

COVER SHEET

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SEC Registration Number

F R U I T A S H O L D I N G S , I N C .

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(Company's Full Name)

N O . 6 0 C O R D I L L E R A S T .

B R G Y . D O N A J O S E F A Q U E Z O N C I T Y

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

RUSHELL A. SALVADOR
Contact Person

+(632) 8731-8886
Company Telephone Number

SEC FORM 17-C

DISBURSEMENT OF PROCEEDS AND PROGRESS
REPORT AS OF SEPTEMBER 30, 2022

FORM TYPE

1 2

Month Day
Fiscal Year

3 1

DISBURSEMENT OF PROCEEDS AND PROGRESS
REPORT AS OF SEPTEMBER 30, 2022

0 7

Month Day
Annual Meeting

2 5

Day

[Empty box]

Secondary License Type, If Applicable

[Empty box]

Dept Requiring this Doc

[Empty box]

Amended Articles Number / Section

Total Amount of Borrowings

[Empty box]

Total No. of Stockholders

[Empty box]

Domestic

[Empty box]

Foreign

To be accomplished by SEC Personnel concerned

[Empty box]

File Number

LCU

[Empty box]

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

October 14, 2022

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

THE PHILIPPINE STOCK EXCHANGE

3rd Floor, Philippines Stock Exchange Plaza
Ayala Triangle, Ayala Avenue, Makati City

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

Subject : **FRUIT- SEC Form 17-C Disbursement of Proceeds and
Progress Report as of September 30, 2022**



Dear Director Felizmenio and Ms. Wong:

We hereby submit and certify the Disbursement of Proceed and Progress Report (“report”) of Fruititas Holdings Inc. as of September 30, 2022.

The company has a total disbursement of Php 37,484,128 for the quarter ended September 30, 2022 used for store network expansion, debt repayment, introduction of new concepts and commissary expansion. While the proceeds have a remaining balance of Php 38,989,359 as of report date.

Below is the schedule of the Planned and Actual Disbursement of IPO proceeds as of September 30, 2022:

FRUITAS HOLDINGS INC.
Summary of Application of Proceeds
As of September 30, 2022

	Balance as at June 30, 2022	Movements during the quarter	Balance as at September 30, 2022
Gross proceeds	896,548,800.00		896,548,800.00
Offer expenses	(72,464,600.00)		(72,464,600.00)
Net proceeds	824,084,200.00	-	824,084,200.00
Use of proceeds			
Store network expansion and store improvement	(131,559,471.00)	(13,239,183.00)	(144,798,654.00)
Investments of Advances for Working Capital	(146,657,896.00)	(342,104.00)	(147,000,000.00)
Debt repayment	(174,732,180.00)	(267,820.00)	(175,000,000.00)
Acquisition opportunities and introduction of new conce	(99,658,296.00)	(35,341,704.00)	(135,000,000.00)
Acquisition of head office of FHI	(142,375,050.00)		(142,375,050.00)
Commissary expansion	(35,491,865.00)	(1,532,500.00)	(37,024,365.00)
Balance of amounts infused in subsidiaries	(17,135,955.00)	13,239,183.00	(3,896,772.00)
	(747,610,713.00)	(37,484,128.00)	(785,094,841.00)
Unapplied Proceeds	76,473,487.00	(37,484,128.00)	38,989,359.00

Attached here is the report with the External Auditor Certification.

Very Truly Yours,

FRUITAS HOLDINGS INC.

By:


Juned Dominic P. Torio
Chief Financial Officer & Treasurer

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. 14 October 2022
Date of Report (Date of earliest event reported)
2. SEC Identification Number- CS201503014
3. BIR Tax Identification No.- 008-961-476-000
4. **FRUITASHOLDINGS 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
7. 60 CORDILLERA ST. COR. E. RODRIGUEZ SR. AVE. QUEZON CITY 1113
Address of principal office Postal Code:
8. (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</u>	<u>2,133,680,000</u>

11. Indicate the item numbers reported herein: ITEM 9- OTHER EVENTS

Fruitash Holdings Inc. ("Company") submits this report on the use of proceeds realized from the Initial Public Offering ("Offer") of 533,660,000 common shares at an offer price of Php1.68 per share conducted on 29 November 2019. The total proceeds from the Offer amounted to Php896,548,800.

The company has a total disbursement of Php 37,484,128 for the quarter ended September 30, 2022 used for store network expansion, debt repayment, introduction of new concepts and commissary expansion. While the proceeds have a remaining balance of Php 38,989,359 as of report date.


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

FRUITAS HOLDINGS INC.

Issuer

Date



RUSHELL A. SALVADOR
Compliance Officer

14 October 2022



October 13, 2022

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

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

Subject: **2022 Third Quarter 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 as of September 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


Juneil Dominic P. Torio
Chief Financial Officer

FRUITAS HOLDINGS INC.
Summary of Application of Proceeds
As of September 30, 2022

	Balance as at June 30, 2022	Movements during the quarter	Balance as at September 30, 2022
Gross proceeds	896,548,800.00		896,548,800.00
Offer expenses	(72,464,600.00)		(72,464,600.00)
Net proceeds	824,084,200.00	-	824,084,200.00
Use of proceeds			
Store network expansion and store improvement	(131,559,471.00)	(13,239,183.00)	(144,798,654.00)
Investments of Advances for Working Capital	(146,657,896.00)	(342,104.00)	(147,000,000.00)
Debt repayment	(174,732,180.00)	(267,820.00)	(175,000,000.00)
Acquisition opportunities and introduction of new conce	(99,658,296.00)	(35,341,704.00)	(135,000,000.00)
Acquisition of head office of FHI	(142,375,050.00)		(142,375,050.00)
Commissary expansion	(35,491,865.00)	(1,532,500.00)	(37,024,365.00)
Balance of amounts infused in subsidiaries	(17,135,955.00)	13,239,183.00	(3,896,772.00)
	(747,610,713.00)	(37,484,128.00)	(785,094,841.00)
Unapplied Proceeds	76,473,487.00	(37,484,128.00)	38,989,359.00

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

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

Report of Factual Findings

We have performed the procedures agreed to by the management of Fruitas Holdings, Inc. ("FHI" 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 September 30, 2022 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 Revised 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 August 24, 2019, the stockholders and the Board of Directors (BOD) authorized the Company's Offering of its common shares with the PSE. This was approved by the Securities and Exchange Commission (SEC) and by the PSE on October 17, 2019 and October 23, 2019, respectively.

On November 29, 2019, the Company's 533,660,000 common shares were officially listed on the PSE at an offer price of ₱1.68 per share.

Procedures Performed and Results

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

We obtained the Company's Quarterly Report on the Disbursement of Proceeds from Initial Public Offering for the quarter ended September 30, 2022. A comparison of the actual use and planned use of the Proceeds as at September 30, 2022 is shown below:

	Actual			Revised Planned Application	Difference
	Balance as at June 30, 2022	Movements during the Quarter	Balance as at September 30, 2022		
Gross Proceeds	₱896,548,800	₱-	₱896,548,800	₱896,548,800	₱-
Offer Expenses	(72,464,600)	-	(72,464,600)	(76,500,000)	4,035,400
Net Proceeds	824,084,200	-	824,084,200	820,048,800	4,035,400

(Forward)

	Actual			Revised Planned Application	Difference
	Balance as at June 30, 2022	Movements during the Quarter	Balance as at September 30, 2022		
Use of Proceeds					
Store network expansion and store improvement program	(P131,559,471)	(P13,239,183)	(P144,798,654)	(P158,048,800)	P13,250,146
Debt repayment	(174,732,180)	(267,820)	(175,000,000)	(175,000,000)	–
Investment or advances to subsidiaries for working capital	(146,657,896)	(342,104)	(147,000,000)	(147,000,000)	–
Acquisition of head office of FHI	(142,375,050)	–	(142,375,050)	(145,000,000)	2,624,950
Acquisition opportunities and introduction of new concepts	(99,658,296)	(35,341,704)	(135,000,000)	(135,000,000)	–
Commissary expansion	(35,491,865)	(1,532,500)	(37,024,365)	(60,000,000)	22,975,635
Balance of amounts infused in subsidiaries	(17,135,955)	13,239,183	(3,896,772)	–	(3,896,772)
	(747,610,713)	(37,484,128)	(785,094,841)	(820,048,800)	34,953,959
Unapplied Proceeds	P76,473,487	(P37,484,128)	P38,989,359	P–	P38,989,359

1. The disbursements for store network expansion and store improvement program amounting to P13.2 million during the quarter ended September 30, 2022 pertain to security deposits and advance rentals paid for newly opened stores, kiosk construction and fabrication, and leasehold improvements.

We obtained and inspected the supporting official receipts, collection receipts, acknowledgment receipts, sales invoices, and billing statements. We also traced the cash disbursements to the corresponding bank statement. No exceptions were noted.

2. The debt repayment amounting to P267,820 pertains to the payment of the loan of Fruitasgroup Incorporated (FGI), a wholly-owned subsidiary. We compared the amount of debt repayment to the ORs issued by the creditor banks. We also traced the cash disbursements to the corresponding bank statement. No exceptions were noted.
3. The advances to subsidiaries amounting to P342,104 for the quarter ended September 30, 2022 pertain to advances for FGI's working capital purposes. We traced the disbursement from the cash disbursements of the Company and also traced the advances to the corresponding bank statements of FGI. No exceptions were noted.
4. Details of payments made related to acquisition opportunities are as follows:

On June 30, 2022, FHI through SKI, entered into a Memorandum of Agreement (MOA) to acquire 100.0% of the outstanding common shares of LN Banaue Inc. (LNBI) and identified assets relating to Ling Nam restaurant business in the Philippines.

The assets include all equipments, factory, and warehouse, all registered intellectual property, manuals, and recipes, which constitute technical know-how relating to Ling Nam business.

As at September 30, 2022, the total payments made amounted to P48.0 million, of which P35.3 million was taken from the IPO proceeds. We traced the payments to the bank statement and compared the amount to the supporting acknowledgment receipt. No exceptions were noted.

5. The disbursements for commissary expansion amounting to P1.5 million represent commissary improvements of FGI. We inspected the related supporting billing statements, SIs and ORs issued by the contractor. We also traced the cash disbursements to the corresponding bank statement. No exceptions were noted.

6. The details of the balance of amounts infused in subsidiaries are as follows:

	FGI	BNFI	NTI	Total
Balance as at June 30, 2022	₱16,645,556	₱490,399	₱–	₱17,135,955
Transfer funds from FGI to NTI	(4,000,000)	–	4,000,000	–
Store network expansion and store improvement	(9,430,098)	–	(3,809,085)	(13,239,183)
Balance as at September 30, 2022	₱3,215,458	₱490,399	₱190,915	₱3,896,772

FGI transferred funds to Negril Trading Inc. (NTI) amounting to ₱4.0 million for NTI's expansion activities.

The disbursements for store network expansion and store improvement pertain to rental deposits and leasehold improvements during the quarter ended September 30, 2022.

We obtained and inspected the related supporting official receipts, collection receipts, acknowledgment receipts, sales invoices and billing statements, and traced the cash disbursements to the corresponding bank statement. No exceptions were noted.

The remaining balance of ₱3.9 million as at September 30, 2022 is intended for store and network expansion and continuous commissary expansions.

7. The reconciliation of the unapplied proceeds amounting to ₱39.0 million as at September 30, 2022 and the balances of the cash and cash equivalents as at that date is as follows:

Unapplied proceeds		₱38,989,359
Less: Cash and cash equivalents		
Cash invested in time deposits	21,044,788	
Cash in a savings bank account	16,273,966	
Cash in a designated bank account for Offering		
Proceeds	4,397,954	41,716,708
Difference		2,727,349
Less interest Income		2,727,349
		₱–

We traced the outstanding balance of the unapplied proceeds to the related bank reconciliation statements, bank statements and certificates of time deposits. 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 September 30, 2022 to the passbooks, bank statements and certificates of time deposits. 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 all 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. 19-005765-001-2019;

Valid until December 5, 2022

PTR No. 6360032;

Issued January 5, 2022, Davao City

October 14, 2022

Makati City, Metro Manila