it is not probable that taxable profit will be available against which the temporary difference can be utilized.

The balances of unused NOLCO with their corresponding years of expiration, are as follows:

Year Incurred	Expiry Year	NOLCO	MCIT
Philippine Entities			
2020	2025	₱287,542	₱–
2020	2023	–	438
2021	2026	1,123	–
2021	2024	–	1,521
2022	2025	731	804
2023	2026	956	1,875
		290,352	4,638
Expired during the year		–	(438)
Applied during the year		(46,224)	–
		244,128	4,200
Thailand Entities			
2023	2028	42,101	–
MNSPL			
2018	N/A	35,137	–
2019	N/A	197,388	–
2020	N/A	114,752	–
2021	N/A	138,206	–
2022	N/A	128,677	–
2023	N/A	223,288	–
		837,448	–
		₱1,123,677	₱4,200

In 2022, the recognized deferred tax asset on unutilized NOLCO of MNSPL was derecognized due to uncertainty of its recoverability. Subject to qualifying conditions, the unutilized tax losses can be carried forward indefinitely.

In 2023, a deferred tax asset is recognized in respect of interest deductions that have been restricted in MFL and MNUK. The deferred tax was recognized on the basis that it can be offset against the deferred tax liability in respect of the brand intangible.

MMYSC

MMYSC's current provision for income tax is computed based on Optional Standard Deduction (OSD) in accordance with Revenue Regulation (RR) No. 16-2008, *Implementing the Provisions of Section 34(L) of the Tax Code of 1997, As Amended by Section 3 of Republic Act No. 9504, Dealing on the Optional Standard Deduction Allowed to Individuals and Corporations in Computing Their Taxable Income.* The OSD is equivalent to 40% of gross income, as provided by law, in lieu of the itemized allowable deductions.

The OSD results in an effective tax rate of 15% in 2023 and 2022 for the years in which OSD is projected to be utilized. The availment of OSD affected the recognition of deferred tax assets and liabilities on income and expenses that are not considered in the determination of gross income for income tax purposes. MMYSC forecasts that it will continue to avail of the OSD, such that the manner by which it will recover or settle the underlying assets and liabilities, for which the deferred tax assets and liabilities were initially recognized, would not result in any future tax consequence under OSD.

MNUKL
The main rate of UK corporation tax increased from 19% to 25% on April 1, 2023. The increase in rate was substantively enacted on May 24, 2021, and the impact of this rate change has been reflected in the measurement of recognized deferred tax valances at December 31, 2023 and 2022.

MNTH
Under the Investment Promotion Act B.E. 2520, the Thailand BOI granted MNTH promotional privileges subject to certain imposed conditions. Significant tax privileges include the following:

Certificate No.	64-0754-1-00-1-0
Grant date	June 2021
Nature	For manufacturing of dehydrated foods
Significant privileges:	
Exemption from corporate income tax for profit from promoted operations	6 years, capped at THB 469.2 million
Exemption from import duty on approved machinery	Granted
Exemption from import duty on raw materials and significant supplies used in production for export	Granted
Date of first earning operating income	Not yet utilized

25. **Leases**

Parent Company
The Parent Company leases various real estate properties for its plant sites, warehouses, and office spaces. The most significant of these lease agreements is the lease agreement with MLI, for its plant sites in Sta. Rosa Laguna, Cebu, and Davao. The agreements are for periods of 25 to 50 years, renewable for another 25 years. Under the terms of the leases, in the event that the lessor decides to sell the leased property, the Parent Company shall have the first option to buy the said property subject to the constitutional limitations on the ownership of land.

On June 24, 2020, the Parent Company entered into agreements with Science Park of the Philippines for the lease of certain parcels of land in San Fernando, Malvar, Batangas to be used for various operational activities. The lease agreements are valid for 50 years, up to 2095, and are automatically renewable for another 25 years.

The Parent Company has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Parent Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The undiscounted potential future rental payments relating to periods following the exercise date of extension options not within the control of lessee that are not included in the lease term amounted to ₱94.5 million as at December 31, 2023 and 2022. The extension options not included are exercisable in 2030.

MMYSC
MMYSC leases real estate properties for a period of 50 years up to 2052 from Monde Rizal, an associate through KBT, renewable for another 25 years. MMYSC also entered into another lease agreement for the lease of real property for a period of 10 years.

On March 1, 2024, MMYSC entered into a lease agreement with TIPCO Estates Corporation for the lease of certain industrial lots inside the TECO Industrial Park located in Mabalacat, Pampanga to be used for various operational activities. The lease agreement is valid for 50 years and is renewable for another 25 years.

MNTH
MNTH entered into several lease agreements in respect of the lease of its office building space and transport service agreements. The terms of the agreements are generally between 1 and 3 years.

There are no new lease contracts that have not yet commenced as at December 31, 2023.

MNUKL
In 2022, new leases entered into by MNUKL included an office in the Netherlands and several replacement motor cars most of which are electric for fossil fuel substitutions.

In 2021, MNUKL has entered into various lease agreements. The most significant agreements pertain to a 6-year lease contract of an office building in United States amounting to ₱58.3 million (£0.9 million) and a 5-year lease contract of a fleet of forklift trucks at three United Kingdom sites amounting to ₱40.8 million (£0.6 million). In 2023, the office lease in United States is terminated and the overall fleet of motor vehicles has reduced. The leased car fleet is now comprised mostly of electric or dual fuel vehicles.

The following are the amounts recognized in consolidated statement of comprehensive income:

	2023	2022	2021
Depreciation expense of right-of-use assets included in property, plant and equipment (Note 12)	**₱171,859**	₱187,508	₱183,783
Interest expense on lease liabilities (Note 21)	**183,877**	182,919	188,058
Expenses relating to short-term leases (Notes 19 and 20)	**81,501**	37,833	22,043
Expenses relating to leases of low-value assets (Notes 19 and 20)	**11,346**	23,416	37,951
	₱448,583	₱431,676	₱431,835

The movements in the Group's lease liabilities are as follows:

	2023	2022
Balance at beginning of year	**₱2,810,167**	₱2,758,861
Payment of principal portion of lease liabilities	**(332,604)**	(255,410)
Accretion of interest (Note 21)	**183,877**	182,919
Additions (Note 12)	**21,427**	123,797
	2,682,867	2,810,167
Less current portion	**89,121**	386,671
	₱2,593,746	₱2,423,496

The maturity analysis of lease liabilities is disclosed in Note 26.

26. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, loans receivable, noncurrent receivables and advances to employees. The main purpose of these financial instruments is to fund the Group's operations. The Group has various other financial instruments such as accounts payable and other current liabilities, acceptance and trust receipts payable, and loan payable, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The BOD reviews and agrees the policies for managing each of these risks and they are summarized below:

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables, accounts payable and other current liabilities, and loans payable.

The sensitivity analyses in the following sections relate to the position as at December 31, 2023 and 2022. The sensitivity of the relevant statement of other comprehensive income item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held as at December 31, 2023 and 2022.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest Rate Sensitivity. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase (Decrease) in Basis Points	Effect on Income Before Tax
2023	**+100**	**₱50,128**
	-100	**(50,128)**
2022	+100	70,640
	-100	(70,640)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The table below summarizes the Group's significant foreign currency-denominated financial assets and liabilities (impact of other currencies is not material) as at December 31:

	2023				
	Original Currency				
	USD	**EUR**	**JPY**	**THB**	**Peso Equivalent**
Financial Assets					
Cash and cash equivalents	**$52,856**	**€735**	**¥–**	**฿1,113,607**	**₱4,765,957**
Financial assets at FVTPL*	**10,355**	**–**	**–**	**–**	**573,513**
Trade and other receivables	**40,569**	**1,956**	**–**	**156,184**	**2,618,372**
	103,780	**2,691**	**–**	**1,269,791**	**7,957,842**
Financial Liabilities					
Accounts payable and other current liabilities	**17,498**	**2,821**	**74,691**	**265,417**	**1,598,871**
	17,498	**2,821**	**74,691**	**265,417**	**1,598,871**
Net Financial Assets (Liabilities)	**$86,282**	**(€130)**	**(¥74,691)**	**฿1,004,374**	**₱6,358,971**

**Presented under current financial assets*

	2022				
	Original Currency				
	USD	EUR	JPY	THB	Peso Equivalent
Financial Assets					
Cash and cash equivalents	$85,334	€256	¥–	฿840,857	₱6,129,599
Financial assets at FVTPL*	31,360	–	–	–	1,748,478
Trade and other receivables	8,245	2,025	–	153,444	827,849
	124,939	2,281	–	994,301	8,705,926
Financial Liabilities					
Accounts payable and other current liabilities	24,598	3,346	76,953	265,322	2,030,895
	24,598	3,346	76,953	265,322	2,030,895
Net Financial Assets (Liabilities)	$100,341	(€1,065)	(¥76,953)	฿728,979	₱6,675,031

**Presented under current financial assets*

In translating the foreign currency-denominated financial instruments into Philippine peso amounts, the exchange rates used are as follows:

	Currency			
Year	USD ($)	EUR (€)	JPY (¥)	THB (฿)
2023	**₱55.39**	**₱61.31**	**₱0.39**	**₱1.61**
2022	₱55.76	₱59.55	₱0.42	₱1.61

The following table demonstrates the sensitivity to a reasonably possible change in the U.S. Dollar, European Euro, Japanese Yen, and Thai Baht for the next period, with all other variables held constant, of the Group's income before tax. The reasonably possible change in exchange rate was based on forecasted exchange rate changes within the next two months after the reporting period. The methods and assumptions used remained unchanged over the reporting periods being presented.

	2023		2022	
	Movement in Foreign Exchange Rate Increase (Decrease)	**Effect on Income Before Tax**	Movement in Foreign Exchange Rate Increase (Decrease)	Effect on Income Before Tax
U.S. dollar	**0.66%**	**₱31,540**	9.32%	₱521,409
	(0.66%)	**(31,540)**	(9.32%)	(521,409)

(Forward)

	2023		2022	
	Movement in Foreign Exchange Rate Increase (Decrease)	**Effect on Income Before Tax**	Movement in Foreign Exchange Rate Increase (Decrease)	Effect on Income Before Tax
European euro	**2.95%**	**(235)**	3.56%	(2,258)
	(2.95%)	**235**	(3.56%)	2,258
Japanese yen	**5.91%**	**(1,734)**	5.14%	(1,651)
	(5.91%)	**1,734**	(5.14%)	1,651
Thailand baht	**0.17%**	**2,750**	6.14%	72,210
	(0.17%)	**(2,750)**	(6.14%)	(72,210)

The Group's exposure to foreign currency changes for all other currencies is not material.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Since the Group trades only with recognized third parties, there is no requirement for collateral.

Maximum exposure to credit risk. The table below shows the maximum exposure to credit risk for the Group's financial assets, without taking account any collateral and other credit enhancements:

	2023	2022
Financial assets at amortized cost		
Cash and cash equivalents*	**₱16,677,637**	₱11,627,119
Trade and other receivables	**6,410,138**	6,800,309
Loans receivable**	**672,305**	662,300
Advances to employees***	**90,591**	69,777
Financial assets at FVTPL		
Guaranty asset	**10,432,256**	–
Others****	**2,042,058**	1,756,101
Financial assets at FVOCI	**600,701**	–
Total credit risk exposure	**₱36,925,686**	₱20,915,606

** Excluding cash on hand amounting to ₱1.3 million in 2023 and ₱1.5 million in 2022.*
***Recorded under "current financial assets" in 2023 and "noncurrent receivables" in 2022.*
****Recorded under "other noncurrent assets".*
*****UITF and other derivatives recorded under "current financial assets".*

Aging analysis. The aging analysis of financial assets follows:

	2023						
		Days Past Due					
	Current	**1–30 Days**	**31–60 Days**	**61–90 Days**	**More than 90 Days**	**ECL**	**Total**
Financial assets at amortized cost							
Cash and cash equivalents*	**₱16,677,637**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱16,677,637**
Trade and other receivables	**5,647,891**	**691,506**	**43,389**	**16,937**	**10,415**	**23,532**	**6,433,670**
Loans receivable**	**672,305**	**–**	**–**	**–**	**–**	**115,266**	**787,571**
Advances to employees***	**90,591**	**–**	**–**	**–**	**–**	**–**	**90,591**
	23,088,424	**691,506**	**43,389**	**16,937**	**10,415**	**138,798**	**23,989,469**
Financial asset at FVTPL							
Guaranty asset	**10,432,256**	**–**	**–**	**–**	**–**	**–**	**10,432,256**
Others****	**2,042,058**	**–**	**–**	**–**	**–**	**–**	**2,042,058**
Financial assets at FVOCI	**600,701**	**–**	**–**	**–**	**–**	**–**	**600,701**
	13,075,015	**–**	**–**	**–**	**–**	**–**	**13,075,015**
	₱36,163,439	**₱691,506**	**₱43,389**	**₱16,937**	**₱10,415**	**₱138,798**	**₱37,064,484**

** Excluding cash on hand amounting to ₱1.3 million.*
***Recorded under "current financial assets".*
****Recorded under "other noncurrent assets".*
*****UITF and other derivatives recorded under "current financial assets".*

	2022						
		Days Past Due					
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Financial assets at amortized cost							
Cash and cash equivalents*	₱11,627,119	₱–	₱–	₱–	₱–	₱–	₱11,627,119
Trade and other receivables	5,823,877	849,128	46,089	21,571	59,644	37,546	6,837,855
Loans receivable**	662,300	–	–	–	–	115,266	777,566
Advances to employees***	69,777	–	–	–	–	–	69,777
Financial asset at FVTPL	1,756,101	–	–	–	–	–	1,756,101
	₱19,939,174	₱849,128	₱46,089	₱21,571	₱59,644	₱152,812	₱21,068,418

** Excluding cash on hand amounting to ₱1.5 million.*
***Recorded under "noncurrent receivable".*
****Recorded under "other noncurrent assets"*

Credit risk under general and simplified approach

	2023				
	General Approach			**Simplified**	
	Stage 1	**Stage 2**	**Stage 3**	**Approach**	**Total**
Financial assets at amortized cost					
Cash and cash equivalents*	**₱16,677,637**	**₱–**	**₱–**	**₱–**	**₱16,677,637**
Trade and other receivables	**65,963**	**–**	**–**	**6,367,707**	**6,433,670**
Advances to employees**	**90,591**	**–**	**–**	**–**	**90,591**
Loans receivable***	**672,305**	**–**	**115,266**	**–**	**787,571**
	17,506,496	**–**	**115,266**	**6,367,707**	**23,989,469**
Financial asset at FVTPL					
Guaranty asset	**10,432,256**	**–**	**–**	**–**	**10,432,256**
Others****	**2,042,058**	**–**	**–**	**–**	**2,042,058**
Financial assets at FVOCI	**600,701**	**–**	**–**	**–**	**600,701**
	₱30,581,511	**₱–**	**₱115,266**	**₱6,367,707**	**₱37,064,484**

** Excluding cash on hand amounting to ₱1.3 million.*
***Recorded under "current financial assets".*
****Recorded under "other noncurrent assets".*
*****UITF and other derivatives recorded under "current financial assets".*

	2022				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
Financial assets at amortized cost					
Cash and cash equivalents*	₱11,627,119	₱–	₱–	₱–	₱11,627,119
Trade and other receivables	103,073	–	–	6,734,782	6,837,855
Loans receivable**	662,300	–	115,266	–	777,566
Advances to employees***	69,777	–	–	–	69,777
Financial asset at FVTPL	1,756,101	–	–	–	1,756,101
	₱14,218,370	₱–	₱115,266	₱6,734,782	₱21,068,418

** Excluding cash on hand amounting to ₱1.5 million.*
***Recorded under "noncurrent receivable".*
****Recorded under "other noncurrent assets"*

Simplified Approach. Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

	2023							
		Days Past Due						
	Current	**<30 days**	**30-60 days**	**61-90 days**	**91-120 days**	**121-365 days**	**>365 days**	**Total**
Expected credit loss rate	**0.04%**	**0.11%**	**1.40%**	**3.24%**	**5.32%**	**8.46%**	**100.00%**	
Estimated total gross carrying amount at default	**₱5,581,928**	**₱691,506**	**₱43,389**	**₱16,937**	**₱8,225**	**₱7,333**	**₱18,389**	**₱6,367,707**
Expected credit loss	**₱2,141**	**₱789**	**₱607**	**₱548**	**₱437**	**₱621**	**₱18,389**	**₱23,532**

	2022							
		Days Past Due						
	Current	<30 days	30-60 days	61-90 days	91-120 days	121-365 days	>365 days	Total
Expected credit loss rate	0.03%	0.10%	0.88%	2.02%	3.25%	33.60%	100.00%	
Estimated total gross carrying amount at default	₱5,721,241	₱849,060	₱45,720	₱21,571	₱6,592	₱84,961	₱5,637	₱6,734,782
Expected credit loss	₱1,508	₱807	₱400	₱435	₱214	₱28,545	₱5,637	₱37,546

Liquidity Risk
Liquidity risk is the risk the Group will be unable to meet its payment obligations when they fall due. The Group monitors and maintains a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease contracts. The Group's policy is that not more than 50% of long-term debt should mature in the next 12-month period. Approximately 12% and 7% of the Group's long-term debt will mature in less than one year at December 31, 2023 and 2022, respectively, based on the carrying value of debt reflected in the financial statements. The Group assessed the concentration risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of source of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive concentration risk. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by change in economic, political and other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio of distributors and distribution channels. Identified concentration of credit risks are controlled and managed accordingly.

Maturity profile. The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments are as follows:

	2023					
	On Demand	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**More than 5 Years**	**Total**
Financial assets at amortized cost						
Cash and cash equivalents	**₱4,003,047**	**₱12,675,841**	**₱–**	**₱–**	**₱–**	**₱16,678,888**
Trade and other receivables	**785,779**	**5,647,891**	–	–	–	**6,433,670**
Loans receivable	**115,266**	–	**672,305**	–	–	**787,571**
Advances to employees	–	–	–	**90,591**	–	**90,591**
	4,904,092	**18,323,732**	**672,305**	**90,591**	–	**23,990,720**
Financial assets at FVTPL						
Guaranty asset	–	–	–	–	**10,432,256**	**10,432,256**
Others	**2,042,058**	–	–	–	–	**2,042,058**
Financial assets at FVOCI	–	–	–	–	**600,701**	**600,701**
	2,042,058	–	–	–	**11,032,957**	**13,075,015**
	6,946,150	**18,323,732**	**672,305**	**90,591**	**11,032,957**	**37,065,735**
Financial liabilities carried at amortized cost						
Accounts payable and other current liabilities*	**2,540,634**	**8,246,578**	**6,664**	–	–	**10,793,876**
Dividends payable	–	**2,156,233**	–	–	–	**2,156,233**
Loans payable	–	**20,747**	**1,200,249**	**3,812,558**	–	**5,033,554**
Acceptance and trust receipts payable	–	–	**1,607,336**	–	–	**1,607,336**
Lease liabilities	–	**62,880**	**181,920**	**947,271**	**6,762,910**	**7,954,981**
	2,540,634	**10,486,438**	**2,996,169**	**4,759,829**	**6,762,910**	**27,545,980**
	₱4,405,516	**₱7,837,294**	**(₱2,323,864)**	**(₱4,669,238)**	**₱4,270,047**	**₱9,519,755**

** Excluding statutory payables.*

	2022					
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	More than 5 Years	Total
Financial assets at amortized cost						
Cash and cash equivalents	₱3,647,852	₱7,980,775	₱–	₱–	₱–	₱11,628,627
Trade and other receivables	1,013,978	5,823,877	–	–	–	6,837,855
Loans receivable	115,266	–	–	662,300	–	777,566
Advances to employees	–	–	–	69,777	–	69,777
Financial assets at FVTPL	1,756,101	–	–	–	–	1,756,101
	6,533,197	13,804,652	–	732,077	–	21,069,926
Financial liabilities carried at amortized cost						
Accounts payable and other current liabilities*	2,663,694	8,185,721	88,626	–	–	10,938,041
Dividends payable	–	–	–	–	–	–
Loans payable	–	–	274,827	7,081,137	–	7,355,964
Acceptance and trust receipts payable	–	–	2,362,301	–	–	2,362,301
Lease liabilities	–	70,553	251,709	984,984	7,044,155	8,351,401
	2,663,694	8,256,274	2,977,463	8,066,121	7,044,155	29,007,707
	₱3,869,503	₱5,548,378	(₱2,977,463)	(₱7,334,044)	(₱7,044,155)	(₱7,937,781)

** Excluding statutory payables.*

Changes in Liabilities Arising from Financing Activities

	January 1, 2023	**Cash Flows**	**Foreign Exchange Movement**	**Acquisition of a subsidiary**	**Fair Value changes**	**Others***	**December 31, 2023**
Loans payable	**₱7,253,014**	**(₱2,705,378)**	**₱341,147**	**₱–**	**₱–**	**₱45,244**	**₱4,934,027**
Accrued interest payable	**21,018**	**(452,509)**	**–**	**–**	**–**	**452,238**	**20,747**
Derivative liability	**–**	**20,833**	**–**	**–**	**(20,833)**	**106,406**	**106,406**
Lease liabilities	**2,810,167**	**(332,604)**	**–**	**–**	**–**	**205,304**	**2,682,867**
Dividends payable	**–**	**–**	**–**	**–**	**–**	**2,156,233**	**2,156,233**
Other noncurrent liabilities	**36,673**	**1,884**	**–**	**–**	**–**	**–**	**38,557**
Total liabilities from financing activities	**₱10,120,872**	**(₱3,467,774)**	**₱341,147**	**₱–**	**(₱20,833)**	**₱2,965,425**	**₱9,938,837**

**"Others" primarily include amortization of debt issue costs, interest expenses and additions from new leases.*

	January 1, 2022	Cash Flows	Foreign Exchange Movement	Acquisition of a subsidiary	Fair Value changes	Others*	December 31, 2022
Loans payable	₱6,998,805	₱278,834	(₱111,249)	₱–	₱–	₱86,624	₱7,253,014
Accrued interest payable	1,081	(127,045)	–	–	–	146,982	21,018
Derivative liability	–	919,859	386,532	–	(1,306,391)	–	–
Lease liabilities	2,758,861	(255,410)	–	–	–	306,716	2,810,167
Dividends payable	–	(2,516,621)	–	–	–	2,516,621	–
Other noncurrent liabilities	20,425	16,248	–	–	–	–	36,673
Total liabilities from financing activities	₱9,779,172	(₱1,684,135)	₱275,283	–	(₱1,306,391)	₱3,056,943	₱10,120,872

**"Others" primarily include amortization of debt issue costs, interest expenses and additions from new leases.*

	January 1, 2021	Cash Flows	Foreign Exchange Movement	Acquisition of a subsidiary	Fair Value changes	Others*	December 31, 2021
Loans payable	₱29,546,002	(₱23,115,381)	₱434,650	₱–	₱–	₱133,534	₱6,998,805
Accrued interest payable	166,288	(1,437,102)	–	–	–	1,271,895	1,081
Derivative liability	2,513,886	–	–	–	2,258,075	(4,771,961)	–
Lease liabilities	2,763,032	(276,715)	–	–	–	272,544	2,758,861
Convertible note	7,027,163	(13,351,935)	(73,445)	–	–	6,398,217	–
Dividends payable	–	(10,061,392)	–	–	–	10,061,392	–
Other noncurrent liabilities	22,226	(1,801)	–	–	–	–	20,425
Total liabilities from financing activities	₱42,038,597	(₱48,244,326)	₱361,205	₱–	₱2,258,075	₱13,365,621	₱9,779,172

**"Others" primarily include amortization of debt issue costs, interest expenses and additions from new leases.*

Derivative Financial Instruments

The Group engages in derivative transactions such as structured deposit, dual currency investment, structured note, binary note, guaranty asset, cross currency swaps (CCS) and European Knockout Option (EKO) to manage its foreign currency, interest rate and financial risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value. Changes in the fair value of derivatives that are not designated as accounting hedges (wedding cake deposit and dual currency investment) are recognized in the consolidated statements of income.

Structured Deposit
The Group invested in a principal protected structure with a potential enhanced return greater than the prevailing money market rate. The structured deposit will be redeemed at 100% of the principal amount, together with an interest amount based on the guaranteed rate plus the relevant enhanced rate depending on the applicable scenario at maturity date. Structured deposit is nil as at December 31, 2023.

Dual Currency Investment
The Group invested in a non-principal protected investment product with a potential higher return than conventional deposits. The investment amount will be received in either the alternative or investment currency together with interest amount in the investment currency depending on the applicable scenario at maturity date.

Pertinent details of the dual currency investment are as follows:

Notional amount	Effective Date	Maturity Date	Investment Currency	Alternative Currency	Conversion Rate	Interest Rate of Investment Currency
$3,100	11/22/23	02/22/24	USD	GBP	1.24	7.50% p.a.
$10,000	11/22/23	02/22/24	USD	GBP	1.24	7.25% p.a.

Structured Note
The Group invested in a structured note that offers enhanced return when the underlying asset trades at or is above its initial price at maturity while offering a pre-determined minimum level of capital return at maturity.

Pertinent details of the structured note are as follows:

Issue Size	Effective Date	Maturity Date	Redemption at Maturity
$5,000	02/14/23	02/05/24	100% + 160% * Max

Binary Note
The Group invested in a binary note with the view of getting an interest amount linked to USD PHP fixing rate and 100% of the principal at maturity.

Pertinent details of the binary note are as follows:

Principal amount	Effective Date	Maturity Date	Fixed Coupon	Binary Coupon	Barrier Rate
$5,475	09/22/23	03/22/24	3.00% p.a.	6.00% p.a.	58.00

The Group recognized market valuation gain of ₱71.6 million and ₱14.0 million from fair value changes of structured deposit, dual currency investment, structured note, and binary note in 2023 and 2022, respectively, under the "Market valuation gain on financial instruments at fair value through profit or loss (FVTPL)" account in the consolidated statement of comprehensive income.

CCS Contract
On March 4, 2022, the Group entered into a non-deliverable CCS Agreement with a notional amount of ₱5,839.5 million (£85.0 million). Under the CCS agreement, the Group will receive Philippine Peso interest at 9% p.a. and will pay fixed Pound Sterling interest at 6% p.a. The Group will also pay the notional Pound Sterling amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS, which will be designated as a hedge of a portion of the net investment in MNSPL, is used to hedge the Parent Company's exposure to the GBP foreign exchange risk on its investment in MNSPL.

Pertinent details of the cross-currency swap are as follows:

Notional amount	Trade Date	Effective Date	Maturity Date	Swap rate	Fixed rate (Pay leg)	Fixed rate (Receive leg)
£85,000	03/03/22	03/07/22	03/07/32	₱68.70	6.0%	9.0%

On September 28, 2022, the BOD approved to fully unwind the CCS agreement to take advantage of the weakening of Pound Sterling. As a result of the CCS unwinding, the Group received ₱920.5 million from the CCS agreement and recognized the following in 2022:

Derivative gain	₱1,307,038
Cumulative translation adjustment (Note 18)	(386,532)

On January 31, 2023, the Parent Company entered into a non-deliverable CCS Agreement with a notional amount of ₱1,891.4 million (THB 1,151.5 million). Under the CCS agreement, the Company will receive Philippine Peso interest at 11.50% p.a. and will pay fixed Thailand Baht interest at 9% p.a. The Company will also pay the notional Thailand Baht amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS, which will be designated as a hedge of a portion of the net investment in MIL and MNTH, is used to hedge the Parent Company's exposure to the THB foreign exchange risk on its investment in MIL and MNTH. As a result, the Group recognized the following in 2023:

Derivative gain	₱26,255
Cumulative translation adjustment (Note 18)	(106,406)

Interest Rate Swap
MFL entered into an interest rate swap agreement in March 2019 which commenced in March 2020 to eliminate the cash flow risk around the interest on its loan. In 2022, MFL transitioned its interest rate from LIBOR to SONIA such that the interest rate is based on Margin and SONIA. MFL pays interest at the fixed rate of 0.826% per annum. The quarterly payment starts on June 25, 2020 and ends on March 25, 2024, subject to adjustment in accordance with the Modified Following Business Day Convention.

The Group recognized gain (loss) from interest rate swap netted to "Interest on loans payable", amounting to (₱4.3 million), ₱143.4 million, and ₱140.5 million in 2023, 2022, and 2021, respectively (Note 17).

Embedded Derivatives
As discussed in Note 17, the Convertible Note issued by the Group in 2019 and subsequently redeemed in 2021 has embedded equity conversion and redemption options which separated from the host contract.

In 2021, the Group recognized the loss on fair value changes on the embedded derivatives amounting to ₱2,239.2 million under the "Derivative gain (loss)" account in the consolidated statement of comprehensive income.

The total derivative gain (loss) presented in the consolidated statement of comprehensive income consists of derivative gain (loss) from CCS, EKO, equity conversion and redemption options, and swaps. The derivative loss from swaps entered and settled during the same year, amounted to ₱5.5 million in 2023, ₱0.6 million in 2022, and ₱18.9 million in 2021.

Guaranty Asset
Details of the guaranty asset can be referred in Note 10.

Capital Management
For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group's capital management is to maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended December 31, 2023 and 2022.

The Group monitors capital on the basis of the debt-to-equity ratio and makes adjustments to it in light of changes in economic conditions and its financial position. This ratio is calculated as total debt divided by total equity. Debt comprises all liabilities of the Group. Equity comprises all components of equity.

The Group's debt-to-equity ratios are as follows:

	2023	2022
Total debt	**₱25,596,271**	₱29,021,189
Total equity attributable to equity holders of the Parent Company	**58,388,484**	52,128,686
Debt-to-Equity Ratio	**0.44:1.00**	0.56:1.00

The Group is obligated to perform certain covenants with respect to maintaining specified debt-to-equity, gross leverage and minimum debt service cover ratios, as set in the agreements with creditors (see Note 17).

As at December 31, 2023 and 2022, the Group is in compliance with the financial covenants.

Fair Value of Financial Instruments
Cash and Cash Equivalents, Trade and Other Receivables, Accounts Payable and Other Current Liabilities, and Acceptance and Trust Receipts Payable. The carrying value of these financial assets and liabilities approximate their fair values as at December 31, 2023 and 2022 due to the short-term nature of these financial instruments.

Noncurrent Receivables and Advances to Employees and Loans Payable. As at December 31, 2023 and 2022, the fair value of noncurrent receivables and loans payable with variable interest rates approximates the carrying amount due to frequent repricing of interest. Fair value of loans with fixed interest rate are determined using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Financial assets at FVTPL. The financial assets at FVTPL account consists of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. As at December 31, 2023 and 2022, the fair values of these financial assets are based on their published net asset value per share. These are presented under "current financial assets" in the consolidated statement of financial position.

Financial Assets at FVOCI. The fair value of financial asset at FVOCI from Wide Faith Investment Holdings Ltd. is derived from the cash flow projection of the investee (income approach), which is nil as at December 31, 2023 and 2022.

The fair value of Figaro Coffee Group, Inc. is based on quoted prices. The fair value of Terramino Inc. approximates its last transaction price.

Interest rate swap. The fair value of the derivative financial instrument is measured using discounted cash flows. The future cash flows are estimated based on observable forward interest rates and discounted at a rate that reflects the credit risk of the Group and counterparties.

Guaranty asset. The fair value of guaranty asset is determined using Monte Carlo Simulation. The inputs to the model are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

As at December 31, 2023 and 2022, the following table presents the level of hierarchy of the Group's financial instruments as follows:

	2023			2022		
	Quoted prices in active market (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial instruments measured at fair value						
Financial assets at FVTPL	**₱–**	**₱–**	**₱2,042,058**	₱–	₱–	₱1,756,101
Equity securities measured at FVOCI	**492,161**	**–**	**108,540**	–	–	–
Financial assets - interest rate swap	**–**	**32,266**	**–**	–	145,044	–
Guaranty asset	**–**	**–**	**10,432,256**			

The significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at December 31, 2023 is shown below:

Guaranty Asset

Valuation technique	**Unobservable inputs**	**Increase (Decrease)**	**Effect on fair value of guaranty asset**
Monte Carlo Simulation	VIU	₱3,390,702	(₱54,356)
		(3,113,910)	55,167
	Forecasted share price	5%	292,600
		(5%)	(306,837)
	Foreign exchange rates	0.5%	(29,895)
		(0.5%)	30,053

Recoverable Amount of Brands and Property, Plant and Equipment

Valuation technique	Unobservable inputs	Increase (Decrease)	Effect on VIU
VIU method	Discount rate	(0.5%)	₱1,522,356
		0.5%	(1,314,762)
	Long-term growth	0.5%	1,107,168
		(0.5%)	(968,772)
	EBITDA margin	0.5%	761,178
		(0.5%)	(830,376)

27. **Commitments**

SSCC

On July 25, 2014 and August 4, 2014, the Parent Company and SSCC entered into a Distribution, and Marketing and Sales Development Agreement wherein SSCC appoints the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years (until July 25, 2034). Under the Agreement, the Parent Company shall pay SSCC a non-reimbursable and non-recoupable sum of ₱727.6 million payable in 5 equal annual installments starting on August 4, 2014 (see Note 13). The amount is recognized as Distribution Rights and subject to amortization for a period of 20 years up to 2034. The related payable was fully settled in 2018.

On August 4, 2014, the Parent Company and SSCC entered into a Loan Agreement wherein the Parent Company agreed to extend a loan to SSCC in the principal amount of ₱500.0 million with interest rate of 2% per annum. The loan is for a period of 10 years and will mature on August 4, 2024.

As stipulated in Section 6 of the Loan Agreement, the Parent Company has the right to set-off and apply any credit balance of or any amount payable by the Group to SSCC. As a result, the Group presented its receivable from SSCC net of its outstanding payable in its consolidated statement of financial position in accordance with PAS 32. As at December 31, 2023 and 2022, the Group's net receivable from SSCC amounted to ₱500.0 million (see Note 9).

Interest income from advances to SSCC amounted to ₱10.0 million in 2023, 2022 and 2021 (see Note 9).

In March 2024, the Parent Company and SSCC mutually agreed to extend the ₱500.0 million loans with 3.5% interest rate per annum payable in 10 years. It was also agreed to extend an additional ₱100.0 million following the same terms. The formal loan agreement is still currently on process.

Capital Commitments

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱2,055.4 million, ₱1,447.5 million, and ₱1,423.5 million as at 2023, 2022 and 2021, respectively (see Note 12).

28. Supplemental Disclosure to Cash Flow Statements

The Group’s material noncash activities are as follows:

	2023	2022	2021
Cumulative translation adjustments	**(₱581,492)**	₱691,727	(₱1,583,531)
Additions to ROU assets and lease liabilities	**21,427**	123,797	132,488
Unpaid capital expenditures	**–**	–	(90,918)

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Monde Nissin Corporation and Subsidiaries, as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 10, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

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
BIR Accreditation No. 08-001998-094-2023, March 28, 2023, valid until March 27, 2026
PTR No. 10079934, January 5, 2024, Makati City

April 10, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Monde Nissin Corporation and Subsidiaries (the Group), as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated April 10, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023, 2022 and 2021 and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Editha V. Estacio
Partner
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April 10, 2024

MONDE NISSIN CORPORATION AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2023
(Amounts in Thousands, Except Number of Shares, Par Value per Share and Unless Otherwise Specified)

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 and 2021

SUPPLEMENTARY SCHEDULES

Report of Independent Auditor's on Supplementary Schedules

I. Reconciliation of Retained Earnings Available for Dividend Declaration

II. Financial Soundness Indicators

III. Map of the relationships of the Companies within the Group

IV. Supplementary Schedules Required by Annex 68-J

   A. Financial Assets
   B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
   C. Amounts Receivable from Related Parties which are eliminated during consolidation
   D. Long-term Debt
   E. Indebtedness to Related Parties (Long-term Loans from Related Companies)
   F. Guaranties of Securities of Other Issuers
   G. Capital Stock

Reconciliation of Retained Earnings Available for Dividend Declaration

For the reporting period ended December 31, 2023
(Amounts in Thousands)

Monde Nissin Corporation
Felix Reyes St. Brgy. Balibago, City of Santa Rosa, Laguna, Philippines

Unappropriated Retained Earnings, beginning of reporting period		**(₱12,886,584)**
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Equity restructuring	7,153,900	
Reversal of Retained Earnings Appropriations	5,000,000	12,153,900
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declared during the reporting period	2,156,233	
Unrealized foreign exchange and fair value adjustment to financial instruments at fair value through profit or loss (FVTPL)	7,810	2,164,043
Unappropriated Retained Earnings, as adjusted		**(2,896,727)**
Add: Net Income for the current year		**9,145,561**
Less: Category C.1: Unrealized income recognized in the profit or loss during the period (net of tax)		
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	26,848	
Unrealized fair value adjustment (mark-to-market) gains of financial instruments at FVTPL	8,058	34,906
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	13,655	13,655
Adjusted Net income/Loss		**6,227,583**
Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	11,837	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction (right of use of asset and lease liability)	11,117	22,954
Total Retained Earnings, end of the reporting period available for dividend		**₱6,204,629**

MONDE NISSIN CORPORATION AND SUBSIDIARIES

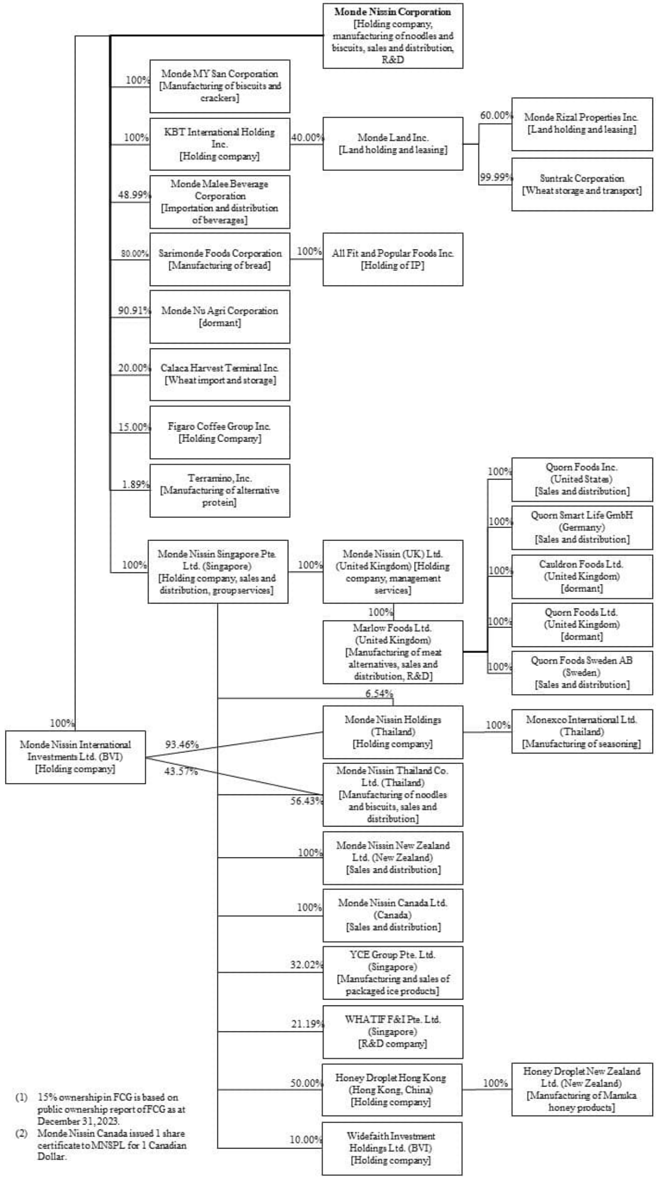
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS AT DECEMBER 31, 2023, 2022 and 2021

Financial Ratios	Formula	2023	2022	2021
Current ratio	Current assets / Current liabilities	2.03	2.19	1.37
Acid test ratio	Cash and cash equivalents + Current receivables + Current financial assets / Current liabilities	1.42	1.37	0.90
Solvency ratio	Net income attributable to Equity Holders of the Parent Company + Depreciation and Amortization+ Impairment Loss-Fair Value Gain on Guaranty Asset / Total Liabilities	55.1%	38.1%	18.5%
Debt-to-equity ratio	Total liabilities (current + noncurrent) / Equity attributable to Equity Holders of the Parent Company	0.44	0.56	0.46
Asset-to-equity ratio	Total assets (current + noncurrent) / Equity attributable to Equity Holders of the Parent Company	1.44	1.56	1.46
Interest rate coverage ratio*	Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) / Finance Costs	17.84	21.75	4.02**
Gross leverage	Gross Debt / EBITDA	0.37	0.66	0.54
Return on equity	Net income attributable to Equity Holders of the Parent Company / Equity attributable to Equity Holders of the Parent Company (average)	(1.2%)	(21.6%)	6.7%
Return on assets	Net income attributable to Equity Holders of the Parent Company / Total assets (average)	(0.8%)	(14.4%)	3.4%
Net Sales growth	Current Period Net Sales – Prior Period Net Sales / Prior Period Net Sales	8.5%	6.6%	2.0%
Gross margin	Gross Profit / Net Sales	30.8%	31.1%	36.9%
Net profit margin	Net income / Net sales	(0.8%)	(17.6%)	4.7%
Net profit after tax (NPAT) growth	Current Period NPAT – Prior Period NPAT / Prior Period NPAT	(95.2%)	(501.0%)	(59.8%)
EBITDA Growth	Current Period EBITDA – Prior Period EBITDA / Prior Period EBITDA	21.2%	(15.9%)	(16.9%)
EBITDA Margin	EBITDA / Net Sales	16.9%	15.1%	19.2%

Financial Ratios	Formula	2023	2022	2021
Return on Invested Capital	$\frac{\text{EBIT – Income Tax Expense}}{\text{Working Capital + Property Plant and Equipment}}$	(1.4%)	(36.6%)	15.8%

**Based on loan covenant's formula applicable for the period*
***2021 was calculated using EBIT/Interest Expense*

MONDE NISSIN CORPORATION
MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
AS AT DECEMBER 31, 2023



(1) 15% ownership in FCG is based on public ownership report of FCG as at December 31, 2023.
(2) Monde Nissin Canada issued 1 share certificate to MNSPL for 1 Canadian Dollar.

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE A – FINANCIAL ASSETS
DECEMBER 31, 2023
(Amounts in thousands)

Financial Assets	Name of Issuing Entity and Description of Each Issue	Amount Shown in the Balance Sheet/Notes	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial Assets at FVTPL*				
Guaranty Asset	N/A	₱10,432,256	₱10,432,256	₱–
UITF	Sun Life Investment Management	724,538	724,538	20,904
Derivative	Rabobank	558,200	558,200	45,269
Derivative	UBS AG	449,381	449,381	12,049
Derivative	JP Morgan Chase Bank N.A.	305,810	305,810	2,582
UITF	Metropolitan Bank & Trust Co.	2,007	2,007	7
UITF	Banco de Oro Universal Bank	1,063	1,063	45
UITF	Bank of the Philippine Islands Asset Management and Trust Corporation	1,059	1,059	45
Derivative	HSBC	–	–	11,699
Financial Assets at Amortized Cost				
Cash in banks and cash equivalents	N/A	16,677,637	16,677,637	410,130
Trade and other receivables	N/A	6,410,138	6,410,138	–
Loans receivable	N/A	672,305	672,305	17,984
Advances to employees	N/A	90,591	90,591	–

Financial Assets	Name of Issuing Entity and Description of Each Issue	Amount Shown in the Balance Sheet/Notes	Value Based on Market Quotations at Balance Sheet Date	Income Received and Accrued
Financial Assets at FVOCI				
Quoted equity securities	FCG	₱492,161	₱492,161	Nil
Unquoted equity securities	Terramino Inc.	108,540	108,540	Nil
Unquoted equity securities	Wide Faith Investment Holdings Ltd.	Nil	Nil	Nil
		₱36,925,686	₱36,925,686	₱520,714

**Presented under current financial assets*

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE B – AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)
DECEMBER 31, 2023
(Amounts in thousands)

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Collections	Write Offs	Balance at End of Period		
					Current	Noncurrent	Total
MNSG Holdings Pte. Ltd.	₱162,300	₱–	(₱–)	₱–	₱172,305	₱–	₱172,305*
Various employees	69,777	82,759	(61,945)	–	–	90,591	90,591
	₱232,077	₱82,759	(₱61,945)	₱–	₱172,305	₱90,591	₱262,896

*with cumulative translation adjustment

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE C – AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS
DECEMBER 31, 2023
(Amounts in thousands)

Receivable to Name of Subsidiary / Counterparty	Balance at Beginning of Period	Additions	Collections	Write-off	Balance at End of Period		
					Current	Noncurrent	Total
MNC	₱2,170,806	₱16,509,093	(₱16,328,853)	₱–	₱2,351,046	₱–	₱2,351,046
MNTH	68,249	433,441	(315,038)	–	186,652	–	186,652
MIL	6,365	121,461	(112,418)	–	15,408	–	15,408
MMYSC	188,632	946,164	(979,698)	–	155,098	–	155,098
MNSPL	33,651	126,724	(101,975)	–	58,400	–	58,400
SMFC	16,303	216,094	(187,538)	–	44,859	–	44,859
	₱2,484,006	₱18,352,977	(₱18,025,520)	₱–	₱2,811,463	₱–	₱2,811,463

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE D – LONG-TERM DEBT
DECEMBER 31, 2023
(Amounts in thousands)

Name of Issuer and Type of Obligation	Amount Shown as Current	Amount Shown as Long-term	Total
MFL			
£105.0 million term loan	₱–	₱3,733,776	₱3,733,776
£12.0 million revolving credit facility	847,235	–	847,235
£5.0 million credit facility	353,016	–	353,016
	₱1,200,251	₱3,733,776	₱4,934,027

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE E – INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
DECEMBER 31, 2023

Name of Related Party	Balance at beginning of the Period	Balance at End of the Period

- NONE TO REPORT -

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE F – GUARANTEES OF SECURITIES OF OTHER ISSUERS
DECEMBER 31, 2023

Name of Issuing Entity of Securities Guaranteed by the Company for Which This Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for Which this Statement is Filed	Nature of Guarantee

- NONE TO REPORT -

MONDE NISSIN CORPORATION AND SUBSIDIARIES
SCHEDULE G – CAPITAL STOCK
DECEMBER 31, 2023

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Affiliates	Directors, Officers and Employees	Others
Common Shares at ₱0.50 par value	20,400,000,000	17,968,611,496	–	–	10,757,176,598	–
Preferred "A" Shares at ₱1.00 par value	400,000,000	–	–	–	–	–
Preferred "B" Shares at ₱1.00 par value	800,000,000	–	–	–	–	–
Preferred "C" Shares at ₱0.25 par value	2,400,000,000	–	–	–	–	–

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands, with Comparative Audited Figures as at December 31, 2023)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱13,523,678**	₱16,678,888
Trade and other receivables (Notes 6 and 20)	**6,563,894**	6,410,138
Inventories (Note 7)	**9,339,656**	9,186,527
Current financial assets (Notes 9, 20 and 22)	**2,481,612**	2,714,363
Prepayments and other current assets (Note 8)	**1,181,564**	1,099,674
Total Current Assets	**33,090,404**	36,089,590
Noncurrent Assets		
Property, plant and equipment (Note 11)	**26,030,839**	25,155,720
Guaranty asset (Note 10)	**10,802,641**	10,432,256
Intangible assets (Note 12)	**8,847,016**	8,812,834
Investments in associates and joint ventures	**1,122,540**	1,125,054
Deferred tax assets – net (Note 21)	**893,539**	936,965
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 10 and 22)	**633,512**	600,701
Other noncurrent assets (Note 13)	**1,485,000**	941,539
Total Noncurrent Assets	**49,815,087**	48,005,069
	₱82,905,491	₱84,094,659
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and other current liabilities (Notes 14, 20 and 22)	**₱10,238,636**	₱11,684,310
Dividends payable	–	2,156,233
Acceptances and trust receipts payable (Notes 7 and 22)	**1,908,953**	1,607,336
Current portion of loans payable (Note 15)	**1,205,582**	1,200,251
Income tax payable	**1,333,455**	590,874
Refund liabilities (Note 14)	**355,886**	406,677
Current portion of lease liabilities	**125,472**	89,121
Total Current Liabilities	**15,167,984**	17,734,802
Noncurrent Liabilities		
Deferred tax liabilities - net (Note 21)	**320,132**	381,737
Loans payable (Note 15)	**1,849,090**	3,733,776
Lease liabilities	**2,583,048**	2,593,746
Pension liability	**1,035,765**	1,007,247
Derivative liability	**119,370**	106,406
Other noncurrent liabilities	**38,641**	38,557
Total Noncurrent Liabilities	**5,946,046**	7,861,469
Total Liabilities	**21,114,030**	25,596,271
Equity		
Capital stock (Note 16)	**8,984,306**	8,984,306
Additional paid-in capital (APIC) (Note 16)	**39,361,947**	39,361,947
Retained earnings (Note 16):		
Appropriated	**211,452**	211,452
Unappropriated	**8,805,085**	5,321,590
Fair value reserve of financial assets at FVOCI	**(530,426)**	(563,237)
Remeasurement losses on pension liability	**(525,874)**	(525,874)
Equity reserve (Note 16)	**8,491,788**	8,491,788
Cumulative translation adjustments (Note 16)	**(3,119,582)**	(2,893,488)
Equity Attributable to Equity Holders of the Parent Company	**61,678,696**	58,388,484
Non-controlling Interests (Note 4)	**112,765**	109,904
Total Equity	**61,791,461**	58,498,388
	₱82,905,491	₱84,094,659

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands, Except Earnings Per Share Value)

	Quarters Ended March 31	
	2024	2023
NET SALES (Note 17)	**₱20,311,442**	₱20,049,668
COST OF GOODS SOLD (Note 17)	**13,115,130**	13,951,154
GROSS PROFIT	**7,196,312**	6,098,514
SALES, GENERAL AND ADMINISTRATIVE EXPENSES		
General and administrative expenses (Note 18)	**1,873,722**	1,945,818
Selling and distribution expenses (Note 18)	**1,554,330**	1,586,205
Provision for impairment loss on investments in associates	**16,723**	–
	3,444,775	3,532,023
	3,751,537	2,566,491
OTHER INCOME (EXPENSES)		
Fair value gain (loss) on:		
Guaranty asset (Notes 4 and 10)	**324,401**	–
Financial assets at fair value through profit or loss (FVTPL) (Note 9)	**24,299**	(28,149)
Foreign exchange gain (loss) - net (Note 4)	**224,194**	(49,873)
Share in net earnings from associates and joint ventures	**14,209**	4,770
Miscellaneous income - net (Note 19)	**70,537**	50,655
	657,640	(22,597)
INCOME BEFORE FINANCE INCOME (EXPENSES)	**4,409,177**	2,543,894
FINANCE INCOME (EXPENSES)		
Finance costs (Notes 15 and 19)	**(154,184)**	(161,284)
Finance income (Note 19)	**137,396**	80,301
Derivative gain (loss) (Note 22)	**25,778**	(1,258)
	8,990	(82,241)
INCOME BEFORE INCOME TAX	**4,418,167**	2,461,653
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	**948,334**	627,363
Deferred	**(16,523)**	(103,646)
	931,811	523,717
NET INCOME	**₱3,486,356**	₱1,937,936
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**₱3,483,495**	₱1,935,664
Non-controlling interests	**2,861**	2,272
	₱3,486,356	₱1,937,936
Earnings per Share (EPS) (Note 16)		
Income attributable to equity holders of the parent	**₱0.19**	₱0.11

(Forward)

	Quarters Ended March 31	
	2024	2023
NET INCOME	**₱3,486,356**	₱1,937,936
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive loss to be reclassified to profit and loss in subsequent periods:		
Exchange losses on foreign currency translation (including effective portion of the net investment hedge) (Note 16)	**(226,094)**	(228,289)
Other comprehensive income not to be reclassified to profit and loss in subsequent periods:		
Gain on financial assets at FVOCI	**32,811**	–
	(193,283)	(228,289)
TOTAL COMPREHENSIVE INCOME	**₱3,293,073**	₱1,709,647
Total comprehensive income attributable to:		
Equity holders of the Parent Company	**₱3,290,212**	₱1,707,375
Non-controlling interests	**2,861**	2,272
	₱3,293,073	₱1,709,647

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands, For the three months ended March 31, 2024 and 2023)

	Equity Attributable to Equity Holders of the Parent Company										
	Capital Stock (Note 16)	Additional Paid-in Capital	Retained Earnings (Deficit) (Note 16) Appropriated	Retained Earnings (Deficit) (Note 16) Unappropriated	Fair Value Reserve of Financial Assets at FVOCI	Remeasurement Losses on Pension Liability	Equity Reserve (Note 16)	Cumulative Translation Adjustments (Note 16)	Total	Non-controlling Interests (Note 16)	Total Equity
Balance as at January 1, 2024	₱8,984,306	₱39,361,947	₱211,452	₱5,321,590	(₱563,237)	(₱525,874)	₱8,491,788	(₱2,893,488)	₱58,388,484	₱109,904	₱58,498,388
Net income	–	–	–	3,483,495	–	–	–	–	3,483,495	2,861	3,486,356
Other comprehensive income (loss), net of tax	–	–	–	–	32,811	–	–	(226,094)	(193,283)	–	(193,283)
Total comprehensive income (loss)	–	–	–	3,483,495	32,811	–	–	(226,094)	3,290,212	2,861	3,293,073
Balance as at March 31, 2024	₱8,984,306	₱39,361,947	₱211,452	₱8,805,085	(₱530,426)	(₱525,874)	₱8,491,788	(₱3,119,582)	₱61,678,696	₱112,765	₱61,791,461
Balance as at January 1, 2023	₱8,984,306	₱46,515,847	₱5,211,452	(₱4,039,669)	(₱235,130)	(₱210,805)	(₱622,335)	(₱3,474,980)	₱52,128,686	₱142,498	₱52,271,184
Net income	–	–	–	1,935,664	–	–	–	–	1,935,664	2,272	1,937,936
Other comprehensive loss, net of tax	–	–	–	–	–	–	–	(228,289)	(228,289)	–	(228,289)
Total comprehensive income (loss)	–	–	–	1,935,664	–	–	–	(228,289)	1,707,375	2,272	1,709,647
Release of appropriation (Note 16)	–	–	(5,000,000)	5,000,000	–	–	–	–	–	–	–
Balance as at March 31, 2023	₱8,984,306	₱46,515,847	₱211,452	₱2,895,995	(₱235,130)	(₱210,805)	(₱622,335)	(₱3,703,269)	₱53,836,061	₱144,770	₱53,980,831

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands, For the three months ended March 31, 2024 and 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱4,418,167**	₱2,461,653
Adjustments to reconcile income before income tax to net cash flows:		
Depreciation and amortization (Notes 11, 12, 17, 18 and 19)	**629,496**	663,114
Fair value gain on guaranty asset (Note 10)	**(324,401)**	–
Finance costs (Notes 15 and 19)	**154,184**	161,284
Finance income (Note 19)	**(137,396)**	(80,301)
Movement in pension liability	**29,976**	23,658
Derivative (gain) loss (Note 22)	**(25,778)**	1,258
Fair value gain (loss) on financial instruments at FVTPL	**(24,299)**	28,149
Provision for impairment loss on investments in associates	**16,723**	–
Unrealized foreign exchange loss – net	**(16,714)**	(73,885)
Share in net earnings from associates and joint venture	**(14,209)**	(4,770)
Loss (gain) on sale of property, plant and equipment	**8,710**	(474)
Working capital adjustments:		
Decrease (increase) in:		
Trade and other receivables	**(265,339)**	(92,250)
Inventories	**(153,129)**	421,512
Prepayments and other current assets	**(81,890)**	137,852
Increase (decrease) in:		
Accounts payable and other current liabilities	**(1,584,955)**	(338,356)
Acceptance and trust receipts payable	**297,844**	(1,139,669)
Refund liabilities	**(50,791)**	74,908
Net cash generated from operations	**2,876,199**	2,243,683
Income tax paid	**(205,753)**	(247,757)
Interest received	**141,551**	95,871
Net cash flows from operating activities	**2,811,997**	2,091,797
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment (Notes 11 and 22)	**(771,435)**	(635,693)
Current financial assets	**(284,969)**	(809,190)
Intangible assets (Note 12)	**(27,543)**	(44,007)
Financial assets at FVOCI (Note 10)	**–**	(928,808)
Increase in other noncurrent assets	**(533,705)**	(62,446)
Proceeds from:		
Termination of current financial assets	**546,859**	574,010
Sale of property, plant and equipment (Note 11)	**21,228**	686
Net cash used in investing activities	**(1,049,565)**	(1,905,448)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (payments for):		
Cash dividends	**(2,156,233)**	–
Payment of loans (Note 15)	**(1,912,470)**	–
Principal portion of lease liabilities	**(782,857)**	(141,575)
Interest	**(106,683)**	(115,656)
Derivatives (Note 22)	**25,778**	(1,258)
Increase in other noncurrent liabilities	**84**	1
Net cash from financing activities	**(4,932,381)**	(258,488)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(3,169,949)**	(72,139)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**14,739**	(16,522)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**16,678,888**	11,628,627
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱13,523,678**	₱11,539,966

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

MONDE NISSIN CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in Thousands, Except Number of Shares, Earnings Per Share Value and Unless Otherwise Specified)

1. General Information

Monde Nissin Corporation (the Parent Company or MNC) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on May 23, 1979 primarily to engage in manufacturing, processing, baking, packaging, servicing, repacking, assembling, importing, exporting, buying, selling, trading or otherwise dealing in all kinds of goods, wares and merchandises, which are or may become articles of commerce such as but not limited to noodles, candies, confectionaries, biscuits, cakes and other foods, drugs and cosmetics. In furtherance of said primary purpose, it is authorized to guarantee obligations of and act as surety for the loans and obligations of its subsidiaries and affiliates and/or to secure the same by mortgage, pledge of any assets of MNC as may be authorized by its Board of Directors (BOD), provided MNC does not operate as a lending or financing company. The Parent Company and its subsidiaries are collectively referred to as the "Group" (see Note 4).

On March 1, 2021, at least a majority of the members of the BOD of the Parent Company and stockholders representing at least two-thirds (2/3) of the outstanding capital stock of the Parent Company approved certain amendments to the Parent Company's Articles of Incorporation (AOI) including the following: (a) include "noodles" in the articles of commerce that the Parent Company may manufacture, process, service, package, re-package, import, export, buy, sell, trade, or otherwise deal in; (b) amend the term of corporate existence from 50 years to a "perpetual corporate term unless the SEC issues a certificate providing otherwise"; (c) increase the number of directors of the Parent Company from 7 to 9; and (d) authorized number of shares, as amended, shall be 20,400,000,000 common shares with a par value of ₱0.50 per share, from the par value of ₱1.00 per share. These amendments in the Parent Company's AOI was approved by the SEC on April 7, 2021.

On April 20, 2021 and April 21, 2021, the SEC and Philippine Stock Exchange, Inc. (PSE), respectively, approved the application of the Parent Company for the listing of up to 17,968,611,496 common shares on the Main Board of the PSE.

On June 1, 2021, the Parent Company completed its initial public offering (IPO) and was listed in the PSE under the stock symbol "Monde". As a public company, it is covered by the Revised Securities Regulation Code (SRC) Rule 68.

The Parent Company's registered office address is at Felix Reyes St., Barangay Balibago, City of Santa Rosa, Laguna.

2. Basis of Preparation and Changes to Group's Accounting Policies

<u>Basis of Preparation</u>

The unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*.

The unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, which is the Parent Company's functional and presentation currency. All values are rounded to the nearest peso, except when otherwise indicated.

Selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2023. The unaudited interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended December 31, 2023.

Basis of Consolidation
The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2024. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company using consistent accounting policies.

Changes in Accounting Policies and Disclosures
The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those of the previous financial year, except for the adoption of amendments effective starting 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

In 2024, the Group adopted the Amendments to PAS 1 and PFRS Practice Statement 2*, Disclosure of Accounting Policies.*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their "significant" accounting policies with a requirement to disclose their "material" accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group applied the materiality guidance in its 2024 accounting policy disclosures.

3. Material Accounting Judgments, Estimates and Assumptions

The preparation of the unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, costs and expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, which have the most material effect on the amounts recognized in the unaudited interim condensed consolidated financial statements:

Net Realizable Values (NRV) of Inventories. The Group's estimates of the NRV are based on the most reliable evidence available at the time the estimates are made of the amounts the inventories are expected to be realized. These estimates take into consideration fluctuations of prices or costs directly relating to events occurring after reporting period to the extent that such events confirm conditions existing at reporting period. A new assessment is made at NRV at each reporting period. Information on the Group's inventories is disclosed in Note 7.

Impairment of Non-Financial Assets

- *Goodwill, Brand and Trademark.* The Group performed its annual impairment test in December and when circumstances indicate that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year December 31, 2023.

  As at March 31, 2024, management assessed that there have been no significant changes in the assets and liabilities making up the CGUs since December 31, 2023.

Recognition of Deferred Taxes. The Group's assessment on the recognition of deferred tax assets on nondeductible temporary differences is based on the forecasted taxable income of the following reporting periods over which the deductible temporary differences can be utilized. This forecast is based on the Group's past results and future expectations on revenues and expenses. Information on the Group's recognized deferred taxes is disclosed on Note 21.

Assessment of Impairment of Property, plant and equipment. The Group assesses impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group consider important, which could trigger an impairment review include the following:

- Significant under-performance relative to expected historical or projected future operating results;
- Significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- Significant negative industry and economic trends.

Estimation of Legal contingencies and Regulatory Assessments. As at March 31, 2024 and December 31, 2023, the Group is involved in various legal proceedings and regulatory assessments, and management believes that these proceedings will not have a material effect on the consolidated financial statements. Disclosure of additional details beyond the present disclosures may seriously prejudice the Group's position and negotiating strategy.

The Group, in consultation with its external and internal legal and tax counsels, believes that its position on these assessments is consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the consolidated financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at March 31, 2024 and December 31, 2023, management has assessed that the probable cash outflow to settle these assessments is not material.

As allowed by PAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*, no further disclosures were provided as this might prejudice the Group's position on this matter.

4. Subsidiaries, Significant Acquisitions and Disposals, and Segment Information

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Parent Company and the following subsidiaries, which are prepared for the same reporting period as at March 31, 2024 and December 31, 2023, are set out below:

Subsidiaries	Principal Activity	Country of Incorporation	Percentage of Ownership 2024 Direct	2024 Indirect	2023 Direct	2023 Indirect
MNSPL	Investment/sales	Singapore	**100.00**	**–**	100.00	–
MNUKL	Investment holding	United Kingdom	**–**	**100.00**	–	100.00
Marlow Foods Limited	Manufacturing, Sales, and Marketing	United Kingdom	**–**	**100.00**	–	100.00
Quorn Smart Life GmbH	Sales, and Marketing	Germany	**–**	**100.00**	–	100.00
Quorn Foods Inc	Sales, and Marketing	United States (US) of America	**–**	**100.00**	–	100.00
Cauldron Foods Ltd*	Sales, and Marketing	United Kingdom (UK)	**–**	**100.00**	–	100.00
Quorn Foods Sweden	Sales, and Marketing	Sweden	**–**	**100.00**	–	100.00
MNNZ	Distribution of food related goods	New Zealand	**–**	**100.00**	–	100.00
MNHTL**	Investment company	Thailand	**–**	**6.54**	–	6.54
MIL	Manufacture of seasonings	Thailand	**–**	**100.00**	–	100.00
MNTH**	Manufacture and distribution of bread and cookies	Thailand	**–**	**56.43**	–	56.43
MNIIL	Investment company	British Virgin Islands	**100.00**	**–**	100.00	–
MNHTL**	Investment company	Thailand	**–**	**93.46**	–	93.46
MNTH**	Manufacture and distribution of bread and cookies	Thailand	**–**	**43.57**	–	43.57
KBT International Holdings, Inc. (KBT)	Investment company	Philippines	**100.00**	**–**	100.00	–
(Forward)						
MNAC*	Manufacture, process, and distribution of industrial coconut and agricultural products	Philippines	**90.91**	**–**	90.91	–
SFC	Manufacture and process of bread	Philippines	**80.00**	**–**	80.00	–
All Fit & Popular Foods Inc. (AFPFI)	Manufacturing, importing, exporting, selling and distribution of breads; Purchasing or registering intellectual properties	Philippines	**–**	**80.00**	–	80.00
Monde M.Y. San Corporation (MMYSC)	Manufacture, process, and export of biscuits	Philippines	**100.00**	**–**	100.00	–

**Dormant*
***The Group effectively owns 100%*

a. Investment in MNSPL

In 2023, MNC's BOD approved to subscribe additional ordinary shares of MNSPL payable in several tranches.

Approval date	Payment date	No. of shares	Amount in GBP	Amount in PHP
		(In Thousands, Except No. of shares)		
May 10, 2023	May 15, 2023	23,000,000	£23,000	₱1,606,083
May 10, 2023	June 23, 2023	2,000,000	2,000	141,992
May 10, 2023	July 11, 2023	7,500,000	7,500	535,344
May 10, 2023	July 19, 2023	7,500,000	7,500	534,219
August 9, 2023	August 21, 2023	3,956,735	3,957	286,070
August 9, 2023	August 22, 2023	7,227,500	7,227	518,365
August 9, 2023	September 1, 2023	4,815,765	4,816	345,483
September 22, 2023	In one or several tranches, on or before April 30, 2024	4,000,000	4,000	277,030

In 2024, the Parent Company subscribed and paid for 27,000,000 additional shares of MNSPL at an aggregate subscription price of ₱1,914.7 million (GBP27.0 million).

b. Investment in MNUKL

In 2024, MNSPL subscribed and paid for 27,000,000 additional shares of MNUKL at an aggregate subscription price of GBP27.0 million.

<u>Segment Information</u>
For management purposes, the Group is organized into business units based on its products and has 2 reportable segments, as follows:

- Asia-Pacific Branded Food & Beverage (APAC BFB) manufactures and distributes a diverse mix of biscuits, bakery products, beverages, instant noodles and pasta.
- Meat Alternative manufactures and distributes a variety of meat alternative brands and products to the retail trade and food service customers in the UK, US, Europe (EU) and Asia-Pacific.

In the consumer goods industry, results of operations generally follow seasonality of consumer buying patterns and the Group's sales are affected accordingly. In the Philippines, most food and beverage products, including those of the Group, experience increased sales from October to December related to the Christmas and New Year's season. Seasonality during certain events also affect the Group's sales (e.g. calamities, COVID-19 pandemic, etc.). In addition, seasonality varies across product types as some of the Group's products have distinct seasonality. The Group believes that diversity of its product mix reduces the specific seasonality impact of certain products in its portfolio and concluded that this is not "highly seasonal" in accordance with PAS 34.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Executive Officer is the Chief Operating Decision Maker and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

The following tables present the financial information of each of the operating segments in accordance with PFRSs. Inter-segment revenues, and finance income and expenses are eliminated upon consolidation and reflected in the "Eliminations" column.

	March 31, 2024 (Unaudited)			
	APAC BFB	**Meat Alternative**	**Eliminations**	**Consolidated**
Net sales - third parties	**₱16,882,927**	**₱3,430,938**	**(₱2,423)**	**₱20,311,442**
Costs and expenses	**(12,415,968)**	**(3,500,141)**	**2,423**	**(15,913,686)**
Depreciation and amortization	**(476,530)**	**(152,966)**	**–**	**(629,496)**
Finance income	**150,592**	**18,159**	**(5,577)**	**163,174**
Finance expense	**(84,685)**	**(75,076)**	**5,577**	**(154,184)**
Gain on change in FV of guaranty asset	**–**	**324,401**	**–**	**324,401**
Foreign exchange gain (loss) - net	**230,242**	**(6,048)**	**–**	**224,194**
Reversal of impairment loss - net	**(30,170)**	**–**	**13,447**	**(16,723)**
Share in net earnings from associates and joint venture	**14,209**	**–**	**–**	**14,209**
Other income	**94,836**	**–**	**–**	**94,836**
Income before income tax	**4,365,453**	**39,267**	**13,447**	**4,418,167**
Provision for (benefit from) income tax	**996,078**	**(64,267)**	**–**	**931,811**
Net income	**₱3,369,375**	**₱103,534**	**₱13,447**	**₱3,486,356**

	March 31, 2024 (Unaudited)			
	APAC BFB	**Meat Alternative**	**Eliminations**	**Consolidated**
Other information				
Total assets	**₱77,145,610**	**₱21,052,183**	**(₱15,292,302)**	**₱82,905,491**
Total liabilities	**₱15,303,717**	**₱5,818,152**	**(₱7,839)**	**₱21,114,030**
Investment in associates and joint venture	**₱1,122,540**	**₱–**	**₱–**	**₱1,122,540**
Capital expenditures	**₱562,617**	**₱208,818**	**₱–**	**₱771,435**

	March 31, 2023 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Net sales - third parties	₱16,525,243	₱3,527,614	(₱3,189)	₱20,049,668
Costs and expenses	(13,001,995)	(3,821,257)	3,189	(16,820,063)
Depreciation and amortization	(486,915)	(176,199)	–	(663,114)
Finance income	220,158	8,050	(147,907)	80,301
Finance expense	(69,281)	(241,168)	147,907	(162,542)
Foreign exchange gain - net	(45,819)	(4,054)	–	(49,873)
Provision for impairment loss	–	–	–	–
Share in net earnings from associates and joint venture	4,770	–	–	4,770
Other income	22,524	(18)	–	22,506
Income (loss) before income tax	3,168,685	(707,032)	–	2,461,653
Provision for (benefit from) income tax	669,717	(146,000)	–	523,717
Net income (loss)	₱2,498,968	(₱561,032)	₱–	₱1,937,936

Other information

	December 31, 2023 (Audited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Total assets	₱76,183,132	₱21,237,872	(₱13,326,345)	₱84,094,659
Total liabilities	₱17,862,388	₱7,763,027	(₱29,144)	₱25,596,271
Investment in associates and joint venture	₱1,125,054	₱–	₱–	₱1,125,054

	March 31, 2023 (Unaudited)			
	APAC BFB	Meat Alternative	Eliminations	Consolidated
Capital expenditures	₱408,456	₱227,237	₱–	₱635,693

<u>Geographic Information</u>

The Group operates in the Philippines, Thailand, New Zealand, Singapore, and the United Kingdom.

The following table shows the distribution of the Group’s consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Domestic	**₱15,823,316**	₱15,513,437
Foreign	**4,488,126**	4,536,231
	₱20,311,442	₱20,049,668

The Group has no customer which contributes 10% or more to the consolidated revenues of the Group.

The table below shows the Group's carrying amount of non-current assets per geographic location (excluding noncurrent financial assets at FVOCI, noncurrent receivables, advances to employees under other noncurrent assets, and deferred tax assets).

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Domestic:		
Property, plant and equipment (Note 11)	**₱18,729,429**	₱17,773,850
Investments in associates and joint ventures	**1,122,540**	1,125,054
Intangible assets (Note 12)	**618,790**	616,026
Other noncurrent assets (Note 13)	**1,198,708**	707,548
Total	**21,669,467**	20,222,478
Foreign:		
Property, plant and equipment (Note 11)	**7,301,410**	7,381,870
Intangible assets (Note 12)	**8,228,226**	8,196,808
Other noncurrent assets (Note 13)	**199,780**	143,400
	15,729,416	15,722,078
	₱37,398,883	₱35,944,556

5. Cash and Cash Equivalents

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cash on hand and in banks	**₱4,739,679**	₱4,003,047
Cash equivalents	**8,783,999**	12,675,841
	₱13,523,678	₱16,678,888

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term deposits made for varying periods of one month up to three months depending on the immediate cash requirements and earn interest at the respective short-term deposit rates.

6. Trade and Other Receivables

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade receivables	**₱6,540,655**	₱6,367,707
Other receivables	**44,795**	65,963
	6,585,450	6,433,670
Allowance for expected credit loss (ECL)	**(21,556)**	(23,532)
	₱6,563,894	₱6,410,138

Trade receivables pertain to receivables from sale of goods to non-related parties which are noninterest-bearing and are generally on 30-60 days' terms.

Other receivables comprise of various receivables from employees, accruals for interest from short term placements, receivable from a supplier, and advances made to employees for SSS claims. These are noninterest-bearing and normally settled through salary deductions.

Movements in the allowance for ECL follow:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at January 1	**₱23,532**	₱37,546
Provision for (reversal of) ECL (Note 18)	**(737)**	7,750
Write-off	**(545)**	(22,137)
Currency translation adjustments	**(694)**	373
Balance at end of period	**₱21,556**	₱23,532

7. Inventories

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
At cost:		
In-transit	**₱884,089**	₱121,843
Finished goods	**228,371**	112,829
Packaging and other materials	**71,363**	16,731
Work in-process	**18,610**	8,333
	1,202,433	259,736
At NRV:		
Finished goods	**3,774,305**	3,555,491
Raw materials	**2,301,042**	3,039,201
Work in-process	**1,159,306**	1,508,941
Packaging and other materials	**902,570**	823,158
	8,137,223	8,926,791
	₱9,339,656	₱9,186,527

The cost of inventories carried at NRV are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Finished goods	**₱3,881,929**	₱3,748,267
Raw materials	**2,322,099**	3,070,112
Work in-process	**1,240,440**	1,589,899
Packaging and other materials	**1,022,388**	907,658
	₱8,466,856	₱9,315,936

Provision for inventory obsolescence amounted to ₱20.2 million and ₱16.3 million for the three months ended March 31, 2024 and 2023, respectively (shown as part of "Cost of goods sold" account). The Group wrote off inventories amounting to ₱80.8 million and ₱13.1 million for the three months ended March 31, 2024 and 2023, respectively.

The cost of inventories recognized under "Cost of goods sold" account amounted to ₱13,115.1 million and ₱13,951.2 million for the three months ended March 31, 2024 and 2023, respectively (see Note 17).

Under the terms of the agreements covering liabilities under trust receipts totaling ₱1,909.0 million and ₱1,607.3 million as at March 31, 2024 and December 31, 2023, respectively, certain inventories which approximate the trust receipts payable, have been released to the Group under trust receipt agreement with the banks. The Group is accountable to these banks for the trusteed merchandise or their sales proceeds.

8. Prepayments and Other Current Assets

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Prepayments	**₱663,267**	₱467,587
Deferred input VAT	**304,304**	319,256
Creditable withholding tax and other credits	**137,503**	136,834
Input VAT	**67,495**	165,010
Other current assets	**11,975**	13,938
	1,184,544	1,102,625
Allowance for non-recoverability of other current assets	**(2,980)**	(2,951)
	₱1,181,564	₱1,099,674

9. Current Financial Assets

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Loans receivable:		
Related parties (Note 20)	**₱284,576**	₱287,571
Others	**500,000**	500,000
Financial assets at FVTPL	**1,812,302**	2,042,058
	2,596,878	2,829,629
Allowance for ECL (Note 20)	**(115,266)**	(115,266)
	₱2,481,612	₱2,714,363

Loans receivable to related parties. On July 3, 2022, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱162.3 million ($3.0 million) loan to MNSG Holdings Pte. Ltd. from July 3, 2022 to July 3, 2024. In 2024 and 2023 this loan is presented under "Current financial assets" account in the consolidated statement of financial position (see Note 20).

Others. Other loans receivable pertains to interest-bearing loans receivable from Sandpiper Spices and Condiments Corporation (SSCC) (see Note 23).

Financial assets at FVTPL. Financial assets at FVTPL mainly consist of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. Movements in the fair value of financial assets at FVTPL are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at January 1	**₱2,042,058**	₱1,756,101
Acquisitions	**284,969**	3,871,363
Disposal	**(546,859)**	(3,672,926)
Fair value change during the year	**24,299**	92,600
Foreign exchange gain (loss)	**7,835**	(5,080)
Balance at end of period	**₱1,812,302**	₱2,042,058

10. **Noncurrent Financial Assets**

Financial Assets at FVOCI

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Cost		
Figaro Coffee Group, Inc. (FCG)	**₱820,268**	₱820,268
Wide Faith Investment Holdings Ltd.	**235,130**	235,130
Terramino Inc.	**108,540**	108,540
	1,163,938	1,163,938
Fair value adjustment		
FCG	**(295,296)**	(328,107)
Wide Faith Investment Holdings Ltd.	**(235,130)**	(235,130)
	(530,426)	(563,237)
	₱633,512	₱600,701

Guaranty Asset at FVTPL

During the financial year ended December 31, 2023, MNSPL entered into an agreement ("Top-Up Deed") with MNSG Holdings Pte. Ltd., a Singaporean Company owned by a majority of the ultimate beneficial owners of MNSPL ("MNSG"). Under the Top-Up Deed, MNSG has agreed to provide a guarantee equal to the aggregate collateral value of up to a maximum of 2.156 billion shares of MNC or 12.0% of the current outstanding capital stock of MNC for as long as MNC is still the ultimate controlling shareholder of MNSPL's wholly-owned subsidiary, MNUKL. Said aggregate collateral value shall be reduced by related transaction costs and said net amount shall cover the net cumulative impairment incurred by MNUKL starting from the calendar year ended December 31, 2023 and every year thereafter up to December 31, 2032. MNSPL has recognized a guaranty asset under the Top-Up Deed and engaged an independent valuation expert to determine the fair value of the guaranty asset at inception and as at December 31, 2023. The initial recognition of the guaranty asset is recognized as an equity transaction under "Equity Reserve", while subsequent changes in fair value is recognized in profit or loss.

Shown below are the movements in the value of the guaranty asset:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Guaranty asset:		
Balance at January 1	**₱10,432,256**	₱–
Initial recognition credited to Equity Reserve	**–**	9,104,076
Fair value gain on guaranty asset	**324,401**	1,301,750
Cumulative translation adjustment	**45,984**	26,430
	₱10,802,641	₱10,432,256

Sensitivity analysis
As the fair value calculations of the guaranty asset is dependent on the impairment loss on MNSPL's investment in MNUK, any increase in the impairment loss on investment in MNUKL would result in an increase in the fair value gain on guaranty asset recognized in profit or loss.

11. Property, Plant and Equipment

	March 31, 2024												
	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-ications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Cost													
Balance at January 1, 2024	₱469,574	₱6,460	₱13,677,344	₱162,584	₱36,093,946	₱535,194	₱165,815	₱446,613	₱1,911,496	₱5,274,208	₱2,898,464	₱641,633	₱62,283,331
Additions	−	−	11,990	−	38,910	15,390	7,141	−	103,434	594,570	792,666	−	1,564,101
Disposals and retirement	−	−	(26,617)	−	(379,112)	(3,926)	(10,050)	(2,237)	2,204	−	−	(47,816)	(467,554)
Reclassifications	−	−	529,619	331	476,602	687	−	10,011	(245,235)	(772,015)	−	−	−
Foreign currency translation adjustments	(9,135)	(258)	(69,843)	286	(74,013)	(1,827)	22	61	(2,109)	17,024	−	−	(139,792)
Balance at March 31, 2024	460,439	6,202	14,122,493	163,201	36,156,333	545,518	162,928	454,448	1,769,790	5,113,787	3,691,130	593,817	63,240,086
Accumulated Depreciation													
Balance at January 1, 2024	−	4,627	5,963,425	105,366	18,312,909	381,195	62,223	343,673	−	−	385,699	212,151	25,771,268
Depreciation (Notes 17, 18 and 19)	−	79	149,846	1,495	375,618	12,866	6,045	21,532	−	−	21,727	15,917	605,125
Disposals and retirement	−	−	(24,711)	−	(350,567)	(3,926)	(8,359)	(2,237)	−	−	−	(19,530)	(409,330)
Foreign currency translation adjustments	−	(185)	(42,706)	1,935	(86,320)	(1,874)	8	(202)	−	−	−	−	(129,344)
Balance at March 31, 2024	−	4,521	6,045,854	108,796	18,251,640	388,261	59,917	362,766	−	−	407,426	208,538	25,837,719
Accumulated Impairment Loss													
Balance at January 1, 2024	−	−	997,622	955	8,466,664	22,280	−	1,791	486,312	1,380,719	−	−	11,356,343
Foreign currency translation adjustments	−	−	(3,198)	−	12,970	−	−	−	−	5,413	−	−	15,185
Balance at March 31, 2024	−	−	994,424	955	8,479,634	22,280	−	1,791	486,312	1,386,132	−	−	11,371,528
Net Book Value	₱460,439	₱1,681	₱7,082,215	₱53,450	₱9,425,059	₱134,977	₱103,011	₱89,891	₱1,283,478	₱3,727,655	₱3,283,704	₱385,279	₱26,030,839

	December 31, 2023												
	Land	Land Improvements	Buildings and Improvements	Leasehold Improvements	Plant Machinery and Fixtures	Office Furniture and Equipment	Transportation Equipment	Computer and Commu-nications Equipment	Machineries Under Installation	Construction In-progress	ROU Land	ROU Others	Total
Cost													
Balance at January 1, 2023	₱460,209	₱5,608	₱13,507,086	₱167,284	₱36,371,881	₱501,778	₱158,924	₱373,776	₱2,080,960	₱3,926,908	₱2,898,464	₱834,320	₱61,287,198
Additions	−	862	9,661	−	633,579	6,164	43,248	1,091	474,663	2,472,002	−	21,427	3,662,697
Disposals and retirement	−	−	(343,643)	(11,644)	(2,871,290)	(51,641)	(38,530)	(18,578)	35,512	(16,554)	−	(214,114)	(3,530,482)
Reclassifications	−	−	412,113	3,899	1,385,812	74,636	1,954	85,105	(691,995)	(1,271,524)	−	−	−
Foreign currency translation adjustments	9,365	(10)	92,127	3,045	573,964	4,257	219	5,219	12,356	163,376	−	−	863,918
Balance at December 31, 2023	469,574	6,460	13,677,344	162,584	36,093,946	535,194	165,815	446,613	1,911,496	5,274,208	2,898,464	641,633	62,283,331
Accumulated Depreciation													
Balance at January 1, 2023	−	4,315	5,673,089	97,206	19,240,702	371,298	75,949	268,718	−	−	298,791	341,314	26,371,382
Depreciation (Notes 17, 18 and 19)	−	317	589,240	5,952	1,736,999	59,442	23,365	89,549	−	−	86,908	84,951	2,676,723
Disposals and retirement	−	−	(322,269)	(10,284)	(2,843,921)	(50,807)	(37,151)	(18,564)	−	−	−	(214,114)	(3,497,110)
Foreign currency translation adjustments	−	(5)	23,365	12,492	179,129	1,262	60	3,970	−	−	−	−	220,273
Balance at December 31, 2023	−	4,627	5,963,425	105,366	18,312,909	381,195	62,223	343,673	−	−	385,699	212,151	25,771,268

(Forward)

	December 31, 2023												
	Land	**Land Improvements**	**Buildings and Improvements**	**Leasehold Improvements**	**Plant Machinery and Fixtures**	**Office Furniture and Equipment**	**Transportation Equipment**	**Computer and Commu-nications Equipment**	**Machineries Under Installation**	**Construction In-progress**	**ROU Land**	**ROU Others**	**Total**
Accumulated Impairment Loss													
Balance at January 1, 2023	−	−	984,052	955	2,267,384	−	−	36	571,765	228,117	−	−	4,052,309
Impairment loss	−	−	(4,561)	−	6,019,160	22,280	−	1,755	(71,022)	1,126,934	−	−	7,094,546
Disposals and retirement	−	−	−	−	−	−	−	−	(14,431)	−	−	−	(14,431)
Foreign currency translation adjustments	−	−	18,131	−	180,120	−	−	−	−	25,668	−	−	223,919
Balance at December 31, 2023	−	−	997,622	955	8,466,664	22,280	−	1,791	486,312	1,380,719	−	−	11,356,343
Net Book Value	₱469,574	₱1,833	₱6,716,297	₱56,263	₱9,314,373	₱131,719	₱103,592	₱101,149	₱1,425,184	₱3,893,489	₱2,512,765	₱429,482	₱25,155,720

There are no additional (reversal of) impairment loss on property, plant and equipment recognized by the Group for the three months ended March 31, 2024 and 2023.

For the three months ended March 31, 2023, the Group acquired property, plant and equipment amounting to ₱635.7 million and recognized depreciation expense amounting to ₱640.6 million (see Note 19).

There are no idle property, plant and equipment nor property, plant and equipment used as collateral as at March 31, 2024 and December 31, 2023.

The Group has capital commitments for acquisitions of machineries and building expansions amounting to ₱2,114.5 million and ₱2,055.4 million as at March 31, 2024 and December 31, 2023, respectively.

12. Intangible Assets

	March 31, 2024							
	Goodwill	**Brand**	**Distribution Rights**	**License**	**Trademarks with definite useful life**	**Trademarks with indefinite useful life**	**Software**	**Total**
Cost								
Balance at January 1, 2024	₱17,318,215	₱18,810,500	₱727,560	₱66,141	₱2,593	₱14,459	₱482,640	₱37,422,108
Additions	–	–	–	–	–	–	27,543	27,543
Disposals and retirement	–	–	–	–	–	–	(373)	(373)
Foreign currency translation adjustments	76,948	83,179	–	–	(103)	–	(7,416)	152,608
Balance at March 31, 2024	17,395,163	18,893,679	727,560	66,141	2,490	14,459	502,394	37,601,886
Accumulated Amortization								
Balance at January 1, 2024	–	44,362	342,560	7,827	1,904	–	255,768	652,421
Amortization (Notes 17, 18 and 19)	–	–	9,094	1,848	38	–	13,391	24,371
Disposals and retirement	–	–	–	–	–	–	(373)	(373)
Foreign currency translation adjustments	–	199	–	–	(78)	–	(2,307)	(2,186)
Balance at March 31, 2024	–	44,561	351,654	9,675	1,864	–	266,479	674,233
Accumulated Impairment Loss								
Balance at January 1, 2024	17,318,215	10,631,507	–	–	–	7,131	–	27,956,853
Foreign currency translation adjustments	76,948	46,836	–	–	–	–	–	123,784
Balance at March 31, 2024	17,395,163	10,678,343	–	–	–	7,131	–	28,080,637
Net Book Value	₱–	₱8,170,775	₱375,906	₱56,466	₱626	₱7,328	₱235,915	₱8,847,016

	December 31, 2023							
	Goodwill	Brand	Distribution Rights	License	Trademarks with definite useful life	Trademarks with indefinite useful life	Software	Total
Cost								
Balance at January 1, 2023	₱16,542,239	₱17,971,697	₱727,560	₱34,639	₱2,599	₱14,459	₱442,650	₱35,735,843
Additions	–	–	–	31,502	–	–	49,628	81,130
Disposals and retirement	–	–	–	–	–	–	(9,280)	(9,280)
Foreign currency translation adjustments	775,976	838,803	–	–	(6)	–	(358)	1,614,415
Balance at December 31, 2023	17,318,215	18,810,500	727,560	66,141	2,593	14,459	482,640	37,422,108
Accumulated Amortization								
Balance at January 1, 2023	–	42,374	306,182	700	1,739	–	213,636	564,631
Amortization (Notes 17, 18 and 19)	–	–	36,378	7,127	167	–	51,571	95,243
Disposals and retirement	–	–	–	–	–	–	(9,256)	(9,256)
Foreign currency translation adjustments	–	1,988	–	–	(2)	–	(183)	1,803
Balance at December 31, 2023	–	44,362	342,560	7,827	1,904	–	255,768	652,421
Accumulated Impairment Loss								
Balance at January 1, 2023	16,542,239	4,143,587	–	–	–	2,481	–	20,688,307
Impairment loss	–	6,172,458	–	–	–	4,650	–	6,177,108
Foreign currency translation adjustments	775,976	315,462	–	–	–	–	–	1,091,438
Balance at December 31, 2023	17,318,215	10,631,507	–	–	–	7,131	–	27,956,853
Net Book Value	₱–	₱8,134,631	₱385,000	₱58,314	₱689	₱7,328	₱226,872	₱8,812,834

Amortization of the intangible assets for the three months ended March 31, 2024 and 2023 amounted to ₱24.4 million and ₱22.5 million, respectively (see Note 19).

The Group performs its annual impairment test every year-end.

Distribution rights were from the Parent Company's Distribution, and Marketing and Sales Development Agreement with SSCC wherein SSCC appointed the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years until July 25, 2034 (see Note 23).

13. Other Noncurrent Assets

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Advances to suppliers and contractors	**₱1,013,399**	₱630,367
Refundable and other deposits	**212,864**	34,743
Deferred input VAT for amortization	**129,623**	153,171
Advances to employees	**86,512**	90,591
Others	**42,602**	32,667
	₱1,485,000	₱941,539

14. Accounts Payable and Other Current Liabilities and Refund Liabilities

Accounts Payable and Other Current Liabilities

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Trade payables		
Non-related parties	**₱5,465,229**	₱4,911,912
Related parties (Note 20)	**5,926**	49,204
Nontrade payables	**1,978,740**	4,042,437
Accruals for:		
Advertising and promotions	**709,224**	499,758
Selling, general and administrative expenses	**420,475**	281,235
Personnel costs	**353,101**	352,937
Trade spend	**195,532**	206,821
Other accruals	**216,823**	198,267
Statutory payables	**767,523**	890,434
Provisions	**80,317**	166,265
Others	**45,746**	85,040
	₱10,238,636	₱11,684,310

Other accruals mainly represent accruals for freight, interest payable, non-trade services and are generally settled the following month.

Refund Liabilities

As at March 31, 2024 and December 31, 2023, the Group's refund liabilities consist of the following:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Refund liabilities:		
Arising from rights of return	**₱344,741**	₱346,835
Arising from retrospective volume discounts	**11,145**	59,842
	₱355,886	₱406,677

15. **Loans Payable**

Description	Maturities	Interest Rates	**March 31, 2024** (Unaudited)	December 31, 2023 (Audited)
MFL				
£105.0 million term loan	June 2025 subject to extension of 2 years	Margin and SONIA	**₱1,914,748**	₱3,812,556
£5.0 million revolving credit facility	September 2023	Margin and SONIA	**354,583**	353,015
£4.0 million revolving credit facility	November 2022	Margin and SONIA	**283,666**	282,412
£3.0 million revolving credit facility	October 2023	Margin and SONIA	**212,750**	211,808
£5.0 million credit facility	September 2024	SONIA and 1.20% p.a.	**354,583**	353,016
			3,120,330	5,012,807
Unamortized debt issue costs			**(65,658)**	(78,780)
			₱3,054,672	₱4,934,027
Current portion			**₱1,205,582**	₱1,200,251
Non-current portion			**1,849,090**	3,733,776
			₱3,054,672	₱4,934,027

MFL Loan

As at March 31, 2024 and December 31, 2023, MFL has outstanding unsecured loans payable amounting to ₱3,120.3 million (£44.0 million) and ₱5,012.8 million (£71.0 million), respectively. The sterling term loan facility amounting to ₱7,446.2 million (£105.0 million) with maturity on June 2025 subject to extension of 2 years and interest rate based on Margin and SONIA has the following financial covenants:

- The Group is required to maintain Gross Leverage of less than 3.5x from March 31, 2023 and each quarter thereafter
- The Group is required to maintain an interest cover of greater than 3.0 from March 31, 2023 and each quarter thereafter.

The facility also includes a revolving credit facility of ₱1,063.7 million (£15.0 million) subject to the same financial covenants above. MFL had drawn down ₱851.0 million (£12.0 million) and ₱847.2 million (£12.0 million) as at March 31, 2024 and December 31, 2023, respectively.

In 2023, MFL obtained and drew an uncommitted short term credit facility with a financial institution amounting to ₱354.6 million (£5.0 million).

As at March 31, 2024 and December 31, 2023, the Group is in compliance with these covenants.

For the three months ended March 31, 2024 and 2023, interest expense related to the loans amounted to ₱56.0 million and ₱80.7 million, respectively (see Note 19).

The movement in unamortized debt issue costs of loans payable is as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Loans Payable		
Balance at January 1	**₱78,780**	₱97,881
Additions (reductions) during the period	**(2,279)**	22,471
Amortization during the period (Note 19)	**(11,206)**	(45,244)
Foreign currency translation adjustments	**363**	3,672
Total	**₱65,658**	₱78,780

For the three months ended March 31, 2023, amortization of debt issue costs amounted to ₱9.8 million (see Note 19).

16. Equity

Capital Stock

The details of the Parent Company's common stock as at March 31, 2024 and December 31, 2023 follows:

Par value per share	₱0.50
Number of shares:	
Authorized	20,400,000,000
Issued and outstanding	17,968,611,496

The Parent Company's record of registration of its securities follows:

Number of shares registered	17,968,611,496
Issue/offer price	₱13.50
Date of approval	April 20, 2021

The total number of stockholders was 24 as at March 31, 2024 and December 31, 2023. With respect to the Parent Company's stockholders as at December 31, 2023, the shares were either held (a) in a certificated form or (b) in scripless form held under the account of PCD Nominee Corp. (PCD Nominee) through trading participants (*i.e.*, brokers and custodians) of the Philippine Depository & Trust Corp. (PDTC). The shares lodged under PCD Nominee are further broken down into PCD Nominee (Filipino) and PCD Nominee (Non-Filipino).

Equity Restructuring
On June 9, 2023, SEC approved the Parent Company's equity restructuring to wipe-out the deficit as at December 31, 2023 in the amount of ₱7,153.9 million against the APIC of ₱46,515.8 million.

Reversal of Retained Earnings Appropriation
On March 22, 2023, the Parent Company's BOD approved the reversal of the 2022 appropriation amounting to ₱5,000.0 million for expansions and other capital requirements.

Restriction on Retained Earnings
As at March 31, 2024 and December 31, 2023, undistributed retained earnings of subsidiaries amounting to ₱4,756.5 million and ₱3,965.2 million, respectively, are not available for dividend declaration until the actual declaration of the subsidiaries. Further, the undistributed retained earnings include appropriated retained earnings of MMYSC and MIL amounting to ₱211.5 million as at March 31, 2024 and December 31, 2023.

Equity Reserve

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Initial recognition of guaranty asset at fair value:		
MNSPL	**₱9,104,076**	₱9,104,076
Investments:		
MMYSC	**(532,573)**	(532,573)
MNTH	**(115,390)**	(115,390)
KBT	**43,408**	43,408
MNAC	**(7,733)**	(7,733)
	₱8,491,788	₱8,491,788

Cumulative Translation Adjustments

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Foreign investments:		
MNSPL	**(₱2,201,441)**	(₱2,149,989)
MNIIL	**(185,161)**	(185,267)
MNTH	**(139,957)**	(15,113)
MIL	**(87,121)**	(50,181)
Cross currency swap:		
MNC	**(505,902)**	(492,938)
	(₱3,119,582)	(₱2,893,488)

Cumulative translation adjustments are attributable to equity holders of the Parent Company as at March 31, 2024 and December 31, 2023.

Earnings per Share

The following reflects the income and share data used in the basic and diluted EPS computation:

	Quarters Ended March 31	
	2024 (Unaudited)	2023 (Unaudited)
Net income attributable to equity holders of the parent	**₱3,483,495**	₱1,935,664
Weighted average number of common shares	**17,968,611,496**	17,968,611,496
Basic EPS	**₱0.19**	₱0.11

17. Net Sales and Cost of Goods Sold

Net Sales by Geography and Operating Segment

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
APAC BFB		
Philippines	**₱15,823,316**	₱15,513,437
Other countries	**1,059,611**	1,011,806
	16,882,927	16,525,243
Meat Alternative		
United Kingdom	**2,747,018**	2,740,170
United States	**178,652**	244,490
Other countries	**502,845**	539,765
	3,428,515	3,524,425
	₱20,311,442	₱20,049,668

All revenues are recognized at a point in time.

Cost of Goods Sold

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Direct materials	**₱9,954,931**	₱11,128,238
Direct labor	**805,171**	719,546
Manufacturing overhead (Notes 11, 12 and 19)	**2,285,235**	2,440,787
Total manufacturing costs	**13,045,337**	14,288,571
Inventory movements (Note 7):		
Work in-process	**339,182**	12,541
Finished goods	**(269,389)**	(349,958)
	₱13,115,130	₱13,951,154

18. Sales, General and Administrative Expenses

General and Administrative Expenses

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Salaries, wages and employee benefits	**₱1,106,889**	₱1,032,521
Outside services	**231,295**	308,776
Depreciation and amortization (Notes 11 and 12)	**119,182**	123,564
Research and development	**63,161**	46,087
Insurance	**59,104**	61,251
Repairs and maintenance	**51,068**	46,553
Taxes and licenses	**44,509**	54,089
Light, water and telecommunication	**25,705**	26,702
Entertainment, amusement and recreation	**22,572**	22,497
Fringe benefit tax	**21,592**	35,907
Rent (Note 20)	**18,804**	20,229
Warehouse and office supplies	**18,585**	19,046
Recruitment and training expenses	**3,263**	7,692
Inventory loss	**2,867**	15,153
Donations	**2,863**	5,387
Provision for (reversal of) ECL (Note 6)	**(737)**	250
Others	**83,000**	120,114
	₱1,873,722	₱1,945,818

Selling and Distribution Expenses

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Transportation and delivery	**₱832,283**	₱805,440
Advertising and promotions	**533,084**	625,020
Merchandising expense	**162,035**	127,635
Dealer support	**26,928**	28,110
	₱1,554,330	₱1,586,205

19. Finance Income and Costs, Depreciation and Amortization Expense, Personnel Costs and Miscellaneous Income

Finance Income

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Cash and cash equivalents	**₱135,336**	₱78,312
Noncurrent receivables (Note 20)	**2,060**	1,989
	₱137,396	₱80,301

Finance Costs

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Interest on loans payable (Note 15)	**₱56,022**	₱80,711
Interest expense on lease liabilities	**44,130**	44,753
Acceptance and trust receipts payable	**24,515**	25,991
Amortization of debt issue costs (Note 15)	**11,206**	9,829
Others	**18,311**	−
	₱154,184	₱161,284

Depreciation and Amortization Expense

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Property, plant and equipment (Note 11)	**₱605,125**	₱640,585
Intangible assets (Note 12)	**24,371**	22,529
	₱629,496	₱663,114

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Cost of goods sold (Note 17)	**₱510,314**	₱539,550
Sales, general and administrative expense (Note 18)	**119,182**	123,564
	₱629,496	₱663,114

Miscellaneous Income

Miscellaneous income mainly comprises of service fees charged by the Parent Company primarily for reimbursement of share of principals in common expenses, gain/loss on sale of property, plant and equipment, and other miscellaneous items which are recorded under the "Miscellaneous income" account in the consolidated statements of comprehensive income.

20. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control.

The following are the significant transactions with related parties:

Nature	Period ended	Volume of Transactions	Outstanding Balance	Terms	Conditions
Associates and joint ventures					
Monde Land, Inc. (MLI)					
Rent expense	**March 31, 2024**	**₱16,618**	**₱−**	15 days;	Unsecured
	December 31, 2023	64,808	−	noninterest-bearing	
	March 31, 2023	16,202	−		

(Forward)

Nature	Period ended	Volume of Transactions	Outstanding Balance	Terms	Conditions
Monde Malee Beverages Corporation (MMBC)					
Miscellaneous income	**March 31, 2024**	**₱–**	**₱–**	30 days;	Unsecured;
	December 31, 2023	–	–	noninterest-bearing	no ECL
	March 31, 2023	–	33,751		
Trade purchases, net	**March 31, 2024**	**–**	**–**	30 days;	Unsecured
	December 31, 2023	–	–	noninterest-bearing	
	March 31, 2023	–	–		
Honey Droplet Ltd.					
Advances and interest income	**March 31, 2024**	**–**	**–**	4-6 years;	Unsecured;
	December 31, 2023	–	–	interest-bearing	Gross advances amounted to ₱115.3 million in 2024 and 2023; fully impaired in 2024 and 2023
	March 31, 2023	–	–		
Calaca Harvest Terminal Inc. (CHTI)					
Transportation and delivery expense and wheat handling fees	**March 31, 2024**	**72,716**	**(5,926)**	15 days;	Unsecured
	December 31, 2023	324,596	(49,204)	noninterest-bearing	
	March 31, 2023	76,928	(11,297)		
Advances	**March 31, 2024**	**–**	**–**	On demand;	Unsecured
	December 31, 2023	–	–	noninterest-bearing	
	March 31, 2023	11,002	11,002		
Common shareholders					
PT. Nissin Biscuit Indonesia					
Trade purchases, net	**March 31, 2024**	**3,537**	**–**	45 days;	Unsecured
	December 31, 2023	46,075	–	noninterest-bearing	
	March 31, 2023	12,712	(3,595)		
MNSG Holdings Pte. Ltd.					
Guaranty asset	**March 31, 2024**	**10,802,641**	**10,802,641**	Refer to Note 10	Unsecured
	December 31, 2023	10,432,256	10,432,256		
	March 31, 2023	–	–		
Loans receivable*	**March 31, 2024**	–	**169,310**	2 years;	Unsecured
	December 31, 2023	–	172,305	interest-bearing	
	March 31, 2023	–	162,309		
Trade and other receivables (Note 6)	**March 31, 2024**		**₱–**		
	December 31, 2023		–		
	March 31, 2023		₱44,753		
Loans receivable*	**March 31, 2024**		**169,310**		
	December 31, 2023		172,305		
	March 31, 2023		162,309		
Trade payables (Note 14)	**March 31, 2024**		**(5,926)**		
	December 31, 2023		(49,204)		
	March 31, 2023		(14,892)		

**Presented under "current financial assets" in 2024 and 2023*

<u>MNSG Holdings Pte. Ltd.</u>
On July 3, 2020, MNSPL and MNSG Holdings Pte. Ltd. entered into a loan agreement wherein MNSPL agreed to lend ₱155.5 million ($3.0 million) to MNSG Holdings Pte. Ltd. with an interest rate of 3.65% per annum. The loan will mature on July 3, 2022.

On July 3, 2022, MNSPL and MNSG Holdings Pte. Ltd. agreed to extend the maturity of ₱157.8 million ($3.0 million) loan to MNSG Holdings Pte. Ltd. with an interest rate of 4.83% per annum. The loan will mature on July 3, 2024.

Interest income from loans receivable from MNSG Holdings Pte. Ltd. amounted to ₱2.1 million and ₱2.0 million for the three months ended March 31, 2024 and 2023, respectively (see Note 19).

21. Income Tax

Deferred Income Tax

The components of the Group's net deferred tax assets and net deferred tax liabilities are as follow:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Deferred tax assets – net		
Allowance for impairment loss	**₱334,117**	₱337,806
Pension liability	**243,477**	237,520
Accrued expenses	**96,197**	95,474
Refund liabilities	**88,971**	101,669
Right-of-use assets and lease liabilities	**56,396**	54,251
Derivative liability	**29,842**	27,064
Unrealized foreign exchange gain	**(29,435)**	(23,653)
Unrealized profits from intercompany sales	**28,127**	23,356
Allowance for inventory obsolescence	**16,552**	43,288
Excess of the tax base over the carrying amounts of non-monetary assets	**10,832**	11,280
Unamortized past service cost	**8,171**	8,452
NOLCO	**8,086**	8,420
Advances from customers	**4,554**	14,634
Allowance for ECL	**4,446**	4,410
Others	**(6,794)**	(7,006)
	893,539	936,965
Deferred tax liabilities – net		
Brand	**(2,042,694)**	(2,033,658)
NOLCO	**798,480**	722,985
Property, plant and equipment	**523,941**	530,984
Interest expense	**399,455**	394,536
Unrealized foreign exchange gain	**(2,213)**	–
Interest income	**(757)**	(754)
Others	**3,656**	4,170
	(320,132)	(381,737)
	₱573,407	₱555,228

22. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise cash and cash equivalents, trade and other receivables, loans receivable, noncurrent receivables, withholding tax receivables and advances to employees. The main purpose of these financial instruments is to fund the Group's operations. The Group has various other financial instruments such as accounts payable and other current liabilities, acceptance and trust receipts payable, loans payable and lease liabilities, which arise directly from its operations.

Set out below, is an overview of financial assets and financial liabilities held by the Group as at March 31, 2024 and December 31, 2023:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Financial Assets		
Cash and cash equivalents	**₱13,523,678**	₱16,678,888
Trade and other receivables	**6,563,894**	6,410,138
Current financial assets	**2,481,612**	2,714,363
Guaranty asset	**10,802,641**	10,432,256
Financial assets at FVOCI	**633,512**	600,701
Advances to employees*	**86,512**	90,591
	34,091,849	36,926,937
Financial Liabilities		
Accounts payable and other current liabilities**	**9,471,113**	10,793,876
Dividends payable	–	2,156,233
Loans payable***	**3,133,513**	5,033,554
Acceptance and trust receipts payable	**1,908,953**	1,607,336
Lease liabilities***	**7,977,237**	7,954,981
	22,490,816	27,545,980
	₱11,601,033	₱9,380,957

**Recorded under "other noncurrent assets"*
*** Excluding statutory payables.*
****Includes future interest.*

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The BOD reviews and agrees the policies for managing each of these risks and they are summarized below:

<u>Market Risk</u>
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and foreign currency risk. Financial instruments affected by market risk include cash and cash equivalents, trade and other receivables, accounts payable and other current liabilities, and loans payable.

<u>Interest Rate Risk</u>
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

<u>Foreign Currency Risk</u>
Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

<u>Credit Risk</u>
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Since the Group trades only with recognized third parties, there is no requirement for collateral.

The aging analysis of trade and other receivables as at March 31, 2024 and December 31, 2023 follows:

	March 31, 2024						
		Days Past Due					
	Current	**1–30 Days**	**31–60 Days**	**61–90 Days**	**More than 90 Days**	**ECL**	**Total**
Trade and other receivables:							
Non-related parties	**₱5,727,806**	**₱683,549**	**₱62,749**	**₱32,560**	**₱12,435**	**₱21,556**	**₱6,540,655**
Other receivables	**44,795**	**–**	**–**	**–**	**–**	**–**	**44,795**
Loans receivable*	**669,310**	**–**	**–**	**–**	**–**	**–**	**669,310**
Noncurrent receivables	**–**	**–**	**–**	**–**	**–**	**115,266**	**115,266**
	₱6,441,911	**₱683,549**	**₱62,749**	**₱32,560**	**₱12,435**	**₱136,822**	**₱7,370,026**

**Presented under "current financial assets"*

	December 31, 2023						
		Days Past Due					
	Current	1–30 Days	31–60 Days	61–90 Days	More than 90 Days	ECL	Total
Trade receivables:							
Non-related parties	₱5,618,685	₱662,126	₱28,586	₱21,727	₱13,051	₱23,532	₱6,367,707
Related parties	–	–	–	–	–	–	–
Other receivables	65,963	–	–	–	–	–	65,963
Loans receivable*	672,305	–	–	–	–	–	672,305
Noncurrent receivables	–	–	–	–	–	115,266	115,266
	6,356,953	₱662,126	₱28,586	₱21,727	₱13,051	₱138,798	₱7,221,241

Liquidity Risk

Liquidity risk is the risk the Group will be unable to meet its payment obligations when they fall due. The Group monitors and maintains a level of cash deemed adequate by management to finance the Group's operations, ensure continuity of funding and to mitigate the effects of fluctuations in cash flows.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and lease contracts. The Group's policy is that not more than 50% of long-term debt should mature in the next 12-month period. Approximately 23% and 17% of the Group's long-term debt will mature in less than one year at March 31, 2024 and December 31, 2023, respectively, based on the carrying value of debt reflected in the financial statements. The Group assessed the concentration risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of source of funding and debt maturing within 12 months can be rolled over with existing lenders.

Excessive concentration risk. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by change in economic, political and other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio of distributors and distribution channels. Identified concentration of credit risks are controlled and managed accordingly.

Derivative Financial Instruments

The Group engages in derivative transactions such as structured note, binary note, cross currency swaps (CCS) and USD / PHP Call Option with European Knock Out (EKO) to manage its foreign currency and interest rate risks. Derivative financial instruments are initially recognized at fair value on the date the derivative contract is entered into and are subsequently remeasured at fair value.

Changes in the fair value of derivatives that are not designated as accounting hedges (structured note, binary) are recognized in the consolidated statements of income.

Structured Note
The Group invested in a structured note that offers enhanced return when the underlying asset trades at or above its initial price at maturity while offering a pre-determined minimum level of capital return at maturity.

Pertinent details of the structured note are as follows:

Issue Size	Effective Date	Maturity Date	Redemption at Maturity	Floor Level
$5,000	03/22/24	09/30/24	100% x Max [(Min(Final Level, Cap) - Strike) / Final Level, Floor Level]	1.50%
$3,000	03/22/24	09/30/24	If a Barrier Event has not occurred: 100% x Max[1 – (Strike/Final Level), Floor Level]; 100% x Max[1 – (Strike/Final Level), Floor Level]; Otherwise, Floor Level	2.00%

Binary Note
The Group invested in a binary note with the view of getting an interest amount linked to USD PHP fixing rate and 100% of the principal at maturity.

Pertinent details of the binary note are as follows:

Principal amount	Effective Date	Maturity Date	Fixed Coupon	Binary Coupon	Barrier Rate
$4,525	03/25/24	09/25/24	3.00% p.a.	8.20% p.a.	56.00
$5,475	03/25/24	09/25/24	3.00% p.a.	8.20% p.a.	56.00

The Group recognized fair value gain of ₱14.0 million and ₱9.4 million from fair value changes of structured deposit, structured note, and binary note for the three months ended March 31, 2024 and 2023, respectively, under the “Fair value gain on financial instruments at fair value through profit or loss (FVTPL)” account in the consolidated statement of comprehensive income.

CCS contract
On January 31, 2023, the Parent Company entered into a non-deliverable CCS Agreement with a notional amount of ₱1,891.4 million (THB 1,151.5 million). Under the CCS agreement, the Company will receive Philippine Peso interest at 11.50% p.a. and will pay fixed Thailand Baht interest at 9% p.a. The Company will also pay the notional Thailand Baht amount in exchange for the Philippines Peso amount at the end of the swap period. The CCS, which will be designated as a hedge of a portion of the net investment in MIL and MNTH, is used to hedge the Parent Company’s exposure to the THB foreign exchange risk on its investment in MIL and MNTH. For the three months ended March 31, 2024, the Group recognized ₱13.0 million cumulative translation loss adjustment under other comprehensive income. The Group recognized ₱25.8 million and (₱1.3 million) derivative gain (loss) from swaps entered and settled during the same period for the three months ended March 31, 2024 and 2023, respectively.

<u>Capital Management</u>
For the purpose of the Group’s capital management, capital includes issued capital and all other equity reserves. The primary objective of the Group’s capital management is to maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or

adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the periods ended March 31, 2024 and December 31, 2023.

The Group monitors capital on the basis of the debt-to-equity ratio and makes adjustments to it in light of changes in economic conditions and its financial position. This ratio is calculated as total debt divided by total equity. Debt comprises all liabilities of the Group. Equity comprises all components of equity attributable to equity holders of the Parent Company.

The Group's debt-to-equity ratios are as follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
Total debt	**₱21,114,030**	₱25,596,271
Total equity attributable to equity holders of the Parent Company	**61,678,696**	58,388,484
Debt-to-Equity Ratio	**0.34:1.00**	0.44:1.00

Fair Value of Financial Instruments

Cash and Cash Equivalents, Trade and Other Receivables, Current Loans Receivable, Accounts Payable and Other Current Liabilities, and Acceptance and Trust Receipts Payable. The carrying value of these financial assets and liabilities approximate their fair values as at March 31, 2024 and December 31, 2023 due to the short-term nature of these financial instruments.

Withholding Tax Receivable, Advances to Employees, and Loans Payable. As at March 31, 2024 and December 31, 2023, the fair value of loans payable with variable interest rates approximates the carrying amount due to frequent repricing of interest. Fair value of loans with fixed interest rate are determined using the discounted cash flow method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

Financial assets at FVTPL. The financial assets at FVTPL account consists of unit investment trust funds (UITFs) and derivatives, including separated embedded derivatives, unless designated as effective hedging instruments. As at March 31, 2024 and December 31, 2023, the fair values of these financial assets are based on their published net asset value per share. These are presented under "current financial assets" in the consolidated statement of financial position.

Financial Assets at FVOCI. The fair value of financial asset at FVOCI from Wide Faith Investment Holdings Ltd. is derived from the cash flow projection of the investee (income approach), which is nil as at March 31, 2024 and December 31, 2023.

The fair value of FCG is based on quoted prices. The fair value of Terramino Inc. approximates its last transaction price.

Interest rate swap. The fair value of the derivative financial instrument is measured using discounted cash flows. The future cash flows are estimated based on observable forward interest rates and discounted at a rate that reflects the credit risk of the Group and counterparties.

Guaranty asset. The fair value of guaranty asset is determined using Monte Carlo Simulation. The inputs to the model are derived from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

23. Commitments

SSCC

On July 25, 2014 and August 4, 2014, the Parent Company and SSCC entered into a Distribution, and Marketing and Sales Development Agreement wherein SSCC appoints the Parent Company as its exclusive distributor of all its products in the Philippines for a period of 20 years (until July 25, 2034). Under the Agreement, the Parent Company shall pay SSCC a non-reimbursable and non-recoupable sum of ₱727.6 million payable in 5 equal annual installments starting on August 4, 2014 (see Note 12). The amount is recognized as Distribution Rights and subject to amortization for a period of 20 years up to 2034. The related payable was fully settled in 2018.

On August 4, 2014, the Parent Company and SSCC entered into a Loan Agreement wherein the Parent Company agreed to extend a loan to SSCC in the principal amount of ₱500.0 million with interest rate of 2% per annum. The loan is for a period of 10 years and will mature on August 4, 2024.

As stipulated in Section 6 of the Loan Agreement, the Parent Company has the right to set-off and apply any credit balance of or any amount payable by the Group to SSCC. As a result, the Group presented its receivable from SSCC net of its outstanding payable in its consolidated statement of financial position in accordance with PAS 32. As at March 31, 2024 and December 31, 2023, the Group's net receivable from SSCC amounted to ₱500.0 million (see Note 9).

In March 2024, the Parent Company and SSCC mutually agreed to extend the ₱500.0 million loans with 3.5% interest rate per annum payable in 10 years. It was also agreed to extend an additional ₱100.0 million following the same terms. Loans receivable is presented under "Current financial assets" account while the formal loan agreement is still on process.

24. Supplemental Disclosure to Cash Flow Statements

The Group's material noncash activities are as follows:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
Additions to ROU assets (Note 11)	**₱792,666**	₱–
Cumulative translation adjustments (Note 22)	**226,094**	228,289

25. Subsequent Event

Dividend Declaration and Change in Use of IPO Proceeds

On April 10, 2024, the Parent Company's BOD approved and declared the issuance of regular cash dividends to stockholders of record as at May 10, 2024 for ₱0.12 per common share, payable on June 5, 2024. On the same date, the Parent Company's BOD approved the management's proposal for the change in use of MONDE's IPO proceeds, where unused IPO proceeds previously allocated for IPO-related expenses as at December 31, 2023 in the amount of ₱228.8 million are to be re-allocated to capital expenditures for MONDE's APAC-BFB in 2024. The re-allocation arises from underspending in the friction cost budget for the IPO.

ANNEX E

Minutes of the Annual Stockholders' Meeting dated June 30, 2023

Draft – Subject to approval in the 2024 annual stockholders' meeting

MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING
June 30, 2023, 10 A. M.
Held at Felix Reyes St., Brgy. Balibago, City of Sta. Rosa, Laguna, Philippines
Conducted virtually via
https://conveneagm.com/ph/MONDE2023ASM

The 2023 Annual Stockholders' Meeting ("ASM") of Monde Nissin Corporation (the "Company" or "MNC") was held at its principal place of business located at Felix Reyes St., Brgy. Balibago, City of Sta. Rosa, Laguna and conducted virtually via https://conveneagm.com/ph/MONDE2023ASM (the "MNC ASM Platform") on June 30, 2023 at 10 A.M. with the Chairperson of the Executive Committee and Chief Executive Officer ("CEO") as the Presiding Officer or Acting Chairperson of the Stockholders' Meeting in accordance with Section 8.4, Article IV of MNC's By-laws.

Directors Present

Hartono Kweefanus	-	Chairperson Emeritus
Kataline Darmono	-	Chairperson of the Board Member, Executive Committee
Henry Soesanto	-	Acting Chairperson for the Stockholders' Meeting Chairperson, Executive Committee CEO/Executive Vice President
Hoediono Kweefanus	-	Vice-Chairperson of the Board
Betty T. Ang	-	President Member, Executive Committee
Monica Darmono	-	Treasurer Member, Executive Committee
Romeo L. Bernardo	-	Lead Independent Director Chairperson, Risk and Related Party Transactions Committee Member, Executive Committee Member, Audit Committee Member, Corporate Governance, Nomination, and Remuneration Committee
Nina Perpetua D. Aguas	-	Independent Director Chairperson, Audit Committee Member, Risk and Related Party Transactions Committee Member, Corporate Governance, Nomination, and Remuneration Committee
Marie Elaine Teo	-	Independent Director Chairperson, Corporate Governance, Nomination, and Remuneration Committee Member, Risk and Related Party Transactions Committee Member, Audit Committee

Other Officers and Management Present

Atty. Helen G. Tiu	-	*Corporate Secretary*
Mr. Jesse C. Teo	-	*Chief Financial Officer ("CFO")*
Mr. Samuel C. Sih	-	*Chief Commercial Officer*
Ms. Jocelyn Jones Go So	-	*Chief Information and Digital Officer*
Mr. Daniel Teichert	-	*Chief Risk Officer*
Mr. Michael J. Paska	-	*Chief Investor Relations Officer*
Atty. Jon Edmarc R. Castillo	-	*Chief Compliance Officer and Company Information Officer*
Ms. Shiela P. Alarcio	-	*Chief Internal Audit Executive*
Atty. Katherine C. Lee-Bacus	-	*Assistant Corporate Secretary*
Mr. Mark Tiangco	-	*Corporate Communications Head*

Shareholders Present (*see **Annex A***)	No. of Outstanding & Voting Shares Present or Represented	Percentage of Total Outstanding Capital Stock (*i.e.*, 17,968,611,496 shares)
	15,329,679,254	**85.31%**
Shareholders Absent	No. of Outstanding & Voting Shares Absent	
	2,638,932,242	**14.69%**

I. CALL TO ORDER.

After the Philippine national anthem was played, Chief Investor Relations Officer Mr. Michael J. Paska stated that the Company is holding the meeting in virtual format.

Mr. Paska introduced each of the members of the Board of Directors present, *i.e.,* Chairperson Emeritus **Mr. Hartono Kweefanus**; Chairperson of the Board and ExCom Member **Ms. Kataline Darmono**; Vice Chairperson of the Board **Mr. Hoediono Kweefanus**; Director, President & Executive Committee ("ExCom") Member **Ms. Betty T. Ang**; Director, ExCom Chairperson, and CEO **Mr. Henry Soesanto**; Director, ExCom Member, and Treasurer **Ms. Monica Darmono**; Lead Independent Director, Chairperson of the Risk and Related Party Transactions Committee, and ExCom Member **Mr. Romeo L. Bernardo**; Independent Director and Chairperson of the Audit Committee **Ms. Nina Perpetua D. Aguas**; and Independent Director & Chairperson of the Corporate Governance, Nomination, and Remuneration Committee **Ms. Marie Elaine Teo**.

Mr. Paska also introduced some of the officers of the Company who joined the meeting, *i.e.,* CFO Mr. Jesse C. Teo, and Corporate Secretary Atty. Helen G. Tiu.

Thereafter, Mr. Paska acknowledged the presence of the representatives of SyCip Gorres Velayo & Co. ("SGV"), the Company's external auditor, led by Engagement Partner Ms. Editha Estacio.

Mr. Paska also mentioned that the results of the final tabulation of votes, with full details of the affirmative or negative votes or abstentions, in connection with the agenda items up for voting during the meeting will be validated by Isla Lipana & Co. and reflected in the minutes of this meeting.

In light of the physical absence of the Chairperson of the Board in the Philippines and in compliance with the requirements of Section 15 of the Securities and Exchange Commission's ("SEC's") Memorandum Circular No. 06, series of 2020, that the presiding officer shall call and preside over the stockholders' meeting at the Company's principal office, pursuant to Section 8.4, Article IV of the Company's By-laws, the Chairperson of the Executive Committee, Mr. Henry Soesanto was requested to call, and he called, the meeting to order. Thereafter, Acting Chairperson of the Stockholders' Meeting Mr. Henry Soesanto presided over the ASM. The Corporate Secretary Atty. Helen G. Tiu recorded the minutes of the ASM.

II. NOTICE OF MEETING AND DETERMINATION OF QUORUM.

The Acting Chairperson of the Stockholders' Meeting, Mr. Henry Soesanto, requested the Corporate Secretary Atty. Helen G. Tiu, to report on the service of notice of, and existence of a quorum at, the ASM.

The Corporate Secretary certified that in accordance with SEC Notice dated March 13, 2023 ("SEC 3/13/23 Notice"), notice of the ASM ("ASM Notice"), the Definitive Information Statement ("DIS") and other documents related to the holding of the ASM were distributed to stockholders of record as of June 2, 2023 through the following methods:

(a) by publication in both online and print formats on June 6 and 7, 2022 on The Philippine Star and the Manila Bulletin (the last publication being made at least 21 days prior to the ASM);

(b) by posting on the Company's website; and

(c) by disclosure through the Philippine Stock Exchange's EDGE portal.

In addition, the electronic copies of the Company's DIS, the audited consolidated financial statements, the minutes of the June 24, 2022 stockholders' meeting, and other meeting materials were made available on the Company's website, on the MNC ASM Platform, and on PSE Edge. Accordingly, the stockholders have been duly notified in accordance with the Company's By-Laws, SEC Memorandum Circular No. 6, series of 2020, SEC 3/13/23 Notice, and the Company's Rules and Procedures for Voting and Participation in the Stockholders' Meeting.

The Corporate Secretary also certified that there was a quorum for the meeting in as much as there were present or represented at the ASM (by proxy, voting in absentia through the MNC ASM Platform, and participating through remote communication) stockholders owning 15,329,679,254 common shares out of the Company's 17,968,611,496 (or 85.31%) of the total outstanding shares. The mode of attendance of the stockholders present and their respective percentages of the outstanding shares are set forth below:

Mode of Attendance	% of Total Outstanding Capital Stock	Number of Shares
Appointment of the Chief Executive Officer as proxy	76.69%	13,780,997,859
Voting in absentia	0%	-
Remote Communication	8.62%	1,548,681,395
% of Total Outstanding Capital Stock	85.31%	15,329,679,254

Additionally, based on the log of the MNC ASM Platform, there were 49 viewers of the live webcast of the meeting.

There being a quorum, the Acting Chairperson declared the meeting duly convened and opened for business.

III. INSTRUCTIONS ON RULES OF CONDUCT AND VOTING PROCEDURES.

The Acting Chairperson requested the Corporate Secretary to share the rules of conduct and voting procedures for the meeting, including the measures adopted by the Company to provide the stockholders the opportunity to participate in the meeting to the same extent possible as an in-person meeting.

The Corporate Secretary first stated that the rules of conduct and the voting procedures are set forth in the DIS and in the Explanation of Agenda Items which formed part of the ASM Notice. Thereafter, she highlighted the following rules:

1. The ASM agenda covered a range of matters requiring stockholders' vote and was included in the ASM Notice distributed to stockholders of record (record date being June 2, 2023). Stockholders were also given the opportunity to propose matters for inclusion in the agenda, subject to applicable SEC rules and regulations, and the Company's internal guidelines.

2. Stockholders were notified that questions received either through the MNC ASM Platform or through email to investor.relations@mondenissin.com or corporate.secretary@mondenissin.com by 5 p.m. of June 21, 2023 were given priority. Questions received from stockholders by June 21 have been collated and will be taken up and answered during the Q&A under the "Other Business" portion of this meeting. For questions and comments which are not responded to during the Q&A, the Company will endeavor to answer them by email.

3. There are six agenda items to be voted on or acted upon by the stockholders, each of which will be shown on the screen as the same is being taken up.

4. Through the MNC ASM Platform, stockholders have been able to cast their votes on these agenda items starting June 7, 2023. Stockholders participating via live feed or through the MNC ASM Platform may cast their votes in real time using the platform. The polls will remain open until the end of the meeting for stockholders who have successfully registered on the platform.

5. Alternatively, stockholders were also provided with the option of appointing the CEO as their proxy.

6. A preliminary tabulation was made of votes cast as of close of business on June 29, 2023. The Corporate Secretary will be referring to this preliminary tabulation when reporting the voting results for each agenda item during the meeting. However, the results of the final tabulation of votes, with full details of the relevant affirmative and negative votes as well as abstentions, will be independently validated by Isla Lipana & Co. and reflected in the minutes of the ASM.

IV. APPROVAL OF THE MINUTES OF THE ANNUAL STOCKHOLDERS' MEETING HELD ON JUNE 24, 2022.

The Acting Chairperson then proceeded with the approval of the minutes of the annual stockholders' meeting held on June 24, 2022, an electronic copy of which was posted on the Company's website and was part of the DIS.

The Corporate Secretary presented Resolution No. S-1-2023 as proposed by Management and based on the votes received, reported the approval by the stockholders of the following resolution:

RESOLUTION NO. S-1-2023

> "RESOLVED, That we, the stockholders of MONDE NISSIN CORPORATION approve, as we hereby approve, the minutes of the annual stockholders' meeting held on June 24, 2022."

As tabulated by the Corporate Secretary and independently validated by Isla Lipana & Co., the final votes for the adoption of Resolution No. S-1-2023 providing for the approval of the minutes of the previous stockholders' meeting held on June 24, 2022 were as follows:

	For	Against	Abstain
Number of Votes (One Share – One Vote)	15,329,679,254	-	-
% of Total Outstanding Capital Stock	85.31%	0.00%	0.00%

V. MANAGEMENT REPORT

A. MESSAGE OF THE CHAIRPERSON OF THE BOARD

The Chairperson of the Board began her presentation by highlighting the Company's aspiration to improve the well-being of the people and the planet, and create sustainable solutions for food security, which was particularly relevant in 2022 as issues of food security and affordability were headline issues felt globally. She discussed the actions undertaken by the Company to address the following macro environmental factors: (a) for sociopolitical factors, including export restrictions and geopolitical tension catalyzed by the Russia-Ukraine war, which hindered the flow of goods and subsequently, the availability of imported resources, MNC acted expeditiously to secure adequate supplies; and (b) for inflation which impacted the Company's financial performance as well as the affordability of food for its consumers, MNC carefully balanced the needs of its business with that of its consumers when implementing needed price increases. She also reported that despite these and other headwinds, MNC experienced strong single digit growth, highlighting the strength and resiliency of its strong balanced portfolio.

B. REPORT OF THE CHIEF FINANCIAL OFFICER

CFO Jesse Teo began his report noting the increase in the consolidated revenue for the year 2022 by 6.7% to ₱73.9 billion which is attributable to pricing actions and volume growth. Further, Asia Pacific Branded Food and Beverage ("APAC BFB") full year net sales increased by 8.4% to ₱58.6 billion. Meanwhile, revenues from the Meat Alternative business grew by 1.0% to ₱15.4 billion, reflecting the tough trading environment due to macroeconomic environment in key markets.

He further noted that the APAC BFB business made up 79% of total sales as of full year 2022. The domestic business posted a 9.3% growth to ₱55.0 billion as a result of growth in the fourth quarter surpassing pre-pandemic levels in biscuits, beverages, and culinary, and the strong recovery in noodles. He added that MNC's 8.4% full year net sales growth for the APAC BFB business was driven by price increases in all segments coupled with volume growth in the Biscuits and Others categories.

The CFO reported that the Company sustained its market leadership positions despite market share dips in some categories. He acknowledged that the Company's market share in the noodles category declined primarily due to a regulatory issue in July 2022. But he happily emphasized that the Company's recovery in the category has been evident with the Company's market share as of December 2022 already higher than its market share low in October 2022. In fact, the Company's March 2023 market share already exceeded its market share prior to the crisis. He added that the Company's swift recovery of its market share was enabled by timely collaboration and proactive communication with regulators, effective brand communication, and compelling promotions. Further, the Company had plans and programs in place to sustain market share recovery and regain growth momentum. Efforts such as these were why its flagship noodle brand *Lucky Me!* was once again recognized by the Kantar Brand Footprint Report as the #1 Most Chosen Brand in the Philippines for the ninth year in 2023, making *Lucky Me!* the Brand of the Decade.

He discussed that the Biscuits category grew due to pricing actions and volume increases from the resumption of in-person activities. The Company was able to maintain its market leadership in this category despite some share loss. He reported that the Company plans to rejuvenate its core biscuit brands through strengthened value proposition, equity building activities, and improving product availability.

He explained that "Others Business" under APAC BFB business consisted primarily of collaborations with other companies. For Culinary, Mama Sita's oyster sauce continued to drive category growth and strengthened its #1 position as household penetration increased and market share improved. This indicated that consumers continued to respond to the education campaign on use versatility of Oyster Sauce. For Beverages, MNC's business benefitted from improved supply and increased mobility. He was happy to report that MNC further solidified the #1 market leadership position of Dutch Mill in the drinking yogurt business and the cultured milk Delight™ grew significant share as the number 2 brand in the segment.

He added that the Meat Alterative business comprised 21% of total sales for the full year 2022 with its Quorn and Cauldron brands. While revenue was flat year-on-year on an organic basis as challenging macroeconomic environment persisted in the UK and the US, UK market share gained and foodservice/quick service restaurants ("QSRs") supported the business.

He also highlighted that the Company and its subsidiaries (the "Group") produced a unique micro-organism-based protein called mycoprotein, using its proprietary air lift fermentation technology. Through decades of research and production know-how, the Group had a product that (a) delivered superior nutrition, with increasing scientific research on its health benefits, (b) was better for the planet, using less carbon, water, and land in the value chain, and (c) mimicked meat in terms of texture and was versatile, allowing the Group to come up with alternative meat products across all meat types.

He was also pleased to report that the Group was able to strengthen its #1 position in the UK, its biggest market for its Meat Alternative business, despite the ongoing macroeconomic and category challenges. He noted that while shoppers experienced high food inflation and shifted their basket of goods to carbohydrates to address this economic challenge, the Group was able to grow its retail distribution by 18.5% to 166,000 points of distribution, equivalent to 27% of the total meat free distribution points. This reflected consumer preference for the Quorn brand and product.

He also communicated that foodservice and QSR have been steadily contributing to the Group's Meat Alternative business through the quarters. For foodservice, the Group supplied meat alternative to 24,000 schools and 15 universities as of end 2022 as well as companies and hospitals. The Group was able to provide its foodservice customers a healthier alternative and helped them to develop recipes using its products. For QSR, in particular with KFC, the Group continued with its success story, rolling out across Europe and beyond. He reported that the Group is now in 20 countries as a permanent menu item, realizing a

100% conversion rate from starting off as a limited time offering.

The CFO expressed that the Group's credibility doesn't come from what it has just done in the last year, but from what it has done for the last 25 years. He highlighted that MNC has accelerated the growth of its Meat Alternative business, growing 5.3% compounded annually since its acquisition of Quorn Foods, and even higher at 8.3% if the last few challenging years were to be excluded. Today, Quorn has gained the loyalty of consumers that assured its further growth. As the world's population grows, its protein requirement will continue to grow; and the traditional supply as is will not be able to keep up with demand. This gives the Group confidence in the continued long-term growth of alternative protein despite the category slow down at this point in time. He acknowledged that all in all, there is a lot to do but the Group is making progress despite the external market headwinds, and it remains optimistic for the category as well as its leading brand in the long term.

The CFO announced that in terms of profitability, core net income attributable to shareholders declined by 19.6% to ₱6.6 billion, primarily driven by a decline in gross profit and increased operating expenses, partially offset by an effective US dollar hedge. He explained that the Group reported a net loss of ₱13.0 billion, mainly due to a non-cash, non-operating impairment of intangible assets and restructuring costs of its Meat Alternative business, partially offsetted by derivative gains from the unwinding of the cross-currency swap. The impairment was caused by the application of a higher discount rate due to the prevailing higher interest rates and risk premiums, some margin compression, and rationalization of the trend in the Meat Alternative category. He added that this impairment did not have any effect on the day-to-day operations of Quorn, Cauldron, or any of MNC's APAC BFB business. Despite the challenges experienced in 2022, the business fundamentals remained intact, with core business units recovering and emerging business units growing steadily. Further, the Company has a strong balance sheet and the ratios continue to be healthy, allowing the Company to pursue innovations in new products and processes and invest in its brands.

C. REPORT OF THE CHIEF EXECUTIVE OFFICER

CEO Henry Soesanto provided some quick highlights of the past year's performance. He reported that despite the challenges brought about by the inflationary environment and other headwinds, the Group ended the year 2022 with strong performance from its well-loved brands, growing by 6.6% to ₱73.9 billion. Its APAC BFB business saw an 8.4% increase in net sales year-on-year. Despite very challenging conditions in the Meat Alternative category, Quorn Foods grew its market share from 29.9% in the fourth quarter of 2021 to 32.5% in the fourth quarter of 2022, supported by the foodservice segment where its products were able to reach more schools, QSRs, and hospitals in the UK. He noted that as a testament to the Group's business' commitment to create brands that consumers can appreciate, the Group's instant noodles brand *Lucky Me!* was recognized by the Kantar Brand Footprint Report for 2023 as the Brand of the Decade and #1 Most Chosen Brand in the Philippines for the ninth year. In short, 2022 was a very challenging operating environment, but the Group approached issues head on and made necessary adjustments as needed for its business while also keeping its consumers in mind.

He discussed the Group's long-term strategies, particularly that the Company sees a long runway for each of its businesses. For its APAC BFB business, the Group will leverage its expertise on innovation, brand building, health, sustainability, and convenience to create products that address consumer demands. For its Meat Alternative business, the Group will stay on course with its new product developments that address increasing demand for healthier and more sustainable food. He acknowledged that while there are short-term macroeconomic headwinds, the long-term consumer awareness on health and sustainability will continue. He added that the Group will also ensure that its products continue to be accessible, and that its capacity remains sufficient to accommodate long-term growth.

The CEO emphasized that the Group would do all of these while it continues to adhere to the Company's aspiration. He explained that the Group was built through continuous innovation and investment ahead of changing consumer tastes. With this comes the Group's plans for continuous improvement and action, which are laid out in its sustainability strategy and focus areas. He added that the Group is now in the process of embedding into its ways of doing business a sustainability framework along the themes of (a) making better food accessibility possible, (b) making eco-efficiency possible, (c) making inclusivity possible, and (d) making collective action possible. He reported that MNC made progress in its "North Star" targets in 2022, taking concrete steps towards its ambitious goals as the Company works to become better. He reiterated that each of the Company's sustainability strategic pillars supports certain United Nations' Sustainable Development Goals, and it is through these that the Company believes it will be able to progress in Making Better Possible.

He also discussed the Company's performance during the first quarter of 2023 with consolidated revenue increasing by 9.6% to ₱20.1 billion due to the strong growth of its APAC BFB categories, in particular domestic noodles. APAC BFB's net sales for the first quarter of 2023 increased by 13.7% to ₱16.5 billion mainly driven by volume growth and price increases in all categories. The domestic business in particular grew by 13.4% year-on-year to ₱15.5 billion in the first quarter of 2023 due to the strong growth in all categories. Meat Alternative's revenue declined by 4.3% in the first quarter of 2023 on an organic basis as a result of the continued category headwinds. On a reported basis, revenue for the first quarter of 2023 declined by 6.2% to ₱3.5 billion. The UK and US declined on an organic basis in the first quarter of 2023, respectively, due to the challenging retail market, while foodservice grew by 4.6% for the first quarter of 2023.

He reported that the bulk of the Group's capital expenditure for 2023 will be injected in the APAC BFB business as demand continues to grow for the APAC BFB segments. Further, the Group will be tapering capital expenditure for the Meat Alternative business considering the overall state of this business and the sufficiency of Quorn's capacity to fulfill current demand levels. He also added that the Group continues to be confident in the long-term potential of the meat alternative space but will balance this with the company's financial health.

The CEO announced that the Group is infusing. through its Singapore subsidiary, up to £40 million in tranches to Quorn Foods. £34 million will be used to partially repay the sterling term loan and reduce negative carry in a higher interest rate environment. As the Group's GBP asset base has significantly gone down, it is prudent that its natural hedge of GBP debt should correspondingly go down. Meanwhile, £6 million will be used for the restructuring of Quorn Foods in the UK and the US, which will enable Quorn Foods to save on certain fixed costs. The drive for restructuring is to refocus the organization to a smaller footprint. In the US, focus will be on protecting Quorn Foods' distribution points, accelerating the rate of sales in those distribution points, and shutting down its US kitchen as part of this restructuring. For the rest of Quorn Foods, the Group will right-size the organization. The objective is to retain its capabilities and remain flexible in order to restart its growth plan when the market shifts.

He emphasized that all of these are possible with the collaboration and care of the Company's people – those working on the ground in its facilities and on the field, as well as those from its offices. He thanked the efforts they have made in the past year. He stated that as stewards of stakeholders' trust, the entirety of Monde Nissin will continue to work hard and exemplify excellence as it pursues its aspirations.

Thereafter, the Acting Chairperson requested the Corporate Secretary to present the next resolution for the noting of the Management Report, which consisted of the Message of the Chairperson of the Board, the Report of the Chief Financial Officer, and the Report of the Chief Executive Officer.

The Corporate Secretary presented Resolution No. S-2-2023 as proposed by Management, and based on the votes received, reported the approval by the stockholders of the following resolution:

RESOLUTION NO. S-2-2023

> "RESOLVED, That we, the stockholders of MONDE NISSIN CORPORATION (the "Corporation") note, as we hereby note, the Corporation's Management Report comprising the Message of the Chairperson of the Board, the Report of the Chief Financial Officer, and the Report of the Chief Executive Officer."

As tabulated by the Corporate Secretary and independently validated by Isla Lipana & Co., the final votes for the adoption of Resolution No. S-2-2023 providing for the noting of the Management Report, which consisted of the Message of the Chairperson of the Board, the Report of the Chief Financial Officer, and the Report of the Chief Executive Officer, were as follows:

	Noted	**Abstain**
Number of Votes (One Share – One Vote)	15,328,837,054	842,200
% of Total Outstanding Capital Stock	85.31%	0.00%

VI. RATIFICATION OF THE 2022 ANNUAL AUDITED CONSOLIDATED FINANCIAL STATEMENTS.

The Acting Chairperson proceeded to the next item in the agenda, which was the ratification of the 2022 Annual Audited Consolidated Financial Statements.

The Corporate Secretary explained that stockholders' ratification was sought for the Company's 2022 Annual Audited Consolidated Financial Statements, an electronic copy of which was attached to the DIS as part of its Annex D (Management Report) and made available on the Company's website, the PSE EDGE portal, and the MNC ASM Platform. She presented Resolution No. S-3-2023 as proposed by Management and based on the votes received, reported the approval by the stockholders of the following resolution:

RESOLUTION NO. S-3-2023

> "RESOLVED, That we, the stockholders of MONDE NISSIN CORPORATION (the "Corporation") ratify, as we hereby ratify, the annual consolidated financial statements of the Corporation and its subsidiaries for the year ended December 31, 2022 as audited by its external auditor SyCip Gorres Velayo & Company."

As tabulated by the Corporate Secretary and independently validated by Isla Lipana & Co., the final votes for the adoption of Resolution No. S-3-2023 providing for the ratification of the 2022 annual audited consolidated financial statements of the Company and its subsidiaries, were as follows:

	For	**Against**	**Abstain**
Number of Votes (One Share – One Vote)	15,328,837,054	-	842,200
% of Total Outstanding Capital Stock	85.31%	0.00%	0.00%

VII. RATIFICATION OF ALL ACTS OF THE BOARD OF DIRECTORS, THE EXECUTIVE COMMITTEE AND OTHER BOARD COMMITTEES, OFFICERS, AND MANAGEMENT FOR THE PERIOD JUNE 24, 2022 TO JUNE 30, 2023.

The Acting Chairperson proceeded to the next item in the agenda, which was the ratification of all acts of the Board of Directors, the Executive Committee and other Board Committees, of the Officers and Management for the period June 24, 2022 to June 30, 2023. The Corporate Secretary explained that stockholders' ratification was sought for all the acts and resolutions of the Board of Directors, the Executive Committee, and other Board Committees exercising powers delegated by the Board adopted from June 24, 2022 to June 30, 2023 as well as for all the acts of the Company's officers and Management performed to implement the resolutions of the Board of Directors, the Executive Committee and other Board Committees, or in connection with the Company's general conduct of business. The acts and resolutions of the Board are reflected in the minutes of the meetings and summarized in the Explanation and Rational of Agenda Items portion of the DIS. They included the election of the members of the various Board Committees, the appointment of the lead independent director and of the Company's officers, the appointment of attorneys-in-fact and authorized signatories, capital allocation and disbursements of funds to subsidiaries, treasury-related matters, investments, approval of agreements needed by the Company in the normal course of business, and matters covered by disclosures to the Securities and Exchange Commission and the Philippine Stock Exchange.

On the Acting Chairperson's request, the Corporate Secretary presented Resolution No. S-4-2023 as proposed by Management and based on the votes received, reported the approval by the stockholders of the following resolution:

RESOLUTION NO. S-4-2023

> "RESOLVED, That we, the stockholders of MONDE NISSIN CORPORATION (the "Corporation") ratify, as we hereby ratify, each and every act and/or resolution from June 24, 2022 to June 30, 2023 of the Board of Directors, the Executive Committee and other Board Committees exercising powers delegated by the Board, of officers and management of the Corporation performed in accordance with the resolutions of the Board, the Executive Committee and the Board Committees, or pursuant to the By-laws of the Corporation."

As tabulated by the Corporate Secretary and independently validated by Isla Lipana & Co., the final votes for the adoption of Resolution No. S-4-2023 providing for the ratification of all acts and/or resolutions for the period June 24, 2022 to June 30, 2023 of the Board of Directors, the Executive Committee and other Board Committees, of Officers, and Management of the Company, were as follows:

	For	Against	Abstain
Number of Votes (One Share – One Vote)	15,328,837,054	-	842,200
% of Total Outstanding Capital Stock	85.31%	0.00%	0.00%

VIII. ELECTION OF DIRECTORS (INCLUDING 3 INDEPENDENT DIRECTORS) FOR THE ENSUING YEAR

The next item in the Agenda was the election of the nine (9) members of the Board of Directors for the ensuing year or until their respective successors shall have qualified. The Corporate Secretary underscored the importance of diversity in the membership of the Company's Board of Directors to avoid groupthink and to promote long-term shareholder value. She reported that the Company's incumbent Board membership comprises individuals of diverse ages, nationalities, religious affiliations, and genders, and spans a broad range of business and educational backgrounds. She highlighted that the Company recognizes that diversity enables the Board to be agile and creative when addressing challenges, and affords it wider breadth and greater depth in seeking opportunities and addressing business risks. Finally, the diversity of the Company's Board puts it in the best position to provide meaningful value to the Company and its stockholders consistent with the Company's core aspiration to improve the wellbeing of the people and the planet, and create sustainable solutions for food security.

The Corporate Secretary informed the stockholders that in accordance with the requirements of the Company's By-Laws, the Revised Manual on Corporate Governance, the Board Charter, and the Corporate Governance, Nomination, and Remuneration Committee's Rules Governing Nomination and Election of Directors, the following nominees were duly nominated to the Board of Directors of the Company for the ensuing term and each of the nominees have consented to his/her nomination:

1. Hartono Kweefanus
2. Kataline Darmono
3. Hoediono Kweefanus
4. Betty T. Ang
5. Henry Soesanto
6. Monica Darmono
7. Romeo L. Bernardo (for independent director)
8. Nina Perpetua D. Aguas (for independent director)
9. Marie Elaine Teo (for independent director)

The Corporate Secretary reported that based on the partial tabulation of votes, each of the nine nominees has garnered at least 14,323,594,452 votes or at least 79.71% of the total outstanding capital stock. Given this, she certified that each nominee has received enough votes for election to the Board and that, consequently, Resolution No. S-5-2023 for the election of the nine nominees to the Board had been approved:

RESOLUTION NO. S-5-2023

"RESOLVED, That we, the stockholders of MONDE NISSIN CORPORATION (the "Corporation") elect, as we hereby elect, the following as directors of the Corporation to serve as such beginning June 30, 2023 until their successors are elected and have duly qualified:

Hartono Kweefanus
Kataline Darmono
Hoediono Kweefanus
Betty T. Ang
Henry Soesanto
Monica Darmono
Nina Perpetua D. Aguas (for independent director)
Marie Elaine Teo (for independent director)
Romeo L. Bernardo (for independent director)"

As tabulated by the Corporate Secretary and independently validated by Isla Lipana & Co., the final votes received by the nominees based on the total cumulative votes received were as follows:

	Vote	Number of Votes	Percentage of Outstanding Capital Stock
Romeo L. Bernardo	In Favor	15,329,319,177	85.31%
	Abstain	15,360,077	0.09%
Henry Soesanto	In Favor	15,327,197,408	85.30%
	Abstain	22,481,846	0.13%
Nina Perpetua D. Aguas	In Favor	15,289,860,208	85.09%
	Abstain	34,819,046	0.19%
Marie Elaine Teo	In Favor	15,288,358,477	85.08%
	Abstain	36,320,777	0.20%
Betty T. Ang	In Favor	15,275,946,831	85.01%
	Abstain	48,732,423	0.27%
Monica Darmono	In Favor	15,275,946,831	85.01%
	Abstain	48,732,423	0.27%
Hoediono Kweefanus	In Favor	15,260,760,086	84.93%
	Abstain	63,919,168	0.36%
Kataline Darmono	In Favor	14,335,262,897	79.78%
	Abstain	989,416,357	5.51%
Hartono Kweefanus	In Favor	14,323,594,452	79.71%
	Abstain	1,001,084,802	5.57%

IX. APPOINTMENT OF EXTERNAL AUDITOR

Upon the Acting Chairperson's request, Ms. Nina Perpetua D. Aguas, Chairperson of the Audit Committee, presented to the stockholders the role of the Audit Committee over the external auditor, which is to assess the latter's integrity and independence, and the effectiveness of its audit process and the critical nature of such function. She then informed the stockholders that in exercising such oversight function, the Audit Committee had evaluated and had been satisfied with the performance of the Company's external auditor, SGV, for the past year. Thus, the Audit Committee and the Board agreed to endorse the appointment of SGV as the Company's external auditor for the calendar year 2023 for an audit fee of ₱20,750,000.00, exclusive of value-added taxes, for audit and audit-related services.

As requested by the Acting Chairperson, the Corporate Secretary presented Resolution No. S-6-2023 as proposed by Management and based on the votes received, reported the approval by the stockholders of the following resolution:

RESOLUTION NO. S-6-2023

> "RESOLVED, That we, the stockholders of MONDE NISSIN CORPORATION (the "Corporation") approve, as we hereby approve, the appointment of accounting firm SyCip Gorres Velayo & Co. as the external auditor of the Corporation for the calendar year 2023 for an audit fee of ₱20,750,000.00, exclusive of value-added taxes, for its audit and audit-related services."

As tabulated by the Corporate Secretary and independently validated by Isla Lipana & Co., the final votes for the adoption of Resolution No. S-6-2023 providing for the appointment of the Company's external auditor and the fixing of its remuneration, were as follows:

	For	Against	Abstain
Number of Votes (One Share – One Vote)	15,329,679,254	-	-
% of Total Outstanding Capital Stock	85.31%	0.00%	0.00%

X. OTHER MATTERS.

After the Corporate Secretary confirmed that there were no other matters that require consideration by the stockholders, and there being no submission from the stockholders of additional proposed agenda items, the Acting Chairperson requested Mr. Paska to read aloud the questions and comments together with the names of the stockholders who sent them.

Mr. Henry Soesanto addressed the first query sent by Mr. Pierre Santos who asked if the Company "is considering looking into any new segments or other acquisitions in Southeast Asia." The CEO responded that mergers and acquisitions is one of the Company's strategies to grow the Company's business and to optimize the Company's portfolio. He further elucidated that the Company is going to look for portfolios that it can create synergies with, either in territory or product portfolio. Ideally, these are opportunities that will leverage the Company's competence in distribution, marketing, consumer insight, and brand building.

The next question was from Mr. Aaron Legaspi who inquired about the "source of the £40 million equity infusion." CFO Jesse Teo reported that the equity infusion will come from the surplus cash of the parent, which resulted from the Company's APAC BFB's strong cash-generating capability. Thus, according to the CFO, no external capital raising is needed for this.

The last question is from Ms. Marion Kho who asked if the "APAC BFB's margins will improve sequentially in the next quarter." CFO Jesse Teo replied that the Company has qualitatively guided for continual improvement in the coming quarters as its lock-ins expire and the Company moves into lower cost inventory.

XI. ADJOURNMENT

The Acting Chairperson inquired if there were other matters to discuss. The Corporate Secretary stated that there were none. There being no other matters to be discussed, the Stockholders' Meeting was accordingly adjourned. The Acting Chairperson informed the stockholders that the link to the ASM's recorded webcast will be posted on the Company's website, and stockholders may raise clarifications and concerns regarding the ASM within two weeks from the posting of the link, by sending an email to corporate.secretary@mondenissin.com and investor.relations@mondenissin.com.

A T T E S T:

HENRY SOESANTO
Acting Chairperson of Stockholders' Meeting

HELEN G. TIU
Corporate Secretary

Annex A

MONDE NISSIN CORPORATION
Annual Stockholders' Meeting
June 30, 2023

Record of Attendance

	Stockholders of Record	No. of Shares Held	% of Ownership	Appointee/ Beneficial Owner
A.	**Proxy**			
1.	Hartono Kweefanus	4,214,244,600	23.45%	CEO
2.	Betty T. Ang	3,265,920,000	18.18%	CEO
3.	Hoediono Kweefanus	948,324,600	5.28%	CEO
4.	My Crackers, Inc.	1,228,611,496	6.84%	CEO
5.	Monica Darmono	765,897,596	4.26%	CEO
6.	Anna Roosdiana Darmono	765,897,600	4.26%	CEO
7.	Eveline Darmono	765,897,600	4.26%	CEO
8.	BDO Securities Corporation	109,462,000	0.61%	CEO/Daniel Teng Ang or Madeline Dy Ang
9.	Tansengco & Co., Inc.	850,000		
10.	Standard Chartered Bank	18,625,300	0.10%	CEO/Sun Life Grepa Financial, Inc.
11.	Standard Chartered Bank	481,325,323	2.68%	CEO/SCB Various Non-Resident Foreign Corporation
12.	BPI Securities Corporation	5,000,000	0.03%	CEO/Helen Go Tiu
13.	BPI Securities Corporation	3,300,000	0.02%	CEO/Samuel Chua Sih and/or Maylen Cervantes Sih
14.	BPI Securities Corporation	187,100	0.00%	CEO/Aaron Jeric M. Legaspi
15.	The HongKong and Shanghai Banking Corp. Ltd. - Clients' Acct.	811,684,505	4.52%	CEO/HSBC10
16.	The HongKong and Shanghai Banking Corp. Ltd. - Clients' Acct.	4,589,000	0.03%	CEO/HSBC20
17.	Citibank N.A.	6,155,200	0.03%	CEO/CITIFAOPHILAM1
18.	Citibank N.A.	3,430,200	0.02%	CEO/CITIFAOPHILAM2
19.	Citibank N.A.	21,489,300	0.12%	CEO/CITIFAOPHILAM3
20.	Citibank N.A.	3,539,900	0.02%	CEO/CITIFAOPHILAM4
21.	Citibank N.A.	247,800	0.00%	CEO/CITIFAOPHILAM5
22.	Citibank N.A.	7,317,700	0.04%	CEO/CITIFAOPHILAM6
23.	Citibank N.A.	73,383,600	0.41%	CEO/CITIFAOPHILAM7
24.	Citibank N.A.	34,156,038	0.19%	CEO/CITIFAOPHILAM8
25.	Citibank N.A.	136,163,300	0.76%	CEO/CITIFAOSUNLIFE
26.	Citibank N.A.	747,800	0.00%	CEO/CITIOMNIFOR1
27.	Citibank N.A.	158,500	0.00%	CEO/CITIOMNIFOR2
28.	Citibank N.A.	205,000	0.00%	CEO/CITIOMNIFOR3
29.	Citibank N.A.	3,819,900	0.02%	CEO/CITIOMNIFOR4
30.	Citibank N.A.	2,854,500	0.02%	CEO/CITIOMNIFOR5
31.	Citibank N.A.	6,899,204	0.04%	CEO/CITIOMNIFOR6

Stockholders of Record	No. of Shares Held	% of Ownership	Appointee/ Beneficial Owner
32. Citibank N.A.	663,800	0.00%	CEO/CITIOMNIFOR7
33. Citibank N.A.	4,638,800	0.03%	CEO/CITIOMNIFOR8
34. Citibank N.A.	13,895,200	0.08%	CEO/CITIOMNIFOR9
35. Citibank N.A.	111,800	0.00%	CEO/CITIOMNIFOR10
36. Citibank N.A.	526,500	0.00%	CEO/CITIOMNIFOR11
37. Citibank N.A.	1,494,084	0.01%	CEO/CITIOMNIFOR12
38. Citibank N.A.	353,800	0.00%	CEO/CITIOMNIFOR13
39. Citibank N.A.	198,800	0.00%	CEO/CITIOMNIFOR14
40. Citibank N.A.	709,500	0.00%	CEO/CITIOMNIFOR15
41. Citibank N.A.	353,900	0.00%	CEO/CITIOMNIFOR16
42. Citibank N.A.	453,400	0.00%	CEO/CITIOMNIFOR17
43. Citibank N.A.	232,400	0.00%	CEO/CITIOMNIFOR18
44. Citibank N.A.	8,285,700	0.05%	CEO/CITIOMNIFOR19
45. Citibank N.A.	1,046,600	0.01%	CEO/CITIOMNIFOR20
46. Citibank N.A.	107,700	0.00%	CEO/CITIOMNIFOR21
47. Citibank N.A.	2,181,200	0.01%	CEO/CITIOMNIFOR22
48. Citibank N.A.	4,040,200	0.02%	CEO/CITIOMNILOC1
49. Citibank N.A.	8,127,600	0.05%	CEO/CITIOMNILOC2
50. Citibank N.A.	665,400	0.00%	CEO/CITIOMNILOC3
51. Citibank N.A.	14,550,700	0.08%	CEO/CITIOMNILOC4
52. Citibank N.A.	870,715	0.00%	CEO/CITIOMNILOC5
53. Citibank N.A.	23,607,100	0.13%	CEO/CITIOMNILOC6
54. Citibank N.A.	46,600	0.00%	CEO/CITIOMNILOC7
55. Citibank N.A.	83,500	0.00%	CEO/CITIOMNILOC8
56. Citibank N.A.	74,600	0.00%	CEO/CITIOMNILOC9
57. Citibank N.A.	125,200	0.00%	CEO/CITIOMNILOC10
58. Citibank N.A.	2,973,500	0.02%	CEO/CITIOMNILOC11
59. Citibank N.A.	33,400	0.00%	CEO/CITIOMNILOC12
60. Deutsche Bank Manila – Clients A/C	158,998	0.00%	CEO/Deutsche Bank AG Manila Branch
61. BDO Securities Corporation	2,500	0.00%	CEO/Audrey Therese Maagad Yu
Sub-Total (Proxy)	**13,780,997,859**	**76.69%**	
B. Remote Communication			
62. Henry Soesanto	1,508,681,395	8.62%	Henry Soesanto
63. BDO Securities Corporation	40,000,000		
Sub-Total (Remote Communication)	**1,548,681,395**	**8.62%**	
Total No. of Outstanding Shares Present or Represented	**15,329,679,254**	**85.31%**	
Total No. of Outstanding Shares	17,968,611,496	100.0%	

ANNEX F

Certification (that none of MONDE's directors or officers are employed by or connected to the government)

Monde Nissin

MONDE NISSIN CORPORATION

Felix Reyes Street
Brgy. Balibago,
City of Santa Rosa, Laguna
4026 Philippines

21st Floor, 6750 Office Tower
Ayala Avenue, Makati City
1223 Philippines

Tel: (+632) 7759 7500
www.mondenissin.com

CERTIFICATION

I, **HELEN G. TIU**, of legal age, Filipino, and with office address at the 21st Floor, 6750 Office Tower, Ayala Avenue, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of **MONDE NISSIN CORPORATION** (the "Corporation"), SEC Registration Number 0000086335, with principal office address at Felix Reyes St., Brgy. Balibago, City of Santa Rosa, Laguna.

2. Based on the records of the Corporation presently in my custody, none of the Corporation's directors or officers are employed by or connected to the government.

3. I am executing this certification in compliance with the requirements of the Securities and Exchange Commission in relation to the Corporation's Information Statement for its 2024 Annual Stockholders' Meeting.

IN WITNESS WHEREOF, I have hereunto set my hand at the place and on the date indicated below.

Tiu, Helen G.

HELEN G. TIU
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN TO before me this **17th day of May 2024** at the place stated above, affiant exhibiting to me her Pag-ibig MID No. 1212-0257-2480.

ATTY. GARNY-LUISA S. ALEGRE
Notary Public for Makati City
Appointment No. M-219 until December 31, 2024
Roll of Attorneys No. 53666
PTR No. 10074759MN/1-02-2024/Makati City
IBP No. 331554 /12-19-2023
Roll No. 53666/Albay Chapter
MCLE Compliance No. VII-0002539 valid until April 14, 2025
21st Floor, 6750 Office Tower, Ayala Avenue
Makati City, 1226 Metro Manila, Philippines

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Page No. 15;
Book No. II;
Series of 2024.