

COVER SHEET

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SEC Registration Number

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

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(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 3 1
Month Day
Fiscal Year

FORM TYPE

0 8 1 5
Month Day
Annual Meeting

[Empty box]

Secondary License Type, If Applicable

[Empty box]

Dept Requiring this Doc
Section

[Empty box]

Amended Articles Number /

[Empty box]

Total No. of Stockholders

Total Amount of Borrowings

[Empty box]

Domestic

[Empty box]

Foreign

To be accomplished by SEC Personnel concerned

[Empty box]

File Number

LCU

[Empty box]

Document ID

Cashier

STAMPS

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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. January 15, 2024
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**

Balai Ni Fruitas Inc. ("Company") submits this report on the use of proceeds realized from the Initial Public Offering ("Offer") of 325,000,000 common shares at an offer price of Php0.70 per share on June 30, 2022 with the total Offer proceeds of Php 227,500,000.

For the year ended December 31, 2023, the company has a total disbursement of Php 95,967,787.00, which was used for store network expansion, store improvement and commissary set-up. While remaining proceeds as of report date amounts to Php 107,832,213.00.

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

January 15, 2024



January 15, 2024

THE PHILIPPINE STOCK EXCHANGE

6F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City
Philippines 1634

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

Subject: **Annual Progress Report on the Disbursements of Initial Public Offering Proceeds**

Dear Ms. Wong,

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 for the year ended December 31, 2023.
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 Trujillo
Chief Financial Officer

BALAI NI FRUITAS INC.
Summary of Application of Proceeds
As of December 31, 2023

| | Balance as at December 31, 2022 | Movements during the year | Balance as at December 31, 2023 |
|--|---------------------------------------|------------------------------|------------------------------------|
| Gross proceeds | 227,500,000.00 | | 227,500,000.00 |
| Offer expenses | (23,700,000.00) | - | (23,700,000.00) |
| Net proceeds | 203,800,000.00 | - | 203,800,000.00 |
| Use of proceeds | | | |
| Store network expansion and store improvement | (19,721,522.00) | (19,410,170.00) | (39,131,692.00) |
| Commissary set-up | (5,176,625.00) | (51,659,470.00) | (56,836,095.00) |
| Introduction of new concepts and potential acqui | - | | - |
| | (24,898,147.00) | (71,069,640.00) | (95,967,787.00) |
| Unapplied Proceeds | 178,901,853.00 | (71,069,640.00) | 107,832,213.00 |

AGREED-UPON PROCEDURES ON THE USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

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 December 31, 2023, in connection with its compliance with the reportorial requirements of the Philippine Stock Exchange, Inc. (PSE). This may not be suitable for another purpose.

Our engagement was undertaken in accordance with the Philippine Standard on Related Services 4400 (Revised), *Agreed-upon Procedures Engagements*. An agreed-upon procedures engagement involves our performing the procedures that have been agreed with you, and reporting the findings, which are the factual results of the agreed-upon procedures performed. We make no representation regarding the appropriateness of the agreed-upon procedures.

Background

On December 27, 2021, the stockholders and the Board of Directors (BOD) 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.

Procedures Performed and Results

- We obtained the Company's Progress Report on the Use of the Proceeds from the Offering for the quarter ended December 31, 2023. A comparison of the planned use and actual use of the Proceeds as at December 31, 2023 is shown below:

| | Actual | | | Planned Allocation | Difference |
|-----------------------|----------------------------------|------------------------------|---------------------------------|---------------------|------------|
| | Balance as at September 30, 2023 | Movements during the Quarter | Balance as at December 31, 2023 | | |
| Gross Proceeds | ₱227,500,000 | ₱- | ₱227,500,000 | ₱227,500,000 | ₱- |
| Offer Expenses | (23,700,000) | - | (23,700,000) | (23,700,000) | - |
| Net Proceeds | ₱203,800,000 | ₱- | ₱203,800,000 | ₱203,800,000 | ₱- |

| | Actual | | | Planned Allocation | Difference |
|---|--|------------------------------------|---------------------------------------|-----------------------|---------------------|
| | Balance as at September 30, 2023 | Movements during the Quarter | Balance as at December 31, 2023 | | |
| Use of Proceeds | | | | | |
| Store network expansion and store improvement program | (P37,046,201) | (P2,085,491) | (P39,131,692) | (P123,800,000) | P84,668,308 |
| Commissary set-up | (7,894,386) | (48,941,709) | (56,836,095) | (60,000,000) | 3,163,905 |
| Acquisition opportunities and introduction of new concepts | - | - | - | (20,000,000) | 20,000,000 |
| | (44,940,587) | (51,027,200) | (95,967,787) | (203,800,000) | 107,832,213 |
| Unapplied Proceeds | P158,859,413 | (P51,027,200) | P107,832,213 | P- | P107,832,213 |

2. We traced the disbursements pertaining to the use of the proceeds to the Company's cash disbursements books and compared them to the supporting official receipts, collection receipts, acknowledgment receipts, sales invoices, and billing statements. We also traced the cash disbursements to the bank statement to check that the issued checks have cleared the bank. No exceptions were noted.

The disbursements for store network expansion and store improvement program amounting to P2.1 million pertain to store construction and fabrication, marketing graphics and advertisements, furniture and fixtures, leasehold improvements and transportation equipment.

The disbursements for the commissary set-up program amounting to P49.0 million pertain to commissary construction and fabrication, and furniture and fixtures.

3. The reconciliation of the unapplied proceeds amounting to P107.8 million as at December 31, 2023 and the balances of the cash and cash equivalents as at that date is as follows:

| | |
|--|--------------------|
| Unapplied proceeds | P107,832,213 |
| Less: Cash and cash equivalents | |
| Cash in time deposits | P100,413,140 |
| Cash in savings accounts | 19,559,775 |
| | <u>119,972,915</u> |
| Difference | (12,140,702) |
| Less: | |
| Cash balance in savings account before transfer of IPO proceeds | (7,119,421) |
| Interest income | (5,021,281) |
| | <u>P-</u> |

We traced the outstanding balance of the unapplied proceeds to the bank reconciliation statements, related certificates of time deposits and bank statements. We also checked the mathematical accuracy and traced the reconciling items to the bank statements. We also traced and agreed the balances of the cash and cash equivalents as at December 31, 2023 to the passbooks, bank statements, certificates of time deposits and statements of account. No exceptions were noted.

The Company has acknowledged that the agreed-upon procedures are appropriate for the purpose of the engagement. The Company is responsible for the subject matter on which the agreed-upon procedures are performed.

This agreed-upon procedures engagement is not an assurance engagement. Accordingly, we do not express an opinion or an assurance conclusion. Had we performed additional procedures 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 the Company.

We have complied with the relevant ethical requirements in making informed decisions about the courses of action that are appropriate in the circumstances of the agreed-upon procedures engagement. For the purpose of this engagement, there are no independence requirements with which we are required to comply.

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

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.



CEDRIC M. CATERIO

Partner

CPA Certificate No. 87322

Tax Identification No. 102-083-647-000

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

SEC Accreditation No. 87322-SEC Group A

Issued April 20, 2022

Valid for Financial Periods 2021 to 2025

BIR Accreditation No. 19-005765-001-2022

Valid until December 13, 2025

PTR No. 10072410

Issued January 2, 2024, Makati City

January 12, 2024

Makati City, Metro Manila