

COVER SHEET

C S 2 0 0 5 0 8 3 8 6  
SEC Registration Number

B A L A I N I F R U I T A S , I N C .

(Company's Full Name)

6 8 D A T A S T . B R G Y . D O N M A N U E L ,

Q U E Z O N C I T Y

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

RALPH HECTOR ADRICULA

Contact Person

+(632) 8731-8886

Company Telephone Number

SEC FORM 17-C

1 2

Month

3 1

Day

Fiscal Year

FORM TYPE

0 6

Month

2 0

Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc Section

Amended Articles Number /

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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



1. July 15, 2022  
Date of Report (Date of earliest event reported)
2. SEC Identification Number- CS200508386
3. BIR Tax Identification No.- 237-383-045-000
4. BALAI NI FRUITAS INC.  
Exact name of issuer as specified in its charter
5. PHILIPPINES  
Province, country or other jurisdiction  
of incorporation
6.  (SEC Use Only)  
Industry Classification Code
6. 68 DATA ST. BRGY. DON MANUEL QUEZON CITY  
Address of principal office
- Postal Code: 1113
7. (02)8243-1741  
Issuer's telephone number, including area code
9. N/A  
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA  

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<u>Common Shares</u>	<u>1,495,005,000</u>
11. Indicate the item numbers reported herein: **Item 9**

In compliance with the disclosure requirements of the Philippines Stock Exchange, Inc., we are pleased to submit the following;

1. Summary of application of Proceeds from the Initial Public Offering as of June 30, 2022.
2. Certification of Reyes Tacandong and Co. on the accuracy of information provided in relation to progress report.

**SIGNATURES**

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

**BALAI NI FRUITAS INC.**

Issuer



**RALPH HECTOR P. ADRICULA**  
Compliance Officer

Date

**July 15, 2022**

July 15, 2022



**THE PHILIPPINE STOCK EXCHANGE**  
6F PSE Tower, 5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City  
Philippines 1634

Attention: **Ms. Alexandra Wong**  
Officer in Charge- Disclosure Department

**THE SECURITIES AND EXCHANGE COMMISSION**  
Markets and Securities Regulation Department  
Secretariat Building, PICC Complex  
Roxas Boulevard, Pasay City, 1307

Attention: **Director Vicente Graciano P. Felizmenio, Jr.**  
Markets and Securities Regulation Department

Subject: **2022 Second Quarter Report on the Disbursements of Initial Public Offering Proceeds**

Dear Ms. Wong and Director Felizmenio,

In compliance with the disclosure requirements of the Philippines Stock Exchange, Inc., we are pleased to submit the following;

1. Summary of application of Proceeds from the Initial Public Offering as of June 30, 2022.
2. Certification of Reyes Tacandong and Co. on the accuracy of information provided in relation to progress report.

We hope you find everything in order

  
**Ma. Teresa Arujillo**  
Chief Financial Officer

**BALAI NI FRUITAS INC.**  
Summary of Application of Proceeds  
As of June 30, 2022

	<b>As of June 30, 2022</b>
<b>Gross proceeds</b>	227,500,000.00
<b>Offer expenses</b>	(5,010,914.00)
<b>Net proceeds</b>	222,489,086.00
<b>Use of proceeds</b>	
Store network expansion and store improvement	-
Commissary expansion	-
Introduction of new concepts and potential acquisition	-
	-
<b>Unapplied Proceeds</b>	<b>222,489,086.00</b>

July 14, 2022

The Stockholders and the Board of Directors  
Balai ni Fruitas, Inc.  
68 Data St., Brgy. Don Manuel  
Quezon City

## Report of Factual Findings

We have performed the procedures agreed to by the management of Balai ni Fruitas, Inc. ("BNFI" or the "Company") with respect to the use of the proceeds from the Initial Public Offering of the Company's common shares (the "Offering") for the quarter ended June 30, 2022, in connection with its compliance with the reportorial requirements of the Philippine Stock Exchange, Inc. (PSE). Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400 (Revised), *Agreed-upon Procedures Engagements*.

### Background

On December 27, 2021, the stockholders and the Board of Directors of the Company authorized the Offering of the Company's common shares with the PSE. This was approved by the Securities and Exchange Commission (SEC) and the PSE on May 24, 2022 and May 26, 2022, respectively. On June 30, 2022, the Company's 325,000,000 common shares were officially listed at the PSE at an offer price of ₱0.70 per share.

Based on the Company prospectus issued on June 15, 2022, the planned application or use of the proceeds (net of estimated offer expenses) is as follows:

Number of common shares	<b>325,000,000</b>
Offer price a share	<b>₱0.70</b>
<b>Gross Proceeds</b>	<b>₱227,500,000</b>
<b>Offer Expenses</b>	<b>(23,700,000)</b>
<b>Net Proceeds</b>	<b>203,800,000</b>
<b>Use of Proceeds</b>	
Store network expansion and store improvement	(163,800,000)
Commissary set-up	(20,000,000)
Introduction of new concepts and potential acquisitions	(20,000,000)
	<b>(203,800,000)</b>
<b>Unapplied Proceeds</b>	<b>₱-</b>



A comparison of the planned use and actual use of the Proceeds as at June 30, 2022 is shown below:

	<b>Estimated</b>	<b>Actual</b>
<b>Gross Proceeds</b>	<b>₱227,500,000</b>	<b>₱227,500,000</b>
<b>Offer Expenses</b>	<b>(23,700,000)</b>	<b>(5,010,914)</b>
<b>Net Proceeds</b>	<b>203,800,000</b>	<b>222,489,086</b>
<b>Use of Proceeds</b>		
Store network expansion and store improvement	(163,800,000)	–
Commissary set-up	(20,000,000)	–
Introduction of new concepts and potential acquisitions	(20,000,000)	–
	<b>(203,800,000)</b>	<b>–</b>
<b>Unapplied Proceeds</b>	<b>₱–</b>	<b>₱222,489,086</b>

#### *Procedures Performed and Results*

The agreed-upon procedures and the results are summarized as follows:

We obtained the Company's Progress Report on the Use of the Proceeds from the Offering for the quarter ended June 30, 2022.

1. The planned use of proceeds amounts were agreed to the Company's prospectus issued on June 15, 2022.
2. The gross proceeds aggregated ₱262.5 million. We traced the collections to the bank statements and the related sales report of the stock transfer agent bank. The proceeds were deposited by the Company to a specific bank account. Of the total gross proceeds, ₱227.5 million pertains to the sale of the Company's primary shares while the ₱35.0 million pertains to the sale of secondary shares owned by Fruitas Holdings Inc. ("FHI" or the Company's parent company). A reconciliation of the proceeds follows:

Gross proceeds	₱262,500,000
Proceeds attributable to FHI	35,000,000
<b>Net proceeds attributable to BNFI</b>	<b>₱227,500,000</b>

3. Details of the actual Offer expenses aggregating ₱5.0 million are as follows:

Professional, stock transfer and receiving agent fees	₱3,570,950
SEC registration and listing fees	417,238
PSE filing fee	358,679
Others	664,047
<b>Actual Offer expenses</b>	<b>5,010,914</b>
<b>Estimated Offer expenses</b>	<b>23,700,000</b>
<b>Difference</b>	<b>(₱18,689,086)</b>

Others mainly pertain to costs of printing and marketing expenses.

We traced the disbursements to the Company's books of accounts and examined the underlying documents [i.e. official receipts (ORs), billing statements and payment slips] supporting the Offer expenses. We also traced the disbursements to the bank statement to ensure that the checks cleared the bank. Of the total disbursements of ₱5.0 million, ₱3.3 million were made from the Company's other bank accounts. The Company will reimburse these bank accounts subsequently.

4. As at June 30, 2022, the unapplied proceeds amounted to ₱222.5 million. Details are as follows:

Cash in a designated bank account for Offering proceeds	₱260,808,066
Proceeds attributable to FHI	35,000,000
Net proceeds attributable to BNFI	225,808,066
Less advances from other bank accounts	(3,318,980)
	<u>₱222,489,086</u>

We traced the outstanding balance of the unapplied proceeds to the related bank reconciliation statement and bank statement. We also checked the mathematical accuracy and verified the reconciling items. No exceptions were noted.

The sufficiency of the foregoing procedures is solely the responsibility of the Company. Accordingly, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

Because the foregoing procedures do not constitute either an audit or a review made in accordance with Philippine Standards on Auditing or Philippine Standards on Review Engagements, we do not express any assurance on any of the financial statement accounts of the Company.

Had we performed additional procedures or performed an audit or a review of the financial statements in accordance with Philippine Standards on Auditing or Philippine Standards on Review Engagements, other matters might have come to our attention that would have been reported to you. Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to items specified in the foregoing and does not extend to any financial statements of the Company taken as a whole.

## REYES TACANDONG & Co.



WILSON P. TEO

Partner

CPA Certificate No. 92765

Tax Identification No. 191-520-944-000

BOA Accreditation No. 4782; Valid until April 13, 2024

SEC Accreditation No. 92765-SEC Group A

Issued January 28, 2020

Valid for Financial Periods 2019 to 2023

BIR Accreditation No. 08-005144-014-2020

Valid until January 1, 2023

PTR No. 8851714

Issued January 3, 2022, Makati City

July 14, 2022

Makati City, Metro Manila