

MERRYMART CONSUMER CORP.

REPORT OF FACTUAL FINDINGS ON THE
APPLICATION OF PROCEEDS FROM THE INITIAL PUBLIC
OFFERING



REPORT OF FACTUAL FINDINGS

The Board of Directors and Stockholders

MERRYMART CONSUMER CORP.

9th Floor, Tower 1, DoubleDragon Plaza

DD Meridian Park, Corner Macapagal Avenue and EDSA Extension

Bay Area, Barangay 76, Pasay City, NCR, Philippines

We have performed the procedures agreed with you and enumerated below with respect to the Progress Report on the application of proceeds from the Initial Public Offering ("IPO") of MerryMart Consumer Corp. (the "Company") on June 15, 2020. The procedures were performed solely to comply with the requirement of the Philippine Stock Exchange (PSE) for the Company to submit an external auditors' report of factual findings on the accuracy of the information being represented by the Company relating to the use of proceeds from the IPO whenever a report is submitted to the PSE. Our engagement was undertaken in accordance with Philippine Standard on Related Services (PSRS) 4400, *Engagements to Perform Agreed-upon Procedures Regarding Financial Information*.

The agreed-upon procedures are summarized as follows:

1. Obtain and check the mathematical accuracy of the Quarterly Progress Report from the Company.
2. Compare the list of all the disbursements in the Quarterly Progress Report with the schedule of planned use of proceeds from the IPO in the Offering Circular ("Prospectus") and agree the amounts to the related supporting documents such as memorandum of agreements, invoices, deposit slips, passbook and letter of instructions.
3. Obtain written management representation as to any reallocation (or absences thereof) on the Company's planned use of proceeds or any change in the work program as disclosed in the Prospectus.

The results of the procedures performed are summarized in Annex A, which is an integral part of this report.

The procedures that we performed did not constitute either an audit or review made in accordance with Philippine Standards on Auditing (PSA) or Philippine Standard on Review Engagements (PSRE), thus, we do not express any assurance on the use of proceeds from the IPO based on the said standards.

Had we performed additional procedures, or had we performed an audit or review of the financial statements in accordance with PSA and PSRE, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events or circumstances occurring after the date of this report.

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 who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. This report relates only to the report on the Company's use of the proceeds from the IPO and items specified above and do not extend to any financial statements of the Company taken as a whole.

R.G. MANABAT & CO.



DARWIN P. VIROCEL

Partner

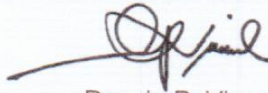
CPA License No. 0094495

SEC Accreditation No. 94495-SEC, Group A, effective for five (5) years
covering the audit of 2019 to 2023 financial statements

January 15, 2022
Makati City, Metro Manila

REPUBLIC OF THE PHILIPPINES)
Makati City) S.S.

I, Darwin P. Virocel, a Partner of R.G. Manabat & Co., do solemnly swear that all matters set forth in the above report are true and correct to the best of my knowledge.



Darwin P. Virocel
Partner

SUBSCRIBED AND SWORN TO before me, this 15th day of January 2022 in Pasay City, Metro Manila, affiant exhibiting to me his PRC Professional Identification Card as Certified Public Accountant with Registration No. 0094495, which expires on December 17, 2022.

Doc No. 448
Page No. 91
Book No. 6
Series of 2022.



ERIKA ESTEL G. GUIO

Notary Public for Pasay

Until December 31, 2021

Commission No.

Roll No. 63306

IDP Lifetime Member No. 012614 03/25/2014

PTR No. 7636507 01/09/2022/Pasay City

DoubleDragon Headquarters, 10th Floor, Tower 1

DoubleDragon Plaza, DD Mordian Park

Cor. Marapagal Avenue & EDSA Exit, Bay Area, Pasay City

WITH FURTHER EXTENSION OF NOTARIAL

COMMISSION UNTIL 30 JUNE 2022

Summary of Results of Agreed-Upon Procedures Performed

Annex A

We report the results of our work as follows:

1. We have obtained and checked the mathematical accuracy of the Company's Quarterly Progress Report for the fourth quarter ended December 31, 2021. No exceptions noted.
2. We have compared the list of all the disbursements in the Quarterly Progress Report with the schedule of planned use of proceeds from the IPO in the Prospectus and agreed the amounts to the related supporting documents. No exceptions noted.

As presented by the Company and based on the above procedures, the table below lists the details of the disbursements made during the quarter ended December 31, 2021, from the P1,466,335,088 net IPO proceeds.

In (PHP)	Allocation of Actual Net Proceeds	Actual Disbursement			Actual Remaining as at 31 DEC 2021
		As at 30 SEPT 2021	Q4 2021	Total as at 31 DEC 2021	
Capital expenditures and initial working capital for store network expansion	P1,030,800,000	P547,033,862	P181,056,194	P728,090,056	P302,709,944
Investments in distribution centers	220,900,000	172,454,036	18,817,639	191,271,675	29,628,325
General corporate purposes	214,635,088	186,598,457	28,036,631	214,635,088	-
Total	P1,466,335,088	P906,086,355	P227,910,464	P1,133,996,819	P332,338,269

Relative to the actual disbursements for the period, the following procedures were also performed:

- a. Compared and agreed the actual disbursements for the quarter ended December 31, 2021 submitted by the Company to the PSE to the related supporting documents which includes bank account passbooks, official receipts, collection receipts and bank deposit slips. No exceptions noted.
- b. Checked the details of the disbursements made as shown above to the related supporting documents and noted that the portion of the proceeds allocated for capital expenditures and initial working capital for store network expansion of various stores has been disbursed by the Company totaling P181,056,194, disbursement amounting to P18,817,639 for investment in distribution centers related to one of the distribution centers, and disbursement of P28,036,631 for the Company's general corporate requirements. Such transactions and amounts thereof were agreed to the related vouchers and official receipts.

We have also observed disbursements pertaining to prior quarter which were included in the report amounting to P18,657,535. No other exceptions noted.

3. We have obtained written management representation and noted that there were no reallocations made on the Company's planned use of proceeds from the IPO or any changes in the work program as disclosed in the Prospectus.